

March 21, 2017

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

Dear Sirs,

Sub.: Annual Report including with Notice of 30th Annual General Meeting

Kindly be informed that the 30th Annual General Meeting (AGM) of CRISIL Limited will be held on Thursday, April 20, 2017 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.

Please find enclosed herewith Annual Report of the Company for the financial year ended December 31, 2016 including the Notice of 30th AGM.

Kindly acknowledge receipt and inform your members accordingly.

Yours faithfully,  
For CRISIL Limited



Minal Bhosale  
Company Secretary  
ACS 12999

Encl.: a/a

**CRISIL**

An S&P Global Company

# Analytics of Conviction

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CRISIL Limited | Annual Report 2016



# Analytics of Conviction

- Constantly evolving market dynamics means decision makers need to rely on insights they can trust.

CRISIL's analytics, based on unparalleled institutional expertise, extensive experience, and unrelenting passion for excellence, enable clients to address their strategic business challenges.

We have helped over 100,000 customers take informed decisions with conviction.

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# Message from the Chairman



# I am optimistic that CRISIL will continue to grow and succeed while staying true to its core principles of agility, innovation and analytics

I am delighted to report that CRISIL made significant progress in growing its business and franchise in 2016.

The Company strengthened its position and expanded its customer base in India and in key global markets. It launched new analytics and solutions which helped deliver relevant intelligence and insights to its stakeholders. CRISIL also elevated its franchise and thought leadership agenda with impactful, timely and in-depth reports & analysis.

The Company's Ratings and Research businesses continued to enhance their premier position in the domestic markets, while its Infrastructure Advisory arm won many prestigious mandates including the ones on Smart Cities in India. The global businesses added new client segments on the back of newly launched products such as transaction banking analytics and services for the buy side.

With the launch of the new S&P Global brand, the Company sharpened its focus on data, research, benchmarks and analytics for global capital and commodities markets.

We have received a great response from the market and our employees are enthusiastic about the aligned purpose and values. Reflecting this change, CRISIL took on a bolder logo with more pronounced font and colours. This new look befits the agile, transparent and market leader that is CRISIL.

I am pleased that the collaboration between S&P Global and CRISIL continues to strengthen, underscored by the growth of CRISIL's Global Analytical Center and the joint franchise events we have held in India and Asia.

I thank CRISIL's employees for their many valuable contributions.

Looking ahead, I am optimistic that CRISIL will continue to grow and succeed while staying true to its core principles of agility, innovation and analytics.



**Douglas L. Peterson**

# About CRISIL

## Who we are

► CRISIL is a global, agile and innovative 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. CRISIL's businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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



## Who we serve

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

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

## How we add value

▶ Our analyses, insights and solutions help lenders, borrowers, issuers, investors, regulators and intermediaries make sound decisions.

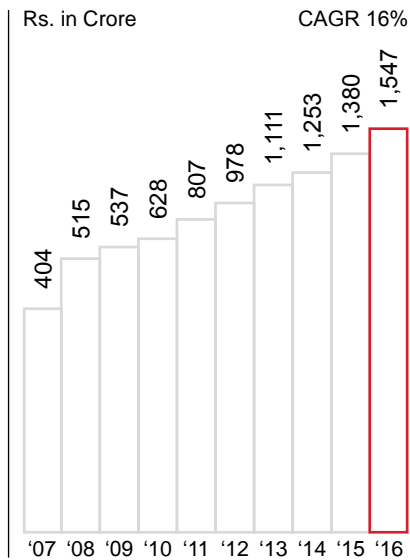
We help clients manage and mitigate risks, take pricing and valuation decisions, reduce time to market, generate more revenue and enhance returns.

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

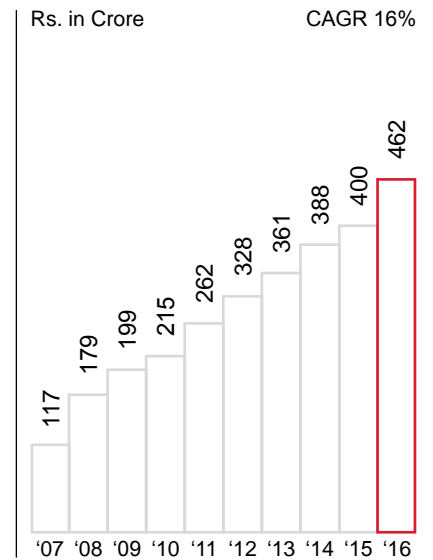


# Financial Highlights

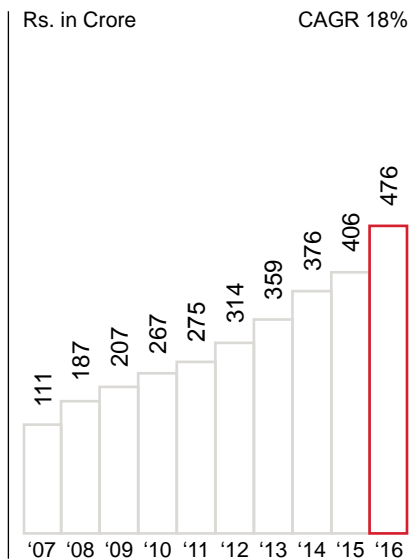
## Income from operations



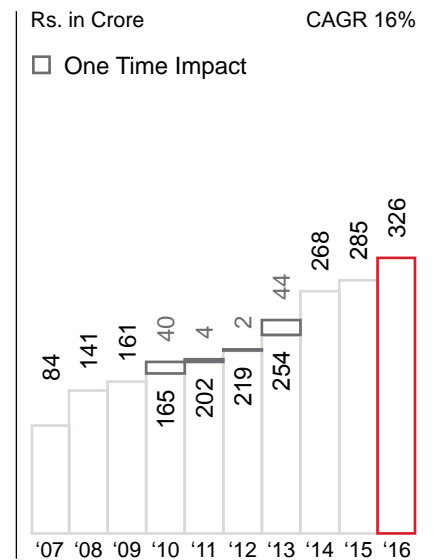
## EBITDA



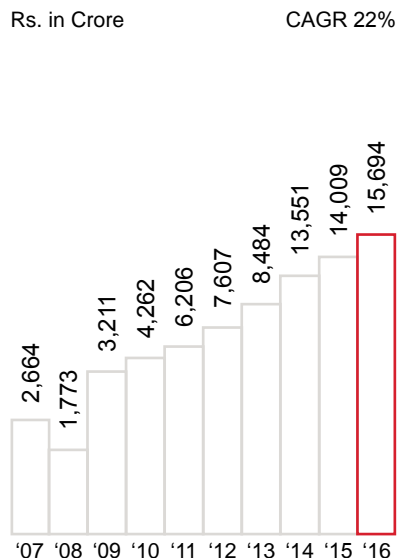
## Profit before tax



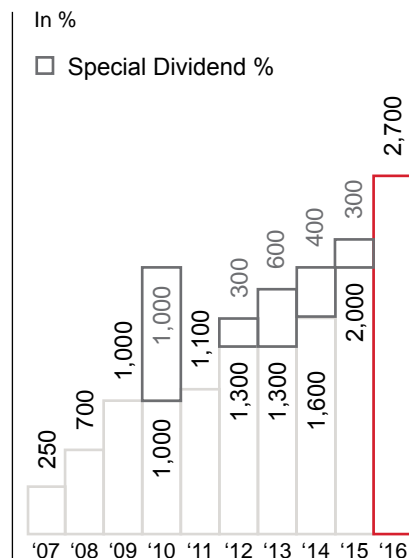
## Profit after tax



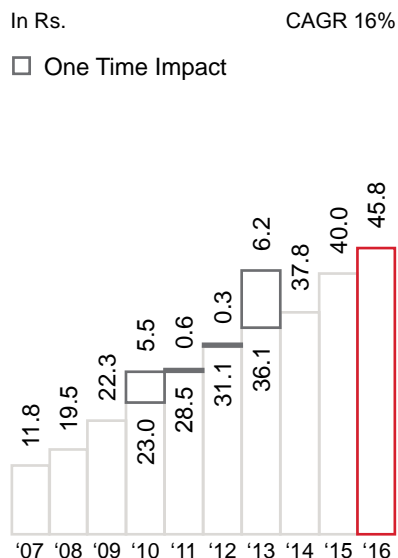
## Market capitalisation



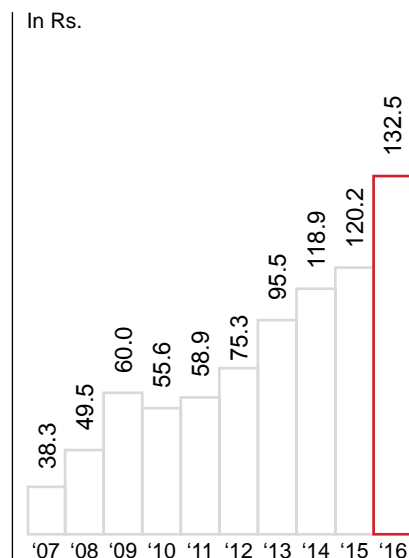
## Dividend



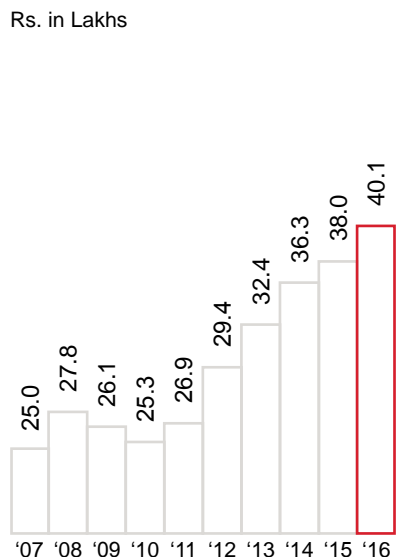
## EPS



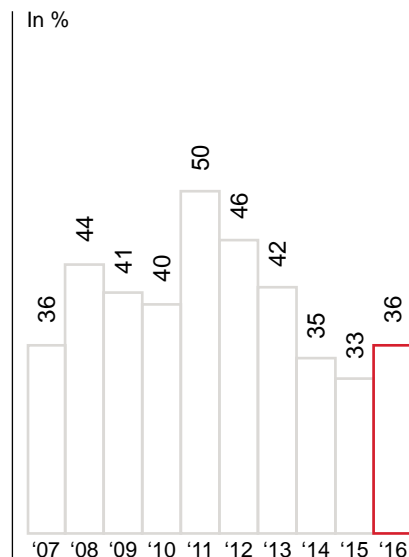
## Net worth per share



## Revenue per employee



## Return on average net worth



# CRISIL's Businesses

## CRISIL Ratings

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

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## CRISIL has ratings on more than **25,400** large and mid-scale corporates and financial institutions in India

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We have ratings on more than 25,400 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 the markets function better and also assist regulators in measuring and managing credit risks at a systemic level. Our ratings are used in computation of capital adequacy in the banking sector and to determine

the eligible investment pool for insurance companies, pension funds and provident funds. We have also rated or assessed over 110,000 Micro, Small and Medium Enterprises (MSMEs) in India.

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

## CRISIL Global Research & Analytics

- Financial Research
- Risk & Analytics
- Corporate Research
- Coalition

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## CRISIL Global Research and Analytics enables coverage of over **3,300** stocks and **3,400** credits globally, reviews **20%** of outstanding exotic equity derivatives and provides business intelligence to leading global corporates and investment banks.

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We are leaders in providing research support and running risk and analytics support to more than 75 global banks, 50 buy-side firms and a number of insurance companies, corporations, consulting firms, private equity players and asset management firms. Our research support enables coverage of over 3,300 stocks and 3,400 credits globally. Our team of quantitative, regulatory, risk and actuarial specialists provides support in the areas of model development, validation, stress testing, CCAR and other regulatory assignments. A team of business analysts, project managers, IT specialists, front office and middle office specialists assists banks in change management, platform migration, implementing global regulatory processes and reviews 20% of outstanding exotic equity derivatives. Our team at Coalition provides business intelligence and high-end analytics

to more than 20 corporate and investment banks, including the top 15. We operate from 7 research centres across Argentina, China, India and Poland.

We help clients increase revenues and strengthen market position. Our high-quality research support has enabled clients to improve their institutional ranking, increase coverage, enter new markets, get better business insights, and deliver path-breaking strategies. Our seasoned specialists in derivatives, risk and actuarial practices enable clients to apply incisive analytics to internal models, transition to more robust risk and trading platforms, measure risk in a more real-time manner, and comply with regulatory requirements including model validation and stress testing across geographies.

Our data analytics solutions and services help clients effectively use data for strategic and tactical decision making to drive key business objectives such as automation and cost reduction, alpha generation, and AUM

growth. We offer solutions and services across the value chain – Data Management, Business Intelligence, Advanced and New Age Analytics – and have delivered several solutions across marketing, sales, human resources, operations, investment research and customer/client engagement business

verticals. Our team has rich experience in a variety of databases, visualisation and analytics software, and has created 100+ advanced statistical, econometric & algorithmic methodologies to solve business problems.

## CRISIL Research

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

**CRISIL Research works with nearly 1,000 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation and all Indian MF and life insurance companies.**

We help our clients make informed lending, investment and strategic decisions, thereby mitigating and managing risk. We work with nearly 1,000 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, all Indian mutual fund (MF) and life insurance companies, and six of the world's leading consulting firms. We are India's most credible

provider of economy and industry research, with coverage across 86 sectors. We are the largest provider of valuation of fixed income securities to the MF, insurance and banking industries, valuing over \$1,3 trillion of Indian debt securities. We rank Indian MFs, covering 78% of assets under management (AUM), valued at \$190 billion. We are also the sole provider of debt and hybrid indices to India's MF and life insurance companies.

## CRISIL Risk & Infrastructure Solutions Limited (CRIS)

CRISIL conducts its risk solutions and infrastructure advisory businesses through its subsidiary CRISIL Risk and Infrastructure Solutions Limited (CRIS).

- CRISIL Risk Solutions
- CRISIL Infrastructure Advisory

**CRISIL Risk & Infrastructure Solutions provides a comprehensive range of risk management tools, analytics and solutions and infrastructure advisory in urban, energy and natural resources, transport and logistics, and infrastructure financing across India and other emerging countries.**

### CRISIL Risk Solutions

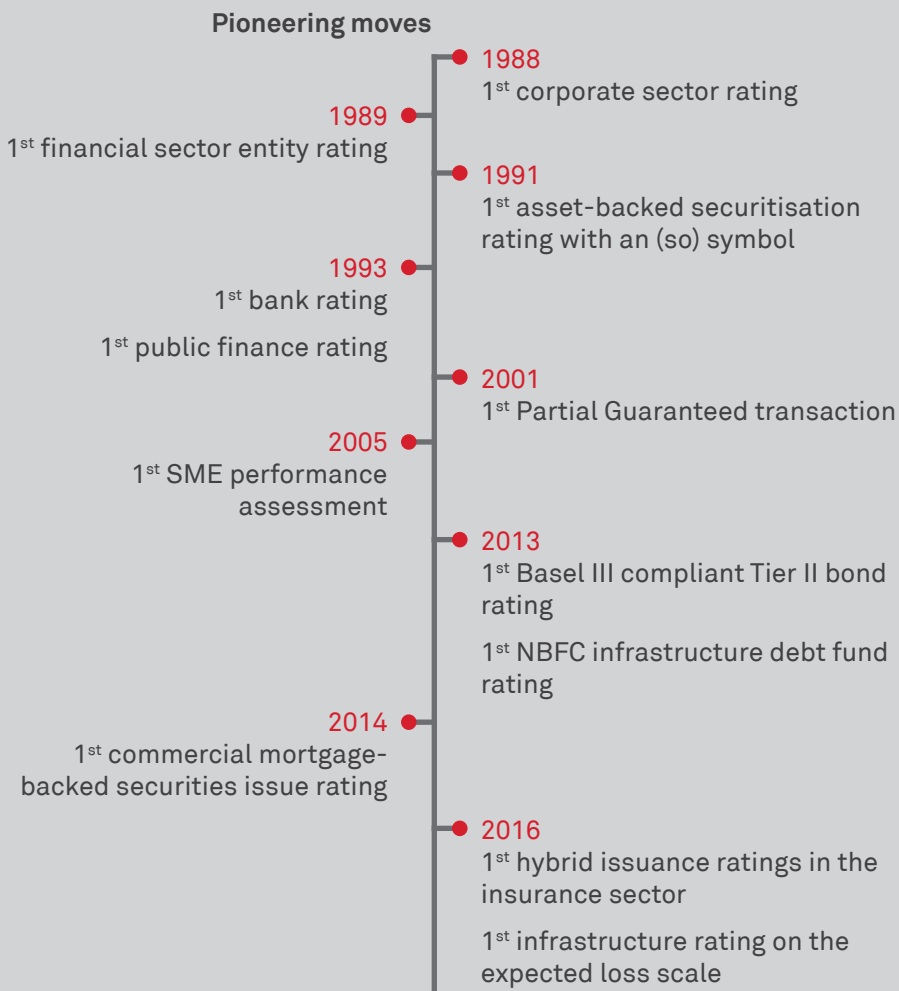
We provide a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India, the Middle East, Africa, South Asia and South-East Asia. We have helped over 70 banks and financial institutions adopt best practices in risk management, undertaken risk management assignments in 15 countries and provided risk management solutions to nine of the top 10 banks in India.

### CRISIL Infrastructure Advisory

We are leading advisors to governments and regulators, multilateral agencies, investors and large corporates. We help shape public policy and enable infrastructure development. We work in the areas of policy and regulatory, project advisory, public private partnership frameworks, infrastructure financing mechanisms, and implementation support to large infrastructure programmes. Our teams have expertise across the infrastructure spectrum, including urban development, energy and natural resources, transport and logistics, and infrastructure financing in India and other emerging countries.

# The Analytics of Innovation

CRISIL's culture of innovation is what sets us apart and helps us stay well ahead. We create and redefine methodologies that set benchmarks at the industry level. Most innovative instruments in the Indian market are rated first by CRISIL. Our credit ratings support growth and transparency in the capital markets and help investors take decisions with conviction.



**14,500+**  
corporate ratings  
& financial sector  
ratings

**25,000+**  
bank loan ratings

**1,125+**  
securitisation  
ratings

**1,10,000+**  
SME performance  
assessments

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# **2016 at a Glance**

# Franchise Highlights

## January 2016

Dharmakirti Joshi presenting at the conclave



▶ Dharmakirti Joshi, Chief Economist, CRISIL, presents the macroeconomic outlook for India at the **10th Society of Indian Automobile Manufacturers (SIAM) Looking Ahead Conclave – “Making it Happen”** in New Delhi.

Anubhav Arora (extreme left), Associate Director, CRISIL Ratings, releases the report with Arundhati Bhattacharya (centre), Chairperson, State Bank of India, and other dignitaries



▶ CRISIL Ratings participates as knowledge partner in The Associated Chamber of Commerce of India's (ASSOCHAM's) conference on the **'Indian Banking Sector: The Changing Landscape'** in New Delhi.

▶ CRISIL GR&A hosts the **'Regulatory Round Table with US regulators'**, with US Federal Reserve officials David Palmer and Joseph Cox, in New York.

▶ CRISIL Ratings participates in the **National Retail Summit 2016** organised

by the Confederation of Indian Industry (CII) in New Delhi. Anuj Sethi, Director, CRISIL Ratings, participates in the panel titled 'IT in the New Age: Defining and Positioning E-commerce Platforms' at the event.

▶ CRISIL Research participates in the **Logistics Asia Summit 2016** in Mumbai. Arun Venkatesh, Associate Director, CRISIL Research, speaks on 'Sea Ports - Adequacy of Seaport Infrastructure'.

▶ CRISIL and S&P Global Ratings jointly organise a web-conference titled **'Lifting the fog on China'**. Dharmakirti Joshi, Chief Economist, CRISIL, and Paul Gruenwald, Managing Director & Chief Economist, Asia-Pacific, S&P Global Ratings, host the webinar.

## February 2016

Dharmendra Pradhan (second from right), Minister of State (IC) for Petroleum and Natural Gas, Government of India, releases the Hydrocarbon Vision 2030 for North-East India in Guwahati



CRISIL Infrastructure Advisory partners with Ministry of Petroleum and Natural Gas to release **Hydrocarbon Vision 2030**.

Piyush Goyal, Hon'ble Union Minister of Power, with Sudip Sural at the summit



CRISIL Ratings is the Knowledge Partner at **The 3rd Annual Economic Times Power Focus Summit 2016** in New Delhi. Sudip Sural, Senior Director, CRISIL Ratings, is part of the event advisory board and moderates the panel on 'Invigorating Discoms: A step towards powerful future'.

The CRISIL team at the workshop



CRISIL Risk Solutions, in association with CapitalPlus Exchange, conducts a two-day workshop on **Credit Risk & Problem Loan Management Workshop for SME bankers** in Nairobi.

CRISIL GR&A hosts a client roundtable titled **'Research Unbundling in Europe – A Buy-side Perspective'** in London.

Alejandro Gomez, Lead Analyst, R&A, GR&A, speaks on Standardised Approach and Default Risk

Charge at the event titled **'Fundamental Review of the Trading Book Conference: Towards Practical Implementation'** held in London.

CRISIL Real Estate Star Ratings (CREST) is the knowledge partner at the **Realty Plus Conclave** in Pune. Sudhir Nair, Director, CRISIL SME, Ratings moderates a panel discussion on 'Revival of Real Estate Markets' at the conclave.

CRISIL Infrastructure Advisory is the knowledge partner at International Water Association (IWA) in **IWA Water Loss 2016 conference** in Bangalore, and releases report titled 'Making Indian Water Utilities Perform Better'.



# Franchise Highlights

## March 2016

Prasad Koparkar, Senior Director, CRISIL Research, addressing the audience



▶ CRISIL Ratings and CRISIL Research jointly host the first **CRISIL India Outlook series seminar** in Mumbai, titled '**Fiscal 2017 – The Year of Reckoning Beckons**'.

▶ CRISIL GR&A sponsors the **GARP 17th Annual Risk Management Convention** in New York. Neeraj Nagpal, Director, Risk and

Analytics, CRISIL GR&A, presents on 'Systemic Risk Management - Stress Testing and Regulatory Impetus' at the event.

▶ CRISIL Real Estate Star Ratings (CREST) signs a **memorandum of understanding (MoU) with YES Bank,**

under which the latter may offer preferential lending rates to developers that have a CREST rating.

## April 2016

The Economist roundtable in progress



▶ CRISIL and S&P Global jointly host an **Economist roundtable on 'Chinese rebalancing'** in Mumbai with Paul Gruenwald, Asia-Pacific Chief Economist, S&P Global services, Dharmakirti Joshi, Chief Economist, CRISIL, and other top economists from various corporates and banks.

▶ CRISIL GR&A hosts a roundtable on '**Finding Value Amidst an Uncertain Growth Environment**' in London. Francesco Curto, Global Head, CROCI Investment Strategy and Valuation Group, Deutsche Asset Management, and other CRISIL leaders share their perspectives with the delegates.

▶ CRISIL SME Ratings participates in **Financial Clinic for MSMEs - Facilitating Business for Sustainability** organised by ASSOCHAM in Delhi, Mumbai, Bengaluru, Hyderabad and Kolkata.

▶ CRISIL Infrastructure Advisory is the knowledge partner for the **1st National Stakeholder meeting on Solar Tariffs** in New

Delhi. Vivek Sharma, Director-Energy and Natural Resources, CRISIL, presents on Solar Tariffs.

▶ CRISIL Risk Solutions participates in the CAFRAL (Centre for Advanced Financial Research and Learning) conference on '**International Programme on Credit Risk Management and Regulatory Capital**', in

Mumbai. Manish Jaiswal, Business Head, CRISIL Risk Solutions, speaks at the event.

▶ CRISIL GR&A hosts a web-conference titled '**FRTB: Revised Market Risk Framework**'. Kshittij Bhatia and Nageshwara Sastry Ganduri, Directors, R&A, CRISIL GR&A, and others host the webinar.

## May 2016

Sh. Jayant Sinha, (former) Minister of State for Finance, Government of India, launches the CRISIL Yearbook on Bond Market with Ashu Suyash, MD & CEO, CRISIL



CRISIL hosts the 4th edition of the Annual Bond Market Seminar themed 'Corporate Bonds & India's New Financial Order' in Mumbai.

Krishnan Sitaraman (third from left) unveils the report titled 'Building India through a stronger financial system' along with other dignitaries



CRISIL Ratings is the knowledge partner for the 5th edition of **Banking and Finance Summit** organised by the CII in New Delhi. Krishnan Sitaraman, Senior Director, Financial Sector & Structured Finance Ratings, provides an overview of the state of the banking sector.

Alejandro Gomez speaking at the event



CRISIL GR&A co-sponsors 'Risk EMEA 2016' in London. Alejandro Gomez, Lead Analyst, R&A, GR&A, speaks on Fundamental Review of Trading Book Standardised Approach Default Risk Charge Non Securitisations.

CRISIL Real Estate Star Ratings (CREST) partners with the Ministry of Housing and Urban Poverty Alleviation, New Delhi, on providing inputs on draft rules under The Real Estate (Regulation

and Development) Act, 2016.

CRISIL Ratings participates in the 5th **Securitisation Summit 2016** in Mumbai. Krishnan Sitaraman and Ajit Velonie, Director, Structured

Finance Ratings, speak on the panel discussion titled 'Alternatives to Traditional Securitisation'.

Ashu Suyash, MD & CEO, CRISIL moderates a panel at the S&P Global Market Intelligence's event titled "**New Research and Outlook on Credit Markets**" in New York.

# Franchise Highlights

## June 2016

Amit Vora, Director, CRISIL Risk Solutions, makes a presentation at the Conference



▶ CRISIL Risk Solutions participates in the CAFRAL conference on **Asset Resolution and Managing NPAs** in Mumbai.

▶ CRISIL SME Ratings signs a **memorandum of understanding (MoU) with Indian Industries Association (IIA)** in Lucknow to assist micro, small and medium enterprises, which are

either existing or potential members of IIA, to obtain SME rating from CRISIL.

▶ CRISIL GR&A co-sponsors the **'8th Edition Model Risk Management**

**Conference'** in New York. Maciej Trzetrzelewski, Lead Analyst, R&A, GR&A, presents on Modelling of illiquid derivatives: Challenges and market practices.

▶ Nadir Bhalwani, Director, Corporate Technology, CRISIL, wins **Top 100 CISO Award** awarded by the CISO Platform for the third time in a row.

## July 2016

Gurpreet Chhatwal (second from right) along with other panelists at the summit



▶ CRISIL Ratings participates in **Association of International Wealth Management of India's (AIWMI) Credit Summit India 2016** in Mumbai. Gurpreet Chhatwal, Business Head, LCG, CRISIL Ratings, speaks in the panel on 'Surviving New Age Lending and Credit Markets Outlook'.

▶ CRISIL Research participates in All India Association of Industries' interactive session on **'Brexit: Impact on Indian Economy'** in Mumbai. Dharmakirti Joshi, Chief Economist, CRISIL, delivers a presentation on Brexit, what it means for Indian economy and key sectors.

▶ CRISIL Real Estate Star Ratings (CREST) participates in the **Realty 2016 - Regulation and Finance Conference** organised by the CII in New Delhi.

▶ Dharmakirti Joshi, Chief Economist, CRISIL, is the guest speaker at the **Indian Institute of Management, Ahmedabad**. He speaks on the government's policy focus, which has improved trend growth.

▶ CRISIL participates in the conference on **Corporate Governance: New Dimensions of Board Practices and Responsibilities** in Kolkata organised by the Indian Chamber of Commerce and the National Foundation for Corporate Governance.

## August 2016

The panel discussion in progress



CRISIL and S&P Global Ratings jointly host a seminar on **'India Credit Spotlight - India and China: Fighting the Growth War on Different Battlegrounds'** in Mumbai, Hong Kong and Singapore.

CRISIL Infrastructure Advisory & CRISIL Research participate in **MMMM Expo 2016** (Minerals, Metals, Metallurgy and Materials) in New Delhi. Satnam Singh, Director – Energy, CRISIL, presents on 'Challenges and Opportunities in Minerals, Mining & Coal Sector' at the expo.

## September 2016

Ashu Suyash speaks at the BRICS seminar



Ashu Suyash, MD & CEO, CRISIL, shares her views on 'Evolving dynamics of BRICS corporate bond market: Pathways to collaboration and adopting global best practices' at the **BRICS seminar on developing the bond markets** organised by the Department of Economic Affairs, Ministry of Finance, Government of India and FICCI.

Ramraj Pai, President, CRISIL Risk and Infrastructure Solutions, speaks at the CRO Conclave



CRISIL Risk Solutions and Epsilon Global Consulting hosts the CRO Conclave in Dubai on the theme **'Proactive Loan Monitoring & Best Practices for an Effective Early Warning System'**.

Business Today magazine recognises Ashu Suyash, MD & CEO, CRISIL, as one of **'The Most Powerful Women in Business 2016'**.

CRISIL Infrastructure Advisory participates as the knowledge partner in the 4th Annual **Economic Times Infra Focus Summit** in New Delhi with the theme 'Reimagining Holistic Infrastructure'.

CRISIL SME Ratings participates in the 2nd **'National Conference on MSME Funding – Propelling MSME Growth through Enhanced Financial Access and Support'** organised by CII in New Delhi. S S Mundra, Deputy Governor, Reserve Bank of India, releases the CRISIL-CII joint report titled 'Stairway to Funding: Improving MSME Access to Institutional Credit through Ratings' at the event.

CRISIL co-sponsors the **'3rd Edition: Impact of the Fundamental Review of the Trading Book'** in London. Stephen Knights, Director, R&A, CRISIL GR&A, presents on 'Understanding the challenges in implementing Internal Models Approach'.

CRISIL GR&A hosts web-conference on **CECL & IFRS 9: Expected Credit Loss**. Kshitij Bhatia, Neeraj Nagpal, Directors

R&A, and Mita Chatterjee, Associate Director R&A, CRISIL GR&A, host the session.

CRISIL Research is the knowledge partner for the **Platts Kingsman Asia Sugar Conference** held in Gurgaon. Ajay Srinivasan, Director, CRISIL Research, speaks on the sugar industry and makes a presentation titled 'Financial position of sugar industry and outlook'.

# Franchise Highlights

## October 2016

Ashu Suyash, MD & CEO, CRISIL, along with other dignitaries launch the report on the Indian power sector at the event



▶ CRISIL Ratings hosts the 4th edition of its investor discussion forum on the power sector titled '**Indian Power Sector: Will there be a new sunrise?**' under the CRISIL Infra Intelligence series.

▶ Dharmakirti Joshi, Chief Economist, CRISIL, briefs the **US Senate Committee on Foreign Affairs** and senior officials of the **US Department of Commerce** on Indian Economy and its outlook in Washington DC. He also participates in the **2017 Global Economic**

**Outlook: Forum & Reception** in New York.

▶ CRISIL GR&A co-sponsors the '**4th Annual Stress Testing Europe**' in London. Nageswara Sastry Ganduri, Director, R&A, GR&A, presents on 'A unified regulatory stress testing platform'.

▶ CRISIL GR&A co-sponsors the '**RMA New York Chapter - Financial Market Utilities (FMUs): Resiliency, Risk Management Considerations and Heightened Supervisory Expectations**' in New York.

▶ CRISILConnect, the employee intranet, wins at the **Association of Business Communicators of India Annual Awards** for the fourth consecutive year, in corporate intranet category. It is a bronze this year.

## November 2016

Panel discussion titled '**NBFC Industry Perspectives**' is moderated by Pawan Agrawal, Chief Analytical Officer, CRISIL Ratings



▶ CRISIL Ratings hosts a discussion forum titled '**NBFCs: Back in the Spotlight**' under the Fin Insights series.



Ashu Suyash shares her views during the panel discussion

▶ CRISIL partners with S&P Dow Jones Indices in their 2nd Annual thought leadership seminar themed '**Is India's Tomorrow Here Today**' in Mumbai. Ashu Suyash, MD & CEO, CRISIL, participates in a panel discussion titled 'Investing 2.0: Are we actively encouraging passive investing?' and Dharmakirti Joshi, Chief Economist, CRISIL, moderates a panel discussion titled 'Leadership Panel: Innovation, Exploration & India's Growth Trajectory'.

▶ CRISIL GR&A hosts a web-conference on '**Driving Efficiency: Integrated Approach to Implementing Regulations**', hosted by Kshitij Bhatia and Nageswara Sastry Ganduri, Directors - R&A, CRISIL GR&A.

▶ CRISIL Ratings organises a client conclave in Pune where Dharmakirti Joshi, Chief Economist,

CRISIL, speaks on '**Macro Economy and Current Industry Trends**' in India.

▶ CRISIL Research is the knowledge partner for the **Platts 12th Annual Steel Markets Asia Conference**, in Mumbai. Rahul Prithiani, Director, CRISIL Research, participates in a panel discussion titled 'Is there a global solution to anti-dumping issues?'.

▶ CRISIL Ratings participates in ASSOCHAM's **6th National Summit on Infrastructure Finance** in Mumbai. Sushmita Majumdar, Director, CRISIL Ratings, along with N S Vishwanathan, Deputy Governor, Reserve Bank of India and other dignitaries inaugurate the knowledge report.

▶ CRISIL is recognised as one of the **100 Best Companies for Women in India in 2016** by Working Mother Media and AVTAR Group.

▶ Ashu Suyash, MD & CEO, CRISIL, is ranked 20th in the Fortune India list of '**The 50 Most Powerful Women in Business**' 2016.

## December 2016

Sameer Bhatia, President, Infrastructure Advisory, CRISIL moderates a panel discussion titled 'How will existing initiatives help to plug in all citizens to the grid?'



▶ CRISIL Infrastructure Advisory hosts an investor discussion forum titled '**Recharging DISCOMs: Next steps to revitalise discoms and achieve 24 X 7 power for all**' in New Delhi. Prominent power sector regulators and industry leaders participate.

▶ CRISIL Risk Solutions, Epsilon Global Consulting and the Kuwait Banking Association host the **Early Warning Framework Conference** in Kuwait. CRISIL experts share views on practical, real-world challenges related to portfolio monitoring and benefits of an Early Warning System.

# Employee Engagement

## January 2016

A glimpse of the carnival celebrations organised across CRISIL offices



Over 4,100 CRISILites and their families in 14 offices across 10 cities join the celebrations at **CRISIL Family Carnival**. Employees get an opportunity to bring their families and friends to their workplace. The highlight of the event is the felicitation of the CEO award winners.

CRISIL sponsors 150 runners at the annual **Run Powai Run marathon**. Among our senior leadership, Sameer Bhatia (President, Infrastructure Advisory), Rajesh Malandkar (Director, Corporate HR), Rajni Khurana (Director, Corporate HR) and Ajay Srinivasan (Director, Research Execution) participate in the 10 km category.

## February 2016

Dharmakirti Joshi, Chief Economist, CRISIL, hosts CRISIL Conclave on '**Where is Indian Economy headed?**' in Mumbai. Over 150 CRISILites attend the interactive session.

## March 2016

Arunima Sinha (first woman amputee in the world to scale Mt. Everest) (seventh from right), along with Ashu Suyash (eighth from right) and the CRISIL team, at the launch



CRISIL launches **Winspiration**, a new platform focussed on ensuring an inclusive work culture at CRISIL.

## April 2016

1. Paul Gruenwald at CRISIL Conclave
2. Ashu Suyash addresses employees at Mumbai town hall



Paul Gruenwald, Chief Economist - Asia-Pacific, S&P Global Ratings, shares his perspectives with CRISIL employees at the CRISIL Conclave on **'China's rebalancing act and its implications for Asia & the World'** in Mumbai



CRISIL simultaneously hosts four special town halls across locations to unveil its **new logo and brand identity**.

## June 2016

1. Coalition team members at the Charity event
2. Dr. Paul Sheard and Dharmakirti Joshi address CRISILites at the Conclave



Coalition team members participate in **Charity Volunteering Day event** at the Shepherd's Bush Families Project & Children's Centre in London.



CRISIL hosts a chat session on **'Outlook for the Global Economy: Are Policymakers out of Ammunition?'** between Dharmakirti Joshi, Chief Economist, CRISIL, and Dr. Paul Sheard, Executive Vice President and Chief Economist, S&P Global.

## August 2016

1. Gen. Malik delivers the convocation speech
2. Manish Jaiswal, Business Head, CRISIL SME Ratings along with CRISILites at the marathon



General Ved Prakash Malik, former Chief of the Army Staff, speaks on **'Winning Strategies'** at CRISIL Conclave – Leadership Series. He also delivers the keynote address at the Convocation Ceremony for CRISIL Certified Analyst Programme, Batch VII.



CRISIL Research sponsors **IIT Bombay Monsoon Run**. Around 200 CRISILites participate in the event.



# Employee Engagement

CRISILites at the artificial beach in Poland



CRISILites in Poland enjoy a team party at the Za Zoo Beach Bar, an artificial beach near the Odra River.

## September 2016



1 Dr. Pawan Agrawal delivers a talk on **'Mumbai's Dabbawallas - Experience Everyday Excellence'** at CRISIL Conclave – Leadership Series.



2 More than 600 employees, comprising over 70 teams, participate in the **CRISIL Football Premier League** across locations.

1. Dr. Agrawal addressing all employees
2. The winners of CRISIL Football Premier League (women) from Mumbai
3. The Follow The Sun event in progress



3 The Winspiration team organises the **'Follow The Sun'** event in Mumbai through a learning and development session for its members.

Winspiration organises **personal finance workshops** for women employees across Mumbai, Chennai, Pune and Gurgaon.

CRISIL **Certified Analyst Programme Symposium**, a platform to inspire budding analysts to think out of the box and come up with game-changing ideas, launched.

## October 2016

Tournament champions are felicitated



At **CRISIL Indoor Sport Tournament 2016**, CRISILites compete in carrom, chess and table tennis.

1. A performance underway at the competition
2. Employees at the launch of Synergy
3. Ashu Suyash addresses project leads of Change the Scene



CRISIL launches the **Voice of CRISIL China** contest that receives enthusiastic participation from employees.



**Synergy**, a leadership forum is launched in Pune. The platform encourages CRISILites to engage and share knowledge and best practices across businesses.



The first edition of **Change the Scene** - CRISIL Foundation's social impact incubator, concludes. Ashu Suyash, MD & CEO, CRISIL, felicitates team leads of all 16 selected incubator projects.

## December 2016

1. SME Ratings team wins the 2nd edition of CRISIL's Got Talent
2. CRISILites in Argentina pose along with Douglas Peterson, Chairman, CRISIL and President & CEO, S&P Global



CRISILites compete in the second edition of **CRISIL's Got Talent** event. Over 25 individuals and teams perform across Mumbai, Pune and Gurgaon offices.



CRISIL's centre in Argentina celebrates its 10th anniversary.

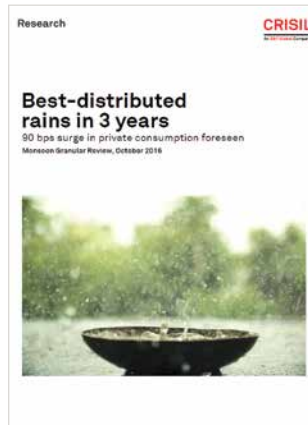
# Publications and Insights

## Economy Insights



### Best-distributed rains in 3 years

Granular review of the monsoon and its impact on the farm sector and food inflation



### CRISIL Outlook for Fiscal 2017: Home is where growth is

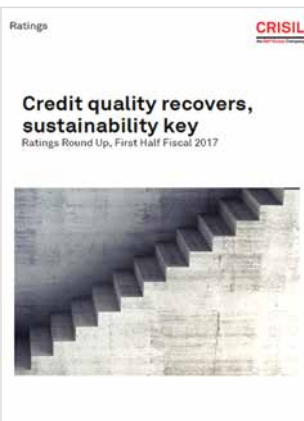
GDP growth for the year expected to be 7.9%



### Choosing trend over cycle

Views on key developments in the Indian economy two years since the Modi government took the reins

## Insights on Corporate India



### Ratings RoundUp: First Half Fiscal 2017

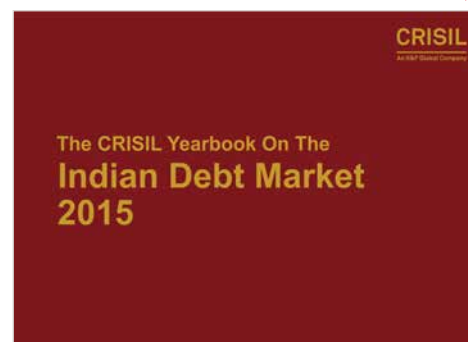
Analysis of CRISIL's rating actions, together with the underlying economic trends and business factors, shows some recovery in credit quality

### The CRISIL Yearbook on the Indian Debt Market

A comprehensive analysis of the Indian debt market

### CRISIL's India Outlook Report: Year of Reckoning Beckons

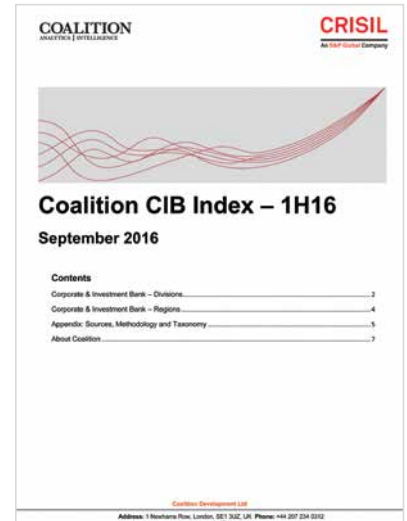
A report outlining the crucial spurs necessary for the economy next fiscal



# Industry Insights

## CECL and IFRS 9: The Road Ahead

Whitepaper on regulatory transition of accounting norms for US banks



## Coalition CIB Index – 1H16

Coalition Corporate & Investment Bank Index publication reviews aggregate performance of the 12 leading global investment banks



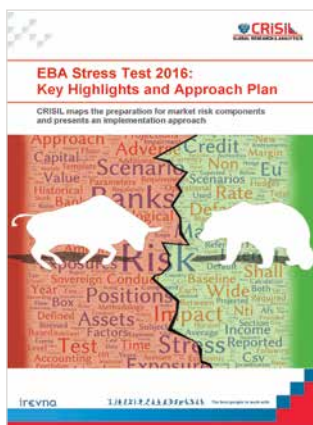
## New roads, old pain

CRISIL's analysis of under-construction and operational projects shows some are still hobbling, though highway building has improved



## Brighter undercurrent

Power sector begins to mend, but has a long way to go



## EBA 2016 - Historical scenario: Calibration & Design

Illustrative shock calibration for pre-defined historical periods

## Brighter Undercurrent

Power sector begins to mend, but has a long way to go

# Corporate Social Responsibility

CRISIL is a responsible corporate citizen, empowering communities within and beyond its areas of operations. CRISIL Foundation, a public charitable trust, was set up in March 2013 as CRISIL's corporate social responsibility (CSR) arm. CRISIL Foundation has a two-fold agenda:

## Empowering socially and economically disadvantaged sections of the society by strengthening their financial capabilities

1

Mein Pragati, CRISIL Foundation's flagship programme for strengthening the financial capability of disadvantaged communities, has reached 72,000 women in Assam till date. During the year, the programme was expanded to Rajasthan resulting in additional outreach of 18,000 women. In order to increase the footprint of Mein Pragati, CRISIL Foundation is actively collaborating with CSR arms of various corporates and customised interventions through strategic partnerships, which are expected to benefit several thousand households including rural poor, urban poor, youth and small farmers. Efforts are on to develop a network of skilled community and village-based resource persons, and nurture an enabling environment to sustain the impact.

### The Mein Pragati model of financial capability-building stands on three pillars:

- ▶ **Creating awareness:** Community workers, known as CRISIL Mitras, conduct participatory financial capability-building workshops at the participants' doorsteps. The proprietary Mein Pragati android application enables CRISIL Mitras to generate personalised financial health cards for the participants, provide financial counselling and nurture goal-based financial planning.
- ▶ **Facilitating financial linkages:** Mein Pragati creates an enabling environment to encourage women to confidently control household finances, plan and manage their future. CRISIL Mitras actively integrate participants with the formal financial services sector. Linkages are facilitated with locally relevant and accessible products and services for savings, credit, pension, insurance and government-run schemes.
- ▶ **Instilling sound financial habits:** The CRISIL Mitras focus on instilling a sense of confidence in the participants, empowering women with a sense of control over their finances by (a) helping them accurately record their cash flows, optimise income and expense, (b) helping make informed financial choices, and (c) taking them on guided bank/ATM visits. Village level volunteers, called Sakhis, continue to engage with the participants to reiterate good financial practices through audio-messages, monitor progress and address their communities' immediate needs.

## Impact assessment of Mein Pragati in Assam

CRISIL Foundation hired KPMG's Social Sector Practice to undertake impact assessment of Mein Pragati implemented by Rashtriya Gramin Vikas Nidhi (RGVN) in Assam. Interactions with various stakeholders, including members of participating self-help groups (SHGs) in all six districts, through personal interviews, focussed group discussions and case studies indicated:

- (a) Increased awareness of financial products and services including deposits, general insurance, cattle insurance, pension and money transfer
- (b) Increased savings at the SHG level
- (c) Displayed higher discipline about plugging wasteful expenses to improve their financial situation
- (d) Increased self-confidence to make financial decisions for the family (joint decision-making along with spouse as opposed to complete lack of awareness before Mein Pragati intervention)
- (e) Pursuing income generating activities such as making pickle by saving and monitoring expenditure using the Mein Pragati budget diary

## Outreach and Impact



▼ A participant in Assam ponders over her individualised Mein Pragati financial health card.

### Participation

- **7,500** Self Help Groups; **72,000** women

### Linkages

- Savings: **48,000** bank accounts, post office accounts; **2,342** term deposits
- Insurance: **18,000** insurance policies purchased
- Pension: **1,200** pension plans subscribed
- Credit: **23,000** loans/credit schemes availed

(Data since inception)

## Scale-up in Rajasthan

In a bid to expand the geographical footprint, Mein Pragati was launched in Rajasthan in May 2016. The programme is being implemented in the state's eastern region (Alwar, Dausa and Sikar) with an overall outreach goal of 80,000 women by 2018. Rajasthan, a state with moderate financial inclusion, has a strong focus on rural livelihood, particularly for women. Mein Pragati with its focus on

building financial capability for these women is a logical step forward. In addition to CRISIL Mitras, Mein Pragati has created community level cadre of volunteers known as Sakhis. The Sakhis are mentored by CRISIL Mitras to enable them to act as locally available resource persons for promoting financial awareness and inclusion. Mein Pragati social security melas directly connect

programme participants with a range of financial service providers. More than 6,000 people attended 44 social security melas, which facilitated financial linkages for 26% of our programme participants.

### Participation

- **1,700** Self Help Groups; **18,000** women

### Linkages

- Savings: **9,000** Bank accounts, post office accounts; **4,500** term deposits
- Social security: **8,500** Bhamashah scheme availed
- Insurance: **8,400** Pradhan Mantri Jeevan Jyoti Bima Yojana & Pradhan Mantri Suraksha Bima Yojana; **148** Cattle insurance policies
- Pension: **40** Pension plans subscribed
- Credit: **300** Kisan credit cards issued

(Data since inception)

## Outreach and Impact



▼ Participants of Mein Pragati Rajasthan at a Social Security Mela (community meet), which facilitates linkages with government-run social security schemes.

## Replicating the Mein Pragati model to increase outreach through strategic partnerships

### 1. Outreach to small and marginal farmers in Maharashtra.

A knowledge partnership with Dr. Reddy's Foundation – focusses on easing financial distress faced by farmers, preparing them to deal knowledgeably with liquidity shocks and have a greater sense of control over their finances through effective cash-flow management during a crop cycle. The objective is to help them correctly estimate the cash-flow requirement through the crop cycle and plan well, increase awareness of and facilitate financial linkages such as crop loans, Kisan Credit Card, loans related to agriculture and agro-based activities, and government-run schemes. The training module is being piloted in two districts of Maharashtra. Following the pilot in Maharashtra, the intervention will be replicated in Uttar Pradesh, Bihar, West Bengal, Chhattisgarh, Telangana and Andhra Pradesh.

### 2. Outreach to rural women in newer geographies.

A knowledge partnership with ITC Ltd – targeting women, poor landless and farming households, has commenced in Madhya Pradesh and southern Rajasthan. The knowledge partnership leverages the Mein Pragati model. The objective is to develop capabilities at the SHG and individual levels to become financially sustainable. The knowledge partnership includes capacity building of ITC's partner NGOs and is expected to lead to:

- (a) Creation of an enabling and nurturing environment
- (b) Active engagement to build financially sustainable institutions such as SHGs and federations
- (c) Creation of a pool of skilled human resource at the community level for guidance and handholding support related to health, education and personal finance

### 3. Outreach to economically disadvantaged sections through community radio.

CRISIL Foundation is leveraging a new medium of communication to reach out to the remote district of Rudraprayag in Uttarakhand to create financial awareness and drive financial inclusion. Through a knowledge partnership with People's Power Collective (PPC) and IFMR Trust, CRISIL Foundation is broadcasting a series of radio programmes to develop financial capabilities. The radio shows, targeting youth, women, men and senior citizens, will reach out to a captive audience of 300,000 listeners. The content is being developed based on findings from a baseline study. The intervention includes a combination of quizzes, phone-based interaction with experts, interviews with experts, and radio dramas focussing on messages to bring about attitudinal and behavioural changes towards household and personal finance management.

## Empowering employees as agents of social change

### 2

**CRISIL RE**, the flagship community outreach programme in cities, leverages its vibrant workforce as agents of change in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune. The programme uses a combination of centrally-driven and employee-led projects for social impact and community outreach, engaging close to 2,660 employee volunteers till date (more than 45% of CRISIL's employee base).

#### Centrally driven programmes follow an activity-based approach and entail:

- (a) Tree plantation drives
- (b) Green cover maintenance activities
- (c) Installation of solar-powered lamps for renewable and affordable electricity to disadvantaged communities
- (d) Waste management solutions for the urban poor

In 2016, CRISIL RE launched a social impact incubator, CRISIL RE Change the Scene, to channel employees' innovative ideas, skills, talents and passion to empower communities. After a rigorous assessment process, 18 projects focussing on women's empowerment,

environment conservation, education and integrated rural development were selected for funding and implementation. CRISIL Foundation provided all the necessary support and facilitation to employees for the selected projects. CRISIL Foundation incubated these

social impact projects for three months and identified those with the potential for scalability. Change the Scene has become a movement, with employees taking complete ownership of their projects to meet outreach goals. Some notable projects include:

# Corporate Social Responsibility

(a) **BookShareIndia:** A web and app-based platform for book donations, through which more than 6,000 books were collected from 65+ centres and four mini libraries were set up. These books were distributed to 37 NGOs.



Team BookShareIndia segregates books collected by category

(b) **Sugran:** Women empowerment programme through culinary skills' enhancement workshops for marginalised women. The workshops trained 17 underprivileged women to upgrade their culinary skills for gainful employability.



Team Sugran conducts a session on culinary skills for employability

(c) **Saksham:** Focussed on integrated rural development with health, education, and environment conservation in four remote villages in Maharashtra. In this project, three vermi-compost pits for waste management were constructed, most beneficiaries were linked with the formal banking system and a mini library was set up in one of the villages.

(d) **Vritti:** Focussed on financial awareness for the differently-abled through a mix of classroom and technology-aided sessions. The project developed multi-lingual content to strengthen financial capabilities through interventions in Tamil, Hindi and English.

## Outreach and Impact

- Volunteers **2,660**
- Family and friends **1,250**
- No. of new trees planted **4,200**
- No. of trees maintained **15,000**
- No. of solar lamps installed **350**
- Books collected and distributed **6,500**
- Mini-libraries set up **5**
- Compost pits constructed **13**

## Recognitions



CRISIL RE is recognised and felicitated as a finalist in the "Leader in Employee Engagement" category at the iVolunteer Awards 2016.



CRISIL is acknowledged for its commendable work in CSR through Mein Pragati at the FICCI CSR Summit & Awards 2016

CRISIL Foundation is selected by the Reserve Bank of India to receive financial assistance under its Depositor Education & Awareness Fund Scheme.



# The Analytics of Relevance



- A leading global bank, in the process of integrating its corporate and investment banking (CIB) operations, needed **benchmarking analytics** across products to maximise its franchise and identify efficiencies in the combined structure.
  - CRISIL's Coalition team analysed key performance indicators for this client and provided **qualitative insights** into business models, product strategies, and organisational structures of competitors.
  - The team offered a **holistic business review** across all regions and CIB products that enabled the bank to perform an objective strategic review of their capabilities, identify addressable gaps, and ultimately devise targeted areas of focus for the year ahead. It also allowed them to monitor their objectives and adjust strategies against regular updates.
- Delivered high quality, objective and **relevant analytics** to help underline areas that need sharper focus
  - Enabled objective **strategic review** of capabilities and identification of addressable gaps
  - Provided **granular and actionable insights** to support strategic decision-making

# **Board of Directors**

# Board of Directors



**Mr. Ravinder  
Singhania**

**Mr. H. N.  
Sinor**

**Mr. M.  
Damodaran**

**Ms. Ashu  
Suyash**

**Mr. Douglas L.  
Peterson**

**Ms. Vinita  
Bali**

**Mr. John L.  
Berisford**

**Ms. Martina  
Cheung**

**Dr. Nachiket  
Mor**

## Mr. Douglas L. Peterson

### Chairman

Mr. Peterson was elected President and CEO of S&P Global effective November 2013. He joined S&P Global in September 2011 as President of Standard & Poor's Ratings Services.

Previously, Mr. Peterson was the Chief Operating Officer of Citibank, N.A., Citigroup's principal banking entity that operates in more than 100 countries. Mr. Peterson was with Citigroup for 26 years, during which time he transformed businesses and drove performance in investment and corporate banking, brokerage, asset management, private equity, and retail banking. Mr. Peterson is a Steward of the World Economic Forum's Shaping the Future of Long-Term Investing, Infrastructure and Development System, and co-chair of their Financial Services Governors Community. He also co-chairs the Bipartisan Policy Center's Executive Council on Infrastructure. He serves on the Boards of Directors of S&P Global Inc., the Federal Deposit Insurance Corporation's Systemic Resolution Advisory Committee, the US-China Business Council, the Partnership for New York City and the Kravis Leadership Institute, and the Boards of Trustees of Claremont McKenna College and the Paul Taylor Dance Company.

Mr. Peterson received an MBA from the Wharton School at the University of Pennsylvania and an undergraduate degree in mathematics and history at Claremont McKenna College.

## Mr. H. N. Sinor

### Director

Mr. Sinor has spent over four decades in banking. Starting his career in 1965, he has worked in Central Bank of India, Union Bank of India and ICICI Bank from where he retired in May 2003. During his long career, he worked in various capacities in both public and private sector banks. He was Managing Director and CEO of ICICI Bank from July 1997 to March 2002, and after the merger of ICICI with ICICI Bank, became its Joint Managing Director till his superannuation. Thereafter, he joined the Indian Banks' Association as its Chief Executive where he was the spokesperson for the banking industry from June 2003 to 2008.

In February 2010, he joined Association of Mutual Funds in India in a similar capacity and continued till September 30, 2015.

He is also an Independent Director on the Boards of a few companies and trustee of a few Foundations.

Mr. Sinor has been appointed by the Government of India as a part-time

Member of the Banks Board Bureau with effect from April 01, 2016. The Bureau is set up to bring about changes in the governance structure in Public Sector banks, appointment of non-executive chairmen and whole-time directors, improve HR practices and support banks in setting transformational strategies for them.

## Dr. Nachiket Mor

### Director

Dr. Mor has a PhD in Economics from University of Pennsylvania with a specialisation in Finance from the Wharton School, a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad; and an BS in Physics from the Mumbai University. He is the India Country Director for the Bill & Melinda Gates Foundation, and in his independent capacity, a member of the Boards of Reserve Bank of India (RBI), National Bank for Agriculture & Rural Development (NABARD) and Micro Units Development & Refinance Agency (MUDRA). He worked with ICICI from 1987 to 2007 and was a member of its Board of Directors from 2001 to 2007. From 2007 to 2011, he served as the founding president of the ICICI Foundation and during this period was also the Chair of the Governing Council of IFMR Trust and Board Chair of FINO. During 2013-14, he served as the chair of the RBI Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households. During 2011-12, he was a member of the High Level Expert Group on Universal Healthcare, set up by the Planning Commission of India. In the past, he has also served on the Boards of Wipro, the Azim Premji Foundation, and the Fixed Income Money Market & Derivatives Association of India.

## Mr. M. Damodaran

### Director

Mr. Damodaran was a member of the Indian Administrative Service (IAS), Manipur-Tripura cadre, since 1971, and had held a number of important positions in both the Central and State Governments and in India's financial sector, before demitting office as Chairman, Securities and Exchange Board of India (SEBI) in February 2008. After a career spanning several regulatory and developmental assignments in the state of Tripura, he was appointed as its Chief Secretary in 1992, the youngest ever in the country to hold such a position in the State Government. Thereafter, he worked as Joint Secretary in the Ministry of Finance, Banking Division. During his tenure at SEBI, he was elected Chairman of 80-member Emerging Markets Committee of the International Organisation of Securities Commissions (IOSCO). He is known for turning around the ailing Unit

Trust of India and Industrial Development Bank of India. As SEBI Chairman, Mr. Damodaran brought improved practices to India's securities market.

He is presently Advisor in India for the ING Bank of Netherlands and an Independent Director on Boards of some of India's leading companies. He is the founder of Excellence Enablers, a Corporate Governance Advisory firm that focusses on improvement of Board performance. He is the Chairman of Glocal Healthcare Systems, a pioneering pan-India effort to provide quality healthcare at affordable costs to Indians in the underserved rural areas. He is the Chairman of the Government of India constituted Task Force for setting up the Resolution Corporation of India. He was the Chairman of Ministry of Corporate Affairs Committee for Reforming the Regulatory Environment for doing Business in India. He is the founder Chairman of the Society and Board of Governors of the Indian Institute of Management (IIM), Tiruchirappalli.

## Ms. Vinita Bali

### Director

Ms. Bali is a global business leader with extensive experience in leading large Companies both in India and overseas. She has worked with eminent multinationals like The Coca-Cola Company and Cadbury Schweppes PLC in a variety of Marketing, General Management and Chief Executive roles in the UK, Nigeria, South Africa, Latin America and the USA, in addition to Britannia Industries Ltd., in India.

Effective April 2014, Vinita is pursuing her interests in the corporate and development sectors, through a portfolio of roles and responsibilities. She is a Non-Executive Director on the global Boards of Syngenta International AG, Smith & Nephew plc, Chairman of Global Alliance for Improved Nutrition (GAIN) and on the Advisory Board of Cornell University's Department of Nutritional Science. She also serves as a Non-Executive Director on the Boards of several companies in India – Titan Industries Ltd, and Kasturi & Sons Ltd; is a Member of the Board of Governors of Indian Institute of Management – Bangalore; and a member of the Advisory Board of PWC.

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

# Board of Directors

## Ms. Martina Cheung

Director

Ms. Cheung is Executive Managing Director and Head of Risk Services of S&P Global Inc. She is responsible for leveraging S&P Global's significant risk intellectual property (research, content, models, data, analytics and solutions) to serve clients in managing complex risk challenges.

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

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

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

## Mr. John L. Berisford

Director

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

Before joining S&P Global Ratings in January 2011, Mr. Berisford spent 22

successful years at PepsiCo where he led 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. He serves on a variety of boards, and is currently chairman of the S&P Global Ratings U.S. and NRSRO Boards, executive chairman of the S&P Global Ratings European Board.

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. Ravinder Singhania

Alternate Director to Mr. Douglas L. Peterson

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

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

He holds a Bachelors' degree in Commerce and Law from reputed Shri Ram College of Commerce and Campus Law Centre, Delhi University, respectively. He is admitted to practice law in India and as a Solicitor of the Supreme Court of England and Wales. He is the former Vice Chairman of the Asia Pacific Committee of the American Bar Association.

## Ms. Ashu Suyash

Managing Director & Chief Executive Officer

Ms. Suyash leads CRISIL's domestic and global businesses, steering its efforts to deliver high quality analytics, opinions and solutions to a wide range of clients from small companies to large corporations, investors, top global financial institutions, policy makers and governments.

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

Ms. Suyash has 29 years of experience in the financial services industry. Prior to CRISIL, she served as the Chief Executive Officer of L&T Investment Management Ltd and L&T Capital Markets Ltd. She led Fidelity's Indian Mutual Fund business from 2003 to 2012 as its Country Head and Managing Director.

Prior to Fidelity Mutual Fund, Ms. Suyash was the Head of Strategy and Business Development at Citibank. During her 15+ year long tenure with the bank, she held several key positions across the corporate, consumer and investment banking divisions.

Over the years, Ms. Suyash has been recognised among the Top 50 Women in business in India and Asia by various publications.

Ms. Suyash is a Chartered Accountant and holds a Bachelor's degree in Commerce. She is on the Advisory Board of the Chartered Institute for Securities & Investment, the Primary Markets and Advisory Committee, and the Corporate Bonds and Securitization Advisory Committee of SEBI. She has a keen interest in the education sector and is associated with the Board of Studies at NMIMS, NM College, and on the Advisory Board of Aseema Charitable Trust - an NGO that provides education to underprivileged children.

## Senior Leadership Team

- ▶ **Ashu Suyash**, Managing Director and Chief Executive Officer, CRISIL
- ▶ **Gurpreet Chhatwal**, President, CRISIL Ratings
- ▶ **Pawan Agrawal**, Chief Analytical Officer, CRISIL Ratings
- ▶ **V. Srinivasan**, President, CRISIL Global Research & Analytics
- ▶ **Stephane Besson**, Chief Executive Officer, Coalition
- ▶ **Priti Arora**, Chief Strategy Officer, CRISIL and Business Head, CRISIL Global Analytical Centre
- ▶ **Manish Jaiswal**, Business Head, CRISIL Ratings, SME
- ▶ **Amish Mehta**, President - Chief Financial Officer, CRISIL and Business Head, India Research
- ▶ **Ramraj Pai**, President, CRISIL Risk & Infrastructure Solutions and CRISIL Foundation
- ▶ **Rajasekhar Kaza**, President, Human Resources, CRISIL
- ▶ **Krishnan Venkateswaran**, Senior Director, Corporate Technology, CRISIL

## Committees of the Board

### ▶ Audit Committee

Mr. M. Damodaran, Chairman

Ms. Vinita Bali

Mr. John L. Berisford

Mr. H. N. Sinor

### ▶ Nomination and Remuneration Committee

Ms. Vinita Bali, Chairperson

Mr. H. N. Sinor

Mr. Douglas L. Peterson

### ▶ Stakeholders' Relationship Committee

Mr. M. Damodaran, Chairman

Mr. John L. Berisford

Ms. Ashu Suyash

### ▶ Corporate Social Responsibility Committee

Ms. Vinita Bali, Chairperson

Mr. H. N. Sinor

Ms. Ashu Suyash

### ▶ Investment Committee

Ms. Vinita Bali, Chairperson

Ms. Martina Cheung

Mr. M. Damodaran

Ms. Ashu Suyash

### ▶ Company Secretary

Ms. Minal Bhosale

### ▶ Statutory Auditors

S. R. Batliboi & Co. LLP,  
Chartered Accountants

### ▶ Solicitors

Wadia Ghandy & Co.

### ▶ Bankers

ICICI Bank Limited

Citibank N.A.

The Hongkong and Shanghai Banking Corporation Limited

### ▶ Share Transfer Agent

Karvy Computershare Pvt. Ltd.

Unit : CRISIL Ltd.

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
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Phone No.: 022 3342 3000

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# The Analytics of Intelligence



- CRISIL's **access** to proprietary and public data across the economy, industry, company and capital markets gives it an edge in developing analytics, which can be leveraged to provide deep and actionable insights to customers.
- Our team of economists, sector experts, company analysts and information management specialists mine through millions of data points **using a large network** of primary sources to provide distinct and comprehensive **perspectives** on sectors, macro-economic trends, policy changes and others that shape the financial markets and economy.
- These opinions and insights, delivered through an innovative web-based platform, help clients take **informed** decisions on lending and investments, and also draw up their business strategies with conviction.

We analyse **millions** of data points using a large network of primary data sources

Across **86** sectors/sub-sectors in India

To deliver value to nearly **1,000** Indian and global clients

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# Statutory Reports



# Directors' Report

Dear Member,

The Directors are pleased to present to you the 30th Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2016.

## Financial Performance

A summary of the Company's financial performance in 2016:

Particulars	(Rs. in crore)			
	Consolidated		Standalone	
	2016	2015	2016	2015
Total income for the year was	1,601.88	1,423.16	1,178.79	1000.70
Profit before depreciation, exceptional item and taxes was	516.23	442.82	414.18	349.38
Deducting depreciation of	40.36	37.12	28.52	24.03
Profit before tax was	475.87	405.70	385.66	325.35
Deducting taxes of	149.53	120.55	130.01	103.35
Profit after tax was	326.34	285.15	255.65	222.00
<b>The proposed appropriations are:</b>				
Dividend	192.54	163.77	192.54	163.77
Corporate dividend tax	39.20	33.60	39.20	33.60
General reserve	20.45	22.20	20.45	22.20
Balance carried forward is	74.15	65.58	3.46	2.43

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. 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 all subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis.

### a) Consolidated operations

Revenue from the consolidated operations of your Company for the year was Rs. 1,601.88 crore, 12.56 % higher than Rs. 1,423.16 crore in the previous year. Overall operational expenses for the year were Rs. 1,126.01 crore, against Rs. 1,017.46 crore in the previous year. Operating Profit (EBITDA) improved to Rs. 461.52 crore, against Rs. 399.60 crore, in the previous year. Profit after Tax for the year was Rs. 326.34 crore, against Rs. 285.15 crore in the previous year.

### b) Standalone operations

Revenue from the standalone operations of your Company for the year was Rs. 1,178.79 crore, 17.80% higher than Rs. 1,000.70 crore in the previous year. Overall operational expenses for the year were Rs. 793.13 crore, against Rs. 675.35 crore in the previous year. Operating Profit (EBITDA)

improved to Rs. 364.98 crore, against Rs. 304.78 crore, in the previous year. Profit after Tax for the year was Rs. 255.65 crore, against Rs. 222.00 crore in the previous year.

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

## Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 20, 2017, payment of Final Dividend of Rs. 9 per equity share of face value of Re. 1 each for the year under review. During the year, the Company paid three interim dividends, first interim dividend of Rs. 5, second interim dividend of Rs. 6 and third interim dividend of Rs. 7 per equity share of face value of Re. 1 each. The total dividend for the year shall be Rs. 27 per share on a face value of Re. 1 per share in 2016 as against a total dividend of Rs. 23 per share (including a Special Dividend of Rs. 3 per share) on a face value of Re. 1 per share in the previous year.

## Transfer to Reserves

The appropriations for the year are:

Particulars	(Rupees in crore)	
	Consolidated	Standalone
	<b>Year Ended December 31, 2016</b>	
Net Profit for the year	326.34	255.65
Balance of Reserve at the beginning of the year	131.87	131.87
Transfer to General Reserve	20.45	20.45
Adjustment on amalgamation	(11.17)	(11.17)
Balance of Reserve at the end of the year	141.15	141.15

## Increase in Issued, Subscribed and Paid-up Equity Share Capital

During the year, the Company issued and allotted 1,26,255 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Schemes of the Company. At the end of the year, the issued, subscribed and paid-up capital of the Company was 7,13,35,358 equity shares of Re. 1 each.

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

Particulars	No. of shares allotted / (extinguished)	(Rupees in crore)
		Cumulative outstanding capital (No. of shares of Face Value Re. 1 each)
Capital at the beginning of the year i.e. as at January 1, 2016	-	7,12,09,103
Allotment of shares to employees on exercise of options granted under the Employee Stock Option Scheme, 2011, and the Employee Stock Option Scheme, 2012	67,575	7,12,76,678
Allotment of shares to employees on exercise of options granted under the Employee Stock Option Scheme, 2011, and the Employee Stock Option Scheme, 2012	58,680	7,13,35,358
Capital at the end of the year i.e. as at December 31, 2016	-	7,13,35,358

## Review of Operations

### A. Ratings

#### Highlights

- Announced 2,741 new Bank Loan Ratings (BLRs) during the year; total BLRs outstanding exceed 13,264
- Assigned over 18,000 SME ratings and assessments during the year
- Conducted a series of high-profile franchise activities during the year that received wide coverage in media and were also well appreciated by our stakeholders
- Global Analytical Center (GAC) continued to enhance its engagement with S&P Global Ratings in the areas of risk and regulatory support, and further expanded engagement with Platts with increased support in new products and analytics across additional commodity sectors.

## Business environment

India's economic and business environment remained subdued during 2016 due to weak investment climate and muted demand for working capital. On the back of a good monsoon and mild income boost from the Seventh Pay Commission and One Rank One Pension payouts, consumption picked up in the second quarter and it looked like a consumption-led recovery was on the cards for fiscal 2017. However, growth was mildly dented in the third quarter when government demonetised Rs 500 and Rs 1,000 bank notes. Assuming the time that would be taken for full remonetisation, we expect GDP growth to be ~6.9% in fiscal 2017. The immediate channel for deceleration would be a slowdown in consumption demand, leading to a delay in fresh investment plans of corporates. That, in turn, would defer recovery in India's private investment cycle.

Credit growth of India's banking sector remained muted at 9% year-on-year as of December 2016. While a good monsoon has improved growth in farm credit, weak corporate credit demand and risk aversion of public sector banks were drags. We expect banks to reduce their lending rates in the near-to-medium term given the abundant systemic liquidity. However, credit growth will remain insipid given subdued consumption and investment demand, and we estimate it at 7-9% for fiscal 2017.

The capital market witnessed an increase in activity in the third quarter of the year due to favourable liquidity and falling yields, which meant bonds were the preferred route to raise funds than bank loans. We believe yield on the 10-year benchmark government security would settle around ~6.8% by March-end fiscal 2017 versus 7.5% in fiscal 2016. Effective liquidity management, reduction in the policy rate by the Reserve Bank of India (RBI), lower inflation, and falling oil prices easing pressure on government borrowings will curb yields. The RBI has also announced measures that would develop and deepen the corporate bond market, enhance participation, facilitate greater liquidity, and improve communication. We believe the measures may take some time to be felt fully, but over the long term they will make a difference.

In 2016, CRISIL's BLR business witnessed muted growth due to weak credit offtake in the manufacturing sector and intensified competition. These factors adversely impacted average realisation and volume. While pricing pressures are likely to continue, expected pick up in credit growth and increased risk weights for large unrated exposures could lead to an improved BLR market in 2017.

For CRISIL's SME Ratings business, calendar year 2016 was a crucial year as consistent engagement with regulators and key decision makers helped in the reinstatement of subsidy support by the Government of India under the NSIC – PCRS (Performance & Credit Rating Scheme). The primary focus of CRISIL SME Ratings for 2016 was to ramp up business volume by increasing capacity, thereby maximising subsidy share. CRISIL was able to achieve quick and timely ramp-up of manpower by June 2016. One major challenge was navigating low vintage and experience issues across the business development and operations teams. This was addressed through exhaustive training and people development initiatives. Several process realignment initiatives were also undertaken in 2016, which helped to improve key business drivers such as productivity, attrition and operations efficiency. Another challenge emerged in the form of revised regulatory guidelines around client sourcing and documentation, which coupled with pricing pressure posed severe market constraints. Despite the challenging business environment, the SME Ratings business witnessed strong growth in the second half of 2016 and ended the year at a high. However, the SME-business is likely to witness challenges in 2017 owing to significant reduction in the subsidy support under PCRS for 2017-18, which will adversely impact the flagship product - SME NSIC Ratings. To mitigate this, the business is coming up with ambitious technology driven projects to re-engineer business processes, operations and achieve cost optimization, besides instituting a new strategic products cell to sharpen existing products and develop new and relevant market offerings. The medium-to-long term outlook for the MSME sector remains positive, despite potentially adverse short-term effects due to demonetisation and the implementation of the Goods and Services Tax regime.

## Operations

CRISIL Ratings maintained its market leadership in 2016, backed by strong performance in bond ratings and SME ratings

CRISIL rated various innovative instruments, including India's first hybrid issuance in the insurance sector, and also assigned a rating on India's first InvIT.

businesses. CRISIL announced 2,741 new BLRs and 18,000 SME ratings during the year. It has, to date, assigned more than 25,000 BLRs and over 110,000 SME ratings/assessments. This year, SME ratings/ assessments were focused on newer geographies such as the north-east. The business also added clients from hinterland in north and south India.

In 2016, we rated India's first hybrid issuance in the insurance sector. This was first subordinated debt instrument in the Indian market by an insurance company. We also released the rating criteria for hybrid instruments issued by insurers, the first of its kind in India. We also rated the largest annuity-based road project in 2016. Further, CRISIL assigned a rating on India's first Infrastructure Investment Trust (InvIT). All these innovations were well received by the market, and are seen as significant milestones in deepening the corporate bond market in India.

CRISIL Ratings continued to conduct regular outreach programmes aimed at providing insights on credit issues to investors and other market participants. The outreach programmes included opinion pieces, bankers' meetings, investor discussion forums, web-conferences, and newsletters.

CRISIL Ratings also held the 4th edition of its annual bond market seminar, the theme of which was 'Corporate Bonds & India's New Financial Order'. The highlight was a keynote address by Shri Jayant Sinha, former Minister of State for Finance, Government of India. Shri Sinha also launched The CRISIL Yearbook on the Indian Debt Market, 2015, at the event. In addition, we had a power-packed panel moderated by Smt Usha Thorat, former Deputy Governor of the RBI, on regulatory facilitation for India's corporate bond market. The participants were from the RBI, the Pension Funds Regulatory Development Authority, SEBI and the Insurance Regulatory Development Authority. Our analysis was well received by all stakeholders including regulators and policy makers. We successfully hosted a discussion forum on the non-banking finance company (NBFC) sector under the 'Fin Insights' umbrella, where we discussed trends and perspectives on key topics pertaining to NBFCs like housing finance, structured credit, real estate financing, SME financing, loan against property, etc. The seminar included a line-up of prominent NBFC industry leaders as panellists and received promising feedback on the content and execution of the event.

We have developed a structured and sustained platform named 'CRISIL Ratings Conclave' for our senior management to deepen relationships with existing clients and create

differentiation with prospective clients across various locations beyond metros. This is designed as a select forum to drive closer client conversations and engagements.

High-impact franchise activities during 2016 included seminars on the power sector and India Outlook for Fiscal 2017 jointly with CRISIL Research team, web conferences on the telecom, road and agrochemical sectors, apart from press releases on securitisation, banking, etc. We were also the speaker and knowledge partner in various conferences and summits. These outreach efforts were well received from by key stakeholders including clients and investors.

GAC continued to work closely with S&P Global Ratings, growing in new areas of support such as risk management and regulatory support, including assistants on criteria validation, operational and documentation support for control functions, while increasing the level of integration with S&P Global Ratings teams globally. GAC also expanded support to previously under-served geographical segments including Latin America and Japan.

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

GAC also initiated new support for S&P Global Ratings in the newly formed functions and extending support in Platts to their recently acquired businesses. .

## B. Research

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

#### Highlights

- Financial Research built a strong base on the buy-side and credit business segment driven by new opportunities arising out of the changing regulatory environment

GAC expanded its support to S&P Global group companies in new functions and domains

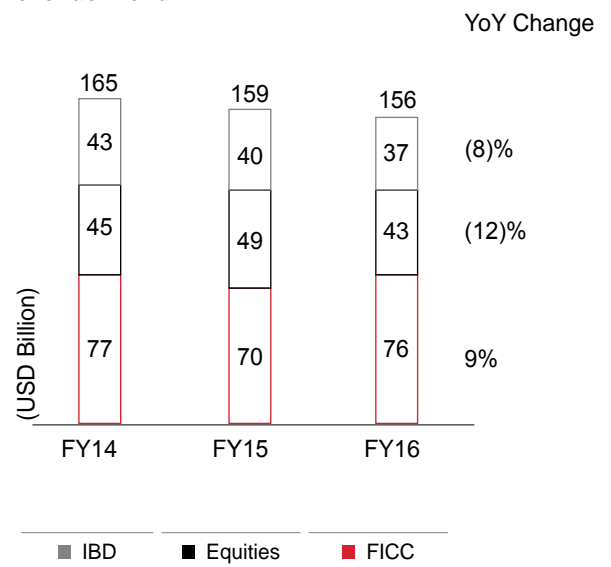
- Risk & Analytics reported another year of very strong business growth with both new and existing customers, and witnessed good traction with newer offerings launched to help banks meet various regulatory mandates
- Corporate Research added several new logos across core sectors
- Coalition had very strong results driven by the expansion of existing clients and the diversification of new clients, coupled with increased brand and media dominance.
- In Data Analytics, we made good progress in delivering analytical solutions and innovative products and solutions to our customers in the buy side and sell side

**Business environment**

Calendar 2016 was another year of subdued growth for the global economy. As a result, the size of the investment banking industry has reached its lowest level since the global financial crisis of 2008-09 with fixed-income revenue at the same level as in 2005. Banks are also transforming their front, middle and back-office activities to provide differentiated services, achieving cost efficiencies and increasing productivity. This is opening up a number of business opportunities for the Risk & Analytics business. Increasing regulatory changes continues to drive strong growth for CRISIL GR&A, especially in the Risk & Analytics vertical, and Coalition.

The Coalition IB Index tracked the performance of the top 12 global investment banks. The results for 2016 show that overall, the index performance is down 2% year-on-year. Equity revenue has decreased 12%, while those from investment banking (from merger & acquisition activity), and debt and equity markets, have decreased 8%. However, Fixed Income Currency and Commodities (FICC) revenue has increased 9%.

**Index Revenue Trend**



**Index Revenue Trend**

In Financial Research, we have added clients across new business segments on the buy side and in credit risk. The imminence of the Markets in Financial Instruments Directive II (MiFiD II) regulations, and increased cost pressure is stoking demand for our services on the buy side, especially from traditional managers and hedge funds. Our sell-side business witnessed demand from the Asia-Pacific region from existing clients. Our Credit Risk business gained from new opportunities related to risk management, deal screening and underwriting, and portfolio monitoring from global financial services clients.

The Risk & Analytics business continued to witness strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics. In addition to the now mature US regulations such as the Comprehensive Capital Analysis and Review (CCAR) and the Dodd-Frank Act Stress Testing (DFAST) newer regulations such as the Fundamental Review of the Trading Book (FRTB), International Financial Reporting

“  
Increasing regulatory changes continues to drive strong growth for CRISIL GR&A, especially in the Risk & Analytics vertical, and Coalition

Standards 9 (IFRS 9), Current Expected Credit Loss Standard (CECL), and Interest Rate Risk in the Banking Book (IRRBB) are also gaining momentum. We are also experiencing substantial interest for our services by banks and financial institutions to provide support for risk data aggregation, and for upgradation of risk systems and processes.

In Corporate Research, our clients continued to face cost pressures and loss of business opportunities, while witnessing increased focus on innovative sales approaches to enable new business. We added several new logos during the year, in addition to reviving a few dormant clients, which helped maintain our revenues.

In Data Analytics, we added new logos for our services on both the buy and sell sides. As analytics becomes more mainstream, we see demand for support, training and consulting assignments on visualisation, digital analytics and advanced analytics. There exist opportunities for integration of unstructured data into investment decision making, and analytics solutions for end clients to quickly validate and test assumptions and hypothesis.

## Operations

In Financial Research, we embarked on several initiatives to accelerate growth, maximise value to clients, increase sales effectiveness, optimise costs, and fortify our brand globally – all of which has enhanced our competitiveness. We have significantly increased our market presence, which buoyed growth in a tough business environment. We also undertook several thought leadership initiatives in the area of changing regulations and its impact on asset managers, which received excellent response and reinforced our position as an industry leader. Our global research centres continue to scale up, with International Centers benefiting from regulation-driven-change mandates, and China building on its growth momentum due to increased demand for Asia research support.

In Risk & Analytics, investments of the previous years have started to yield results in newer areas such as financial crime and compliance analytics, FRTB and IFRS9/CECL. The past year witnessed expansion of our business across all geographies, successful conversion of some strategic prospects, and good progress on the productisation agenda. We are actively investing in our human capital and grooming in-house talent to make them industry ready through a planned series of comprehensive training programs in line with the evolving landscape of the financial services and risk industry.

We have also strengthened our core franchise via participation in industry conferences, hosting webinars on topical issues, and publishing incisive thought papers.

In Corporate Research, while we continued to add large corporations to our clientele, we also added several medium-size entities in our client portfolio – who are requesting analytics-driven research support that provide tangible results – to deal with the challenging business environment they are currently facing.

Coalition delivered strong results, driven by its core Competitor and Client Analytics, which continued to report solid growth. In 2016, 75% of Coalition's existing corporate and investment bank clients significantly increased their investment in our services. In addition, Coalition diversified its client base by establishing new relationships with regional and national players as well as buy-side firms. This expansion is testimony to the trust and increasing reliance in Coalition's high-quality analysis and insight across the financial services industry. Its media strategy added new publications covering corporate and investment bank analysis to reflect the growing collaboration between the two. The team has also delivered very good results, leading to an estimated media market share above 50%. In Data Analytics, we have invested in expanding our team and capabilities. We are focusing on training, and learning and development opportunities to enable upskilling.

## B.2. India Research

### Highlights

- Maintained our dominant and premium position in the flagship Industry Research business
- Witnessed healthy revenue growth in the Customised Research business on the back of significant traction in the automobiles, energy and commodity sectors

In 2016, 75% of Coalition's existing corporate and investment bank clients significantly increased their investment in our services

- Remained the largest provider of fixed-income indices in India and consolidated our position by launching seven new indices during the year
- Significantly stepped up engagement with regulators and industry associations.

### Business Environment & Operations

Despite sharp increase in banks' non-performing assets and resultant pressure on profitability, which impacted research expenditure, subscription rates remained healthy, indicating the criticality and value of our research products and services. Apart from ongoing coverage on 86 sectors, we launched many special reports in areas such as on NBFCs, SMEs, agriculture and, for the first time, on railways given the strong investment focus of the government. After two years of slowdown, the Customised Research business witnessed healthy revenue growth on the back of significant traction in the automobiles, energy and commodity sectors. Continued high proportion of repeat business from Indian and global clients, and increase in average ticket size of mandates improved the performance.

In the Fixed Income Research business, we further consolidated our strong position in the valuation space by winning mandates from general insurers and corporates in 2016. We continued to be the largest provider of fixed-income indices in India and consolidated our position by launching seven new indices during the year. In the mutual fund research, we increased our presence with corporate treasuries and exempted provident fund trusts, helping them in portfolio performance review and risk monitoring.

The Executive Training business saw robust growth over the previous year. We launched our first multi-level certification programme on a customised basis. Increase in banks' and regulators' focus on enhancing credit and risk domains skills is likely to provide strong tailwinds, driving growth of the training business in the medium term.

### Franchise

The CRISIL Centre for Economic Research (C-CER) and the CRISIL Research businesses continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We published several landmark reports during the year, covering a wide spectrum of areas such as the distress in the rural economy, impact of remittances and deficient rains, trade deficit with China, impact

of GST, quality of India's growth, impact of Brexit, the 'Make in India' programme, and demonetisation. C-CER and CRISIL Research speakers participated in over 27 leading industry conferences and panel discussions, and hosted 11 events/webinars on a variety of topics. CRISIL Research participated as a knowledge partner and presented a report on the pension sector at ASSOCHAM's National Conference on Social Security and The Role of Equity Market.

### C. Infrastructure Advisory and Risk Solutions

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

#### C.1. CRISIL Infrastructure Advisory

##### Highlights

- Supported Government of India's flagship programmes such as Smart Cities Mission, Power for All/ Ujwal Discom Assurance Yojana (UDAY), Roads and Indian Railways, and infrastructure financing
- Deepened our value offerings by supporting implementation of large infrastructure programmes through large, multi-year programme management mandates
- Successfully built a strong order book with several large mandate wins

##### Business environment

India's infrastructure sector is at the threshold of significant transformation. The government has launched several new programmes and policy initiatives that have the potential to provide inclusive infrastructure to citizenry. The investment climate has, however, not yet picked up, and infrastructure financing continues to remain a key challenge. The private sector, which was expected to play a key role in infrastructure



Apart from ongoing coverage on 86 sectors, India Research launched many special reports in areas such as NBFCs, SMEs, Agriculture and Railways

development, remains wary of investments. The global economic situation has also not improved, amid continued concerns over recovery.

The government has launched quite a few large and visionary programmes, and has committed to take up the lion's share of investments. However, full-scale implementation is yet to be seen. How quickly the government is able to roll out various reforms and implement them remains the key.

The business is also involved closely with infrastructure development in emerging markets in Africa and South / south-east Asia. During the year, the business environment and infrastructure development in these international markets was muted.

### Operations

CRISIL Infrastructure Advisory started the year slowly, but picked up momentum in the second half of the year. We won several large and prestigious mandates in India and in emerging markets as well. This helped the business to build a robust order book that is significantly larger than before. Revenue growth was steady during the year.

Our focus on government and multilateral agencies as clients continued, as we supported several flagship programmes of the government. During the year, the business was successful in deepening its foray into large multi-year implementation support mandates with government programmes – an important defined strategic pursuit area.

We worked closely with the Ministry of Power in preparing the roadmap for '24x7 Power for All by 2019' for 15 states and union territories, and are now supporting one of the state governments in monitoring and implementation of UDAY and Power for All schemes. We deepened our involvement in the downstream gas sector, as well as renewable energy sector by winning a few prestigious mandates during the year, including review and evaluation of the National Solar Mission.

We expanded our involvement in the Smart Cities Mission by supporting a few more cities in the second round of proposals, and are proud of the fact that barring one, all the cities we supported in the proposals round have been selected by the Ministry of Urban Development to be developed as Smart Cities. We also won a large implementation support mandate in one of the cities.

The roads sector saw a lot of action during the year, and CRISIL Infrastructure Advisory is involved with the National Highways Authority of India on some prestigious projects, including the proposed monetisation of operational projects under the toll-operate-transfer model. We also worked on a first-of-its-kind mandate for the Indian Railways to set up a development fund to draw private and foreign capital to the sector.

The international business for CRISIL Infrastructure Advisory was relatively muted during the year, given the sluggishness in the emerging markets we targeted. However, the business won a few prestigious mandates in Africa and successfully tapped and deepened involvement in the Mekong region of south-east Asia with large mandates in Vietnam, Laos and Cambodia.

## C.2. CRISIL Risk Solutions (CRS)

### Highlights

- Continued to consolidate the business, while stabilising products for efficiencies
- Saw good traction for the business from non-banking clients in India
- Continued expansion of footprint in south Asia, the Middle East and other new geographies by increasing collaboration with S&P Global

### Business environment

The business environment in India has improved significantly with favourable policies on financial inclusion and easing stress on credit quality in the banking industry. With increased focus on strengthening credit risk management and monitoring, demand from banks for our Early Warning System (EWS) and Credit Processing System (CPS) remains strong. Momentum in CRS's rating solution continues in India with small banks and NBFCs showing keen interest in moving to a system-

CRISIL Infrastructure Advisory supported the government on projects such as Smart Cities Mission, Power for All/ Ujwal Discom Assurance Yojana (UDAY), among others.



based solution for internal ratings. CRS's non-product service business is also showing good momentum and would be a key growth driver in the next couple of years. We recently executed our first mandate in the risk services space for a leading NBFC in India. In the international market, especially the Middle East, momentum is building around the need for a credit monitoring tool. Though there is good traction in the market, conversions are key to growth next year.

### Operations

The year saw consolidation with continued investments in our products for building sustainable business and ensuring efficiencies in implementation. Process, people and products remain the key imperatives for the business.

The second half of the year witnessed increased traction in the NBFC space for adopting improved risk practices, leveraging on our strong risk and credit expertise. We expect the momentum to continue next year as well. CRS took efforts to build outreach in the international market for developing a strong pipeline.

We continued to build our franchise through webinars and knowledge-sharing sessions in India and abroad. CRS conducted seminars in Dubai and Kuwait, focusing on increased credit monitoring by an early warning framework, implementation challenges and industry best practices. CRS also organised a web conference discussing practical, real world challenges related to effective credit assessment of MSMEs and alternative approaches to overcome difficulties.

CRS expects to build on its current momentum, expanding footprints in the non-banking space and global markets in 2017.

### D. Collaboration with S&P Global

In 2016, we deepened our engagement with S&P Global for outreach initiatives in different geographies. We collaborated with S&P Global on a seminar under the annual flagship platform, India Credit Spotlight. The theme for the seminar was 'India and China: Fighting the Growth War on Different Battlegrounds'. The event was appreciated by investors and issuers alike. As part of our joint outreach initiatives, we organised a lecture by Paul Sheard, Executive Vice President and Global Chief Economist, S&P Global, on his visit to Mumbai. The lecture was organised in collaboration with the Asia Society chapter in India. We also organised a breakfast meeting for S&P Global Asia-Pacific Chief Economist Paul Gruenwald on Chinese rebalancing and its implications. CRISIL's Chief

Economist Dharmakirti Joshi participated as a panelist in the Global Economic Outlook Conference in New York and also in a webinar on the same topic. He also moderated the leadership panel (on innovation, exploration and India's growth trajectory) at S&P Dow Jones Indices' annual thought leadership seminar, 'Is India's Tomorrow Here Today,' held in Mumbai.

C-CER continued to provide outlook on the Indian economy to S&P Global and contributed an article on prospects for the Indian economy along with an article on India's policy focus on the manufacturing sector to a Platt's publication. CRISIL Research hosted a webinar titled 'Steel - Is it the inflection point or a mirage?' with participation from a senior sector specialist from Platts. Further, CRISIL's expert participated in a panel discussion titled 'Is there a global solution to anti-dumping issues?' at Platts' Steel Conference held in Mumbai. CRISIL also presented on the Indian sugar industry's financial position and outlook at Kingsman Asia Sugar Conference held in Delhi.

Risk Solutions business continued to engage with S&P Global Market Intelligence to promote its offerings in the areas of credit risk assessment for banks and financial institutions across emerging markets.

CRISIL Research started collaborating with S&P Global for cross-selling its products through the S&P Global Market Intelligence platform.

### E. Human Resources

CRISIL's Human Resources agenda made significant advancements in calendar 2016. At the closure of its financial year, CRISIL's headcount was 3,972 including in all wholly owned subsidiaries.

#### Highlights

Employee engagement level moved upward significantly over the last year benchmarks. Empowerment and ownership of

CRISIL Risk Solutions focused on product consolidation and exploring non-product services to propel business growth

middle management helped immensely in talent engagement and retention. Diverse talent programmes were implemented flawlessly and with due spirit that will help us in long run.

We invested heavily in newer technologies, which would not only provide superior experience but also more control to the employees.

Leadership development, succession planning and other organisational development interventions got a relook in line with CRISIL's long-term strategy. Specific development focussed interventions were implemented for the leadership team. A structured job evaluation and career management framework was implemented to facilitate career planning and job rotation. We imparted 2,044 man-days of diverse training to employees during the year.

With a focus on improving employee benefits, a number of programs were rolled out to be able to stay ahead of the market.

## Segment-Wise Results

The Company has identified three business segments, in line with the Accounting Standard on Segment Reporting (AS-17), which comprise: (i) Ratings, (ii) Research and (iii) Advisory. The audited financial results of these segments are provided as a part of financial statements.

## Directors

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company.

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

## Directorship changes

Mr. Yann Le Pallec resigned as Director of the Company on July 19, 2016. Your Directors place on record their sincere

appreciation of his valuable support and guidance to the Board and the Company during his tenure as a Director, especially recognising his engagement with and contributions to the Risk Solutions and Advisory businesses of CRISIL, as a director of our subsidiary, CRISIL Risk and Infrastructure Solutions Limited.

Mr. John Francis Callahan Jr. resigned as Director of the Company on July 19, 2016. Your Directors place on record their sincere appreciation of his valuable support, strategic insights and guidance provided to the Board and the Company during his tenure as a Director, especially, his involvement and constructive inputs during the CRISIL Strategy exercise.

The Board of Directors appointed Ms. Martina L. Cheung and Mr. John L. Berisford as Additional Directors of the Company with effect from July 19, 2016. Ms. Cheung and Mr. Berisford hold office as Additional Directors until the ensuing Annual General Meeting, and are eligible for appointment as Directors as provided under Article 129 of the Articles of Association of the Company. The Company has received notices under Section 160 of the Companies Act, 2013 from a member signifying her intention to propose the candidature of Ms. Martina Cheung and Mr. John L. Berisford for the office of Directors. A brief profile of Ms. Martina Cheung and Mr. John L. Berisford has been given in the Notice convening the Annual General Meeting.

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

## Board Independence

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

- a) Mr. H. N. Sinor
- b) Dr. Nachiket Mor
- c) Mr. M. Damodaran
- d) Ms. Vinita Bali

## Committees of the Board

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

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

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

## Number of Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to help them plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is circulated at least seven days before the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times in financial year 2016 viz., on February 9, April 19, July 19 and October 14. The maximum interval between any two meetings did not exceed 120 days.

## Annual Evaluation by the Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured

questionnaire prepared separately for Board, Committees, Chairman and individual Directors. The performance evaluation of the Chairman was also carried out by the Independent Directors at a separate meeting of the Independent Directors. The questionnaire and evaluation process was reviewed in the context of SEBI Guidance Note on Board evaluation dated January 5, 2017 and necessary alignment was made with the requirements.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as Board structure, understanding of Board members of their roles and responsibilities, Board meeting and reporting process, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

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

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

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

During 2016, the Company also actioned the feedback from the Board evaluation process conducted in the previous year, i.e. 2015. Suggestions were incorporated in strengthening the Board review calendar plan for 2016 with thematic additions on people matters & succession planning as well as increased frequency of review of regulatory developments and strategy. Special sessions were conducted throughout the year, for the senior management and Board members, by internal and external speakers, including some industry leaders. Perspective on markets, economy, corporate governance trends and public policy shared during these sessions, helped contextualising the budgeting and strategy exercises of the Company. Attending

Board meetings allowed increased interaction between the senior management and the Board.

## Risk Management Policy and Internal Control Adequacy

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its 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 disclosures. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee. For ensuring independence of audits, the Internal Auditors report to the Audit Committee. Both Internal and Statutory Auditors have exclusive executive sessions with the Audit Committee on a regular basis. In addition, the Management performs a review of key controls impacting financial reporting, at entity as well as operating levels.

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

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 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 2016.

## Directors' Responsibility Statement

Your Directors hereby confirm that:

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

## Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## Particulars Regarding Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo

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

However, CRISIL is supportive of the cause of environment protection and has taken measures to reduce its carbon footprint. Some of these measures are as follows:

- a) We organise workplaces such that maximum day light is used in work areas, reducing artificial illumination

- b) Motion sensors are used for automatic switching on/off of lights to conserve energy
- c) The air-conditioning equipment is operated through a building monitoring system, which ensures that the units are switched on or off based on occupancy
- d) Recycled water through sewerage treatment is used for gardening purposes
- e) We have initiated a project for converting wet waste into compost for horticultural use

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

In addition, under the CRISIL Re. employee volunteering program, CRISIL leverages its workforce as agents of change to drive environment conservation actions. These include tree plantation initiatives, green cover maintenance activities, installations of solar-powered lamps for renewable electricity to disadvantaged communities and waste management solutions for the urban poor. Details of the outcomes from these initiatives during 2016 are given in the Corporate Social Responsibility Report published elsewhere in the Annual Report.

## Corporate Social Responsibility

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

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

## Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of

which have been given in the Corporate Governance Report annexed to this Report.

## Subsidiary Companies

As on December 31, 2016, the Company had one Indian and seven overseas wholly owned subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

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

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

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

## Merger of Wholly Owned Subsidiaries with the Company

In order to improve operating efficiencies, the Board of Directors of the Company in their meeting held on October 17, 2015, after considering the recommendations of the Audit Committee, approved the amalgamation of its three wholly owned subsidiary companies viz., Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited, with the Company through a Scheme of Amalgamation (Scheme) under Section 391/394 of the Companies Act, 1956, as reported in the previous year's Directors' Report.

A Scheme of Amalgamation filed with the Hon'ble High Court of Bombay was duly approved by the High Court and the said

Scheme became effective on October 25, 2016, with April 1, 2016 as the appointed date. Being wholly owned subsidiaries of the Company, the entire paid-up share capital of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited has been cancelled and the companies stand dissolved without winding up and as a result, these three have ceased to be subsidiaries of the Company.

### Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1)

A significant quantum of related party transactions undertaken by the Company is with its subsidiary companies engaged in product delivery of CRISIL businesses and business development activities. The Company has also been providing analytical support to S&P Global entities as a part of a Master Services Agreement, which transaction has been approved by the shareholders through a resolution passed by postal ballot on December 15, 2014.

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

All contracts / arrangements / transactions with related parties that were executed in 2016 were in the ordinary course of business and at an arm's length. During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. The particulars of material contracts or arrangements with related parties referred to in Section 188(1), is given in prescribed Form AOC - 2 as Annexure III.

As required under 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 <http://www.crisil.com/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' Appointment

At the 28th Annual General Meeting of the Company, the Statutory Auditors, S. R. Battliboi & Co. LLP, Chartered Accountants, were appointed for a term of two years until the conclusion of the 30th Annual General Meeting.

In view of the mandatory requirement for rotation of auditors upon completion of 10 years of association with a company, in terms of Section 139 of the Companies Act, 2013, S. R. Battliboi & Co. LLP will retire as Company's Auditors at the conclusion of the ensuing 30th Annual General Meeting. It is proposed to appoint M/s. Walker Chandiook & Co LLP as the new Statutory Auditors of the Company. M/s. Walker Chandiook & Co LLP (an affiliate of Grant Thornton India LLP) are proposed to be appointed for a period of 5 continuous years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company. M/s. Walker Chandiook & Co LLP, have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. M/s. Walker Chandiook & Co LLP have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid certificates issued by the Peer Review Board of the ICAI. M/s. Walker Chandiook & Co LLP, have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Company Act 2013. A brief profile of the Auditors is provided in the Notice of the Annual General Meeting.

The Board recommends appointment of M/s. Walker Chandiook & Co LLP as Statutory Auditors of the Company from the conclusion of 30th Annual General Meeting up to the conclusion of 35th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

### Secretarial Audit Report

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

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

### Comments on Auditors' Report

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

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

### Management's Discussion and Analysis Report

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

### Corporate Governance

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

### Particulars of Remuneration

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

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

the Annual General Meeting and shall be made available to any shareholder upon request.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 10, 2017 that the remuneration is as per the remuneration policy of the Company.

### Employee Stock Option Schemes

The Company has three employee stock option schemes. The Employee Stock Option Scheme - 2011 (ESOS 2011) was approved by the shareholders vide a special resolution passed through postal ballot on February 4, 2011. The Employee Stock Option Scheme - 2012 (ESOS 2012) was approved by the shareholders vide a special resolution passed through postal ballot on April 10, 2012. The Employee Stock Option Scheme - 2014 (ESOS 2014) was approved by the shareholders vide a special resolution passed through postal ballot on April 3, 2014. In terms of the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, approval of shareholders is sought for modification of Employee Stock Option Scheme - 2014 with the objective of utilising the stock option pool more effectively by revising the exercise price. Accordingly, a special resolution has been included in the Notice of 30th Annual General Meeting accompanying this report.

During 2016, there were no material changes in the Employee Stock Option Schemes (ESOS) of the Company and the Schemes are in compliance with the SEBI Regulations on ESOS. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated June 16, 2015 the details of the ESOS are uploaded on the Company's website <http://www.crisil.com/pdf/investors/Detail-of-ESOS-31st-Dec-2016.pdf> in terms of Circular No CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by Securities and Exchange Board of India.

### Extract of Annual Return

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

### Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## Litigations

During the year under review, there were no significant or material orders passed by any regulatory / statutory authorities or courts / tribunals against the Company impacting its going concern status and operations in future.

## Financial Year

The Company and all its subsidiary companies, in India and across the world, follow the calendar year as the financial year in terms of a special approval obtained from the Company Law Board in 2015.

## CEO and CFO Certification

Certificate from Ms. Ashu Suyash, Managing Director & CEO and Mr. Amish Mehta, Chief Financial Officer, pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on February 11, 2017.

## Acknowledgements

The Board of Directors wishes to thank the employees of CRISIL for their exemplary dedication and the excellence they

have displayed in conducting the operations of CRISIL. The Board also wishes to place on record its sincere appreciation of the faith reposed in the professional integrity of CRISIL by customers and investors who have patronised its services. The Board acknowledges the splendid support provided by market intermediaries. The affiliation with S&P Global has been a source of great strength. The Board of Directors also wishes to place on record its gratitude for the faith reposed in CRISIL by the Shareholders, 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

**Douglas L. Peterson**

Chairman

Mumbai, February 11, 2017

(DIN: 05102955)



# Annexure I to the Directors' Report

## Nomination and Remuneration Policy

### 1. Introduction

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

### 2. Objective and purpose of the Policy

The objectives and purpose of this policy are:

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

### 3. Constitution of the Nomination and Remuneration Committee

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

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

#### Definitions

- "Board" means Board of Directors of the Company.
- "Directors" means Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

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

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

#### General:

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

#### PART – A

#### Matters to be Dealt with, Perused and Recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

#### (a) Size and composition of the Board:

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

**(b) Directors:**

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

**(c) Succession plans:**

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

**(d) Evaluation of performance:**

- Make recommendations to the Board on appropriate performance criteria, for the Directors.
- Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
- Identify ongoing training and education programs for the Board to ensure that Non- Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

**(e) Board diversity:**

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

**(f) Remuneration framework and policies:**

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

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity

awards, retirement rights and service contracts having regard to the need to

- attract and motivate talent to pursue the Company's long term growth;
  - demonstrate a clear relationship between executive compensation and performance; and
  - be reasonable and fair, having regard to best governance practices and legal requirements.
- the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
  - the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
  - the Company's remuneration reporting in the financial statements and remuneration report.

**PART – B****Policy for Appointment and Removal of Director, KMPs and Senior Management****Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to CRISIL, ability to contribute to CRISIL's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of sixty years. Provided that the term of the person holding this position may be extended beyond the age of sixty years with the approval of shareholders by passing a special resolution

based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years.

5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of CRISIL.

#### **Term / Tenure:**

1. Managing Director/Whole-time Director:
  - The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

#### **Removal:**

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

#### **Retirement:**

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

### **PART – C**

#### **Policy Relating to the Remuneration for Directors, KMPs and Other Employees**

##### **General:**

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

##### **Remuneration to KMP and other Employees:**

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

## 1. Fixed Pay:

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

### These guidelines are as under:

#### a) Annual remuneration:

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

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

#### b) Long-term rewards:

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

performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

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

## 2. Minimum remuneration to Managing Director:

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

## 3. Short Term Loans:

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

### Remuneration to Non-Executive / Independent Directors:

#### 1. Commission:

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

The overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### 2. Sitting Fees:

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

#### 3. Stock Options:

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

**Policy Review:**

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

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

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

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

This Policy is updated on February 9, 2016.

# Annexure II to the Directors' Report

## Corporate Social Responsibility Policy

### Introduction:

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

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

### The CSR Policy:

CRISIL would carry out the following activities:-

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

To enhance reach and to accelerate the implementation of the CSR Program to a larger set of target population, CRISIL may also partner or work with other Foundations, implementation

agencies, NGOs or other intermediaries for deploying the CSR Program.

### CSR Funding and Allocation:

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

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

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

### Applicability:

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

### Implementation:

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

### Constitution of the CSR Committee:

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

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

## Meetings and Quorum:

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

## Roles and Responsibilities of the Committees:

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

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

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

## Policy Review

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

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

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

This policy is updated on February 9, 2016.

# Annual Report on Corporate Social Responsibility Activities

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

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** Kindly refer the Corporate Social Responsibility Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
- The Composition of the CSR Committee:** Ms. Vinita Bali (Chairperson), Mr. H.N. Sinor and Ms. Ashu Suyash
- Average net profit of the company for last three financial years (2013-2015):** Rs. 309.47 crore.
- Prescribed CSR Expenditure (2% of the amount as in item 3 above) (2013 - 2015):** Rs. 6.19 crore.
- Details of CSR spend during the financial year:**
  - Total amount to be spent for the financial year: Rs. 6.19 crore, out of which an amount of Rs 6.04 crore was spent during the year
  - Amount unspent, if any: The total unspent amount is of Rs 0.15 crore, please refer note 6 for reasons thereof
  - Manner in which the amount spent during the financial year is detailed below:

(1) Sl. No.	(2) CSR Project or Activity identified	(3) Sector in which the Project is covered	(4) Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	(5) Amount outlay (Budget) projects or programmes wise (Rs. crore)	(6) Amount spent on the projects or programmes		(7) Cumulative expenditure up to the reporting period (Rs. crore)	(8) Amount spent: Directly or Through Implementing Agency*
					Direct expenditure on programmes or projects (Rs. crore)	Overheads (Rs. crore)		
1	Mein Pragati - Assam	Women Empowerment – Financial Capability Building	Assam	2.91	2.48	0.13	2.61	Rashtriya Grameen Vikas Nidhi
2	CRISIL Re	Environmental Conservation - through volunteerism	Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune	1.46	1.38	0.08	1.46	United Way of Mumbai, Green Yatra
3	Mein Pragati - Rajasthan	Women Empowerment – Financial Capability Building	Rajasthan	1.64	1.56	0.08	1.64	Humana People to People India
4	Assam Flood Relief	Disaster Relief	Assam	0.15	0.14	0.01	0.15	Rashtriya Grameen Vikas Nidhi
5	Other Projects	Education & Women Empowerment – Financial Capability Building	Maharashtra, Rajasthan and Uttarakhand	0.18	0.17	0.01	0.18	Dr. Reddy's Foundation, ITC Limited, People's Power Collective
<b>TOTAL</b>				<b>6.34</b>	<b>5.73</b>	<b>0.31</b>	<b>6.04</b>	



## Key NGO Partners:

### Rashtriya Gramin 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.

### 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.

### Other NGO partners:

Hope Foundation, Advit Foundation, WISE, Milaap, Project Chirag, SEED, EFI, Sakaar Outreach, I am Gurgaon.

### Green Yatra

Green Yatra is a Non-Profit-Non-Governmental organization devoted to protection, conservation and improvement of our Mother Nature and Humanity. Its objective is to pass on a habitable green, pollution free Earth and a better World to the future generations.

Green Yatra has supported CRISIL in planting 4000 trees at Vishwagadh village, Bhiwandi taluka, Maharashtra through 3 employee engagement drives and is now currently supporting its maintenance for the next 3 years. Additionally, Green Yatra has helped distribute material to villages in Bhiwandi taluka. The material was collected from our Mumbai and Pune offices during the Joy of Giving Week.

### Humana People to People India (HPPI)

HPPI is a development organisation registered as a not-for-profit company under section 25 of the Companies Act, 1956 as of 21 May 1998. The Organization comprises five main thematic areas – Livelihood & Community Development, Environmental

Sustainability, Micro Finance, Education, and Health. Humana People to People India is a member of The Federation for Associations connected to the International Humana People to People Movement.

### Dr. Reddys Foundation (DRF)

DRF is a not-for-profit organization committed to enabling economically and socially vulnerable groups to take control of their lives. Set up in 1996 in Hyderabad, Dr. Reddy's Foundation is engaged in various social activities with its core focus on education, livelihood, health and nutrition. DRF works with children, youth (including persons with disabilities), women and households across 20 states in India.

### ITC Limited

ITC has exposure to different geographical locations, where it conducts Corporate Social Responsibility activities. ITC's Social Investments Programme focuses on afforestation, watershed management, animal husbandry, women's empowerment, and primary education. ITC's Social Investments Programme works with two important stakeholder groups which is rural communities and communities residing in close proximity to production units.

### People's Power Collective

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

- 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:** During the year the Company has made significant strides to reach out to over 3,50,000 families encompassing rural poor alongwith small & marginalised farmers through various interactive media including community radio. Our social footprint has grown to cover four states in addition to Assam – Maharashtra, Madhya Pradesh, Rajasthan & Uttarakhand. Within a short span of a year, our outreach has grown multifold. The shortfall in CSR spend is on account of the unspent amount towards the Project Mein Pragati in Assam, which is payable to the NGO partner subject to completion of certain pre-agreed

project related milestones. The said amount is already earmarked and made available by CRISIL to its associate charitable trust of CRISIL Foundation and will be released on meeting the said targets.

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

For CRISIL Limited

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

**Ashu Suyash**

Managing Director  
& Chief Executive Officer  
(DIN: 00494515)

**Vinita Bali**

Chairperson  
Corporate Social Responsibility Committee  
(DIN: 00032940)

Mumbai, February 11, 2017

## Annexure III to the Directors' Report

### Form No. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arms-length transactions under third proviso thereto.

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

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 / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	S&P Global Inc (Formerly known as McGraw-Hill Financial, Inc.) and its subsidiaries (SPGI) (Fellow Subsidiaries)	Global Analytical Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of Rs. 166.30 crore in 2016	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with SPGI and its group Companies.	February 8, 2016	Nil	December 15, 2014

2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna UK for GR&A services which Irevna UK has recovered from external clients. The pricing is after considering appropriate remuneration to Irevna UK to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna UK Limited in 2016 is Rs. 240.48 crore)	Services rendered by CRISIL Irevna UK are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna UK.	February 8, 2016	Nil	Not applicable
3	CRISIL Irevna US LLC (100 % Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna US for GR&A services which CRISIL Irevna US has recovered from external clients. The pricing is after considering appropriate remuneration to CRISIL Irevna US to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna US in 2016 is Rs. 196.78 crore)	Services rendered by CRISIL Irevna US are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna US.	February 8, 2016	Nil	Not applicable
4	CRISIL Irevna UK Limited	Loan given by CRISIL	10 years	Loan outstanding Rs. 87.28 crore from CRISIL Irevna UK Limited. Tenure of loan is ten years and interest rates are based on appropriate benchmarking	Loan given by CRISIL India to CRISIL Irevna UK for financing acquisitions	July 17, 2014	Nil	Not applicable

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

**Douglas L. Peterson**

Chairman

(DIN: 05102955)

Mumbai, February 11, 2017

# Annexure IV to the Directors' Report

## Secretarial Audit Report

### For The Financial Year ended 31 December, 2016

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

To:

The Members  
CRISIL Limited  
CRISIL HOUSE, Central Avenue  
Hiranandani Business Park  
Powai, Mumbai – 400076.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 December, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents

and records in pursuance thereof, I further report that the Company has complied with the following laws applicable specifically to the Company:

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

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under

review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- The Hon'ble High Court of Judicature at Bombay vide its order dated 8 September, 2016, has approved the scheme of amalgamation of Company's three wholly-owned Indian subsidiaries, viz. Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited with the Company.

Place : Pune

Date : February 11, 2017

**Dr. K R Chandratre**  
 Company Secretary in Practice:

FCS No. 1370

C. P. No.: 5144

## Annexure V to the Directors' Report

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

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

### 1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

SI No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
a.	Mr. Douglas L. Peterson – Chairman, Non-executive Director	NA*
b.	Mr. H. N. Sinor – Independent Director	5.17
c.	Dr. Nachiket Mor – Independent Director	4.85
d.	Mr. M. Damodaran – Independent Director	5.42
e.	Ms. Vinita Bali – Independent Director	5.28
f.	Mr. Yann Le Pallec – Non-Executive Director#	NA*
g.	Mr. John F. Callahan Jr. – Non-Executive Director#	NA*
h.	Ms. Martina Cheung – Non-Executive Director	NA*
i.	Mr. John L. Berisford – Non-Executive Director	NA*
j.	Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson	NA
k.	Ms. Ashu Suyash – Managing Director & Chief Executive Officer	82.72

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

# Resigned with effect from July 19, 2016.

### 2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

SI No.	Name of the Director/Key Managerial Personnel	2015 Remuneration Rs.	2016 Remuneration Rs.	Percentage increase in remuneration
a.	Mr. Douglas L. Peterson – Chairman, Non-executive Director	40,000*	Nil*	-100%
b.	Mr. H. N. Sinor – Independent Director	31,00,000	32,15,000	3.71%
c.	Dr. Nachiket Mor – Independent Director	31,75,000	30,15,000	-5.04%
d.	Mr. M. Damodaran – Independent Director	31,95,000	33,70,000	5.47%
e.	Ms. Vinita Bali – Independent Director	29,45,000	32,85,000	11.54%
f.	Mr. Yann Le Pallec – Non-Executive Director#	Nil*	Nil*	NA
g.	Mr. John F. Callahan Jr. – Non-Executive Director#	Nil*	Nil*	NA
h.	Ms. Martina Cheung – Non-Executive Director **	Nil*	Nil*	NA
i.	Mr. John L. Berisford – Non-Executive Director **	Nil*	Nil*	NA
j.	Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson	Nil	Nil	NA
k.	Ms. Ashu Suyash – Managing Director & Chief Executive Officer	2,78,09,450	5,14,34,650	84.95%^
l.	Mr. Amish Mehta – Chief Financial Officer	2,49,04,484	2,97,04,908	19.28%
m.	Ms. Minal Bhosale – Company Secretary	43,64,075	86,53,350	98.29%^

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

^Since joining date was June 1, 2015, the remuneration for 2015 and 2016 are not comparable.

#Resigned with effect from July 19, 2016.

\*\* Appointed on July 19, 2016.

3. **The percentage increase in the median remuneration of employees in the financial year:** Median pay has increased by 4.1% in 2016 as compared to 2015.
4. **The number of permanent employees on the rolls of company:** 3,385
5. **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 2016 over 2015 was 11.22%. During the previous year, there were succession changes to the position of CEO and Managing Director and one-time payments such as end-term benefits, exercise of options and joining bonus were included in the remuneration. Hence, there is a decrease in the overall managerial remuneration to KMPs by 51.72%.
6. **Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes



## Annexure VI to the Directors' Report

Form No MGT-9

Extract of annual return as on the financial year ended on December 31, 2016  
[Pursuant to section 92(3) and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details

i.	CIN	L67120MH1987PLC042363
ii.	Registration date	29/01/1987
iii.	Name of the company	CRISIL Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Tel 022-33423000 Fax 022-33423810 Website: www.crisil.com e-mail: investors@crisil.com
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer agent, if any	Karvy Computershare Pvt. Ltd. Unit : CRISIL Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Email : einward.ris@karvy.com Phone : +91 40 6716 1500 Toll Free No. : 1-800-34-54-001 Fax : +91 40 6716 1567

### II. Principal Business Activities of the Company

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

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

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
i.	S&P India LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	43.75	2(46)
ii.	S&P Global Asian Holdings Pte Limited, 12 Marina Boulevard, #23-01, Marina Bay Financial Centre, Tower 3, Singapore 018982	Not Applicable	Holding Company	14.89	2(46)

iii.	Standard & Poors' International LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	8.41	2(46)
iv.	CRISIL Risk and Infrastructure Solutions Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U72100MH- 2000PLC128108	Subsidiary Company	100%	2(87)
v.	CRISIL Irevna UK Limited, C/o. Penningtons Manches LLP 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
vi.	CRISIL Irevna US LLC, C/o. Global Corporate Services Inc., 704 N. Kind St., #500, Wilmington, Delaware 19899, USA	Not Applicable	Subsidiary Company	100%	2(87)
vii.	CRISIL Irevna Argentina S.A., Reconquista 1088, 9th floor, Provincia de Buenos Aires, Argentina	Not Applicable	Subsidiary Company	100%	2(87)
viii.	CRISIL Irevna Poland Sp. Z.oo., Renaissance Business Centre, 6th Floor, ul. Świętego Mikołaja 7, 50 - 125 Wrocław	Not Applicable	Subsidiary Company	100%	2(87)
ix.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd., Room 1606, 16th floor, Hengxin Mansion, Jiangnan Avenue 588, Hangzhou, China	Not Applicable	Subsidiary Company	100%	2(87)
x.	Coalition Development Limited, C/o. Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
xi.	Coalition Development Singapore Pte. Ltd., 60 Robinson Road, # 11-01, BEA Building, Singapore 068892	Not Applicable	Subsidiary Company	100%	2(87)

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

##### i) Category-wise Share Holding

Category of shareholders	Number of shares held at the beginning of the year			Percentage of total shares	Number of shares held at the end of the year			% of total shares	% change during the year*
	Demat	Physical	Total		Demat	Physical	Total		
<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>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	4,78,32,539	-	4,78,32,539	67.17	4,78,32,539	-	4,78,32,539	67.05	(0.12)*

Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>4,78,32,539</b>	<b>-</b>	<b>4,78,32,539</b>	<b>67.17</b>	<b>4,78,32,539</b>	<b>-</b>	<b>4,78,32,539</b>	<b>67.05</b>	<b>(0.12)*</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4,78,32,539</b>	<b>-</b>	<b>4,78,32,539</b>	<b>67.17</b>	<b>4,78,32,539</b>	<b>-</b>	<b>4,78,32,539</b>	<b>67.05</b>	<b>(0.12)*</b>
<b>B. Public Shareholding</b>									
<b>1. INSTITUTIONS</b>									
a) Mutual Funds	31,79,603	-	31,79,603	4.47	33,86,482	-	33,86,482	4.75	0.28*
b) Banks / FI	3,76,228	2,000	3,78,228	0.53	1,79,996	2,000	1,81,996	0.26	(0.27)*
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	34,77,164	-	34,77,164	4.88	39,24,515	-	39,24,515	5.50	0.62*
g) FIs	56,33,823	3,000	56,36,823	7.92	53,48,068	3,000	53,51,068	7.50	(0.42)*
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>1,26,66,818</b>	<b>5,000</b>	<b>1,26,71,818</b>	<b>17.80</b>	<b>1,28,39,061</b>	<b>5,000</b>	<b>1,28,44,061</b>	<b>18.01</b>	<b>0.21*</b>
<b>2. NON-INSTITUTIONS</b>									
<b>a) Bodies Corp.</b>									
i) Indian	9,89,838	4,000	9,93,838	1.40	10,42,927	4,000	10,46,927	1.47	0.07
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	51,25,706	1,41,134	52,66,840	7.40	44,14,276	1,36,136	45,50,412	6.39	(1.01)*
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	42,53,082	-	42,53,082	5.97	48,59,609	-	48,59,609	6.81	0.84*
<b>c) Others (specify)</b>									
Non-Resident Individuals	1,81,389	-	1,81,389	0.25	1,99,675	-	1,99,675	0.28	0.03*
Clearing Members	9,511	-	9,511	0.01	1,724	-	1,724	0.00	(0.01)*
Trusts	86	-	86	0.00	411	-	411	0.00	0.00*
<b>Sub-total (B)(2)</b>	<b>1,05,59,612</b>	<b>1,45,134</b>	<b>1,07,04,746</b>	<b>15.03</b>	<b>1,05,18,622</b>	<b>1,40,136</b>	<b>1,06,58,758</b>	<b>14.94</b>	<b>(0.09)*</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>2,32,26,430</b>	<b>1,50,134</b>	<b>2,33,76,564</b>	<b>32.83</b>	<b>2,33,57,683</b>	<b>1,45,136</b>	<b>2,35,02,819</b>	<b>32.95</b>	<b>0.12*</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>7,10,58,969</b>	<b>1,50,134</b>	<b>7,12,09,103</b>	<b>100.00</b>	<b>7,11,90,222</b>	<b>1,45,136</b>	<b>7,13,35,358</b>	<b>100</b>	<b>-</b>

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

**(ii) Shareholding of Promoters**

SI no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	S & P India LLC	3,12,09,480	43.83	Nil	3,12,09,480	43.75	Nil	-0.08
2.	S&P Global Asian Holdings Pte Limited	1,06,23,059	14.92	Nil	1,06,23,059	14.89	Nil	-0.03
3.	Standard & Poor's International LLC	60,00,000	8.42	Nil	60,00,000	8.41	Nil	-0.01
	<b>TOTAL</b>	<b>4,78,32,539</b>	<b>67.17</b>	<b>Nil</b>	<b>4,78,32,539</b>	<b>67.05</b>	<b>Nil</b>	<b>-0.12</b>

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

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

SI no.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
<b>1. S&amp;P India LLC</b>					
	January 1, 2016	3,12,09,480	43.83	3,12,09,480	43.83
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)			No change	
	December 31, 2016	3,12,09,480	43.75*	3,12,09,480	43.75*
<b>2. S&amp;P Global Asian Holdings Pte Limited</b>					
	January 1, 2016	1,06,23,059	14.92	1,06,23,059	14.92
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)			No change	
	December 31, 2016	1,06,23,059	14.89*	1,06,23,059	14.89*
<b>3. Standard &amp; Poor's International LLC</b>					
	January 1, 2016	60,00,000	8.42	60,00,000	8.42
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)			No change	
	December 31, 2016	60,00,000	8.41*	60,00,000	8.41*

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

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

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

Sl no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
<b>1.</b>	<b>Jhunjhunwala Rakesh and Rekha</b>				
	January 1, 2016	40,00,000	5.62	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
	December 31, 2016	40,00,000	5.61*	-	-
<b>2.</b>	<b>General Insurance Corporation of India</b>				
	January 1, 2016	27,00,000	3.79	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
	December 31, 2016	27,00,000	3.78*	-	-
<b>3.</b>	<b>Matthews Funds – Various Funds</b>				
	We combine the folios of all schemes of Matthews Funds under the Foreign Institutional Investors category to give a fair representation of the total holding.				
	January 1, 2016	18,71,211	2.63*	-	-
	January 22, 2016 – Purchase	2,092	0.00	18,73,303	2.63
	January 29, 2016 – Sale	-9,168	-0.01	18,64,135	2.62
	February 12, 2016 – Purchase	1,393	0.00	18,65,528	2.62
	February 26, 2016 – Purchase	4,500	0.01	18,70,028	2.63
	March 4, 2016 – Purchase	15,000	0.02	18,85,028	2.65
	June 24, 2016 – Sale	-13,908	-0.02	18,71,120	2.63
	June 30, 2016 – Sale	-10,697	-0.02	18,60,423	2.61
	July 15, 2016 – Purchase	43,000	0.06	19,03,423	2.67
	July 22, 2016 – Sale	-6,449	-0.01	18,96,974	2.66
	July 29, 2016 – Purchase	68,887	0.10	19,65,861	2.76
	August 19, 2016 – Purchase	166	0.00	19,66,027	2.76
	August 26, 2016 – Purchase	7,413	0.01	19,73,440	2.77
	September 02, 2016 – Purchase	8,466	0.01	19,81,906	2.78
	September 16, 2016 – Sale	-10,604	-0.01	19,71,302	2.77
	September 23, 2016 – Purchase	24	0.00	19,71,326	2.77
	September 30, 2016 – Sale	-6,075	-0.01	19,65,251	2.76
	October 21, 2016 – Sale	-2,911	0.00	19,62,340	2.75
	October 28, 2016 – Sale	-1,476	0.00	19,60,864	2.75
	November 04, 2016 – Sale	-2,984	0.00	19,57,880	2.74
	November 11, 2016 – Purchase	65	0.00	19,57,945	2.74
	November 18, 2016 – Sale	-42,486	-0.06	19,15,459	2.69
	November 25, 2016 – Sale	-46,995	-0.07	18,68,464	2.62
	December 02, 2016 – Sale	-34,744	-0.05	18,33,720	2.57
	December 09, 2016 – Sale	-35,657	-0.05	17,98,063	2.52
	December 16, 2016 – Sale	-5,697	-0.01	17,92,366	2.51
	December 23, 2016 – Sale	-1,505	0.00	17,90,861	2.51
	December 31, 2016 – Sale	-520	0.00	17,90,341	2.51
	December 31, 2016	17,90,341	2.51*	-	-
<b>4.</b>	<b>Life Insurance Corporation of India</b>				

January 1, 2016	7,65,735	1.07	-	-
September 09, 2016 – Purchase	17,366	0.02	7,83,101	1.10
September 16, 2016 – Purchase	84,716	0.12	8,67,817	1.22
September 23, 2016 – Purchase	33,548	0.05	9,01,365	1.26
September 30, 2016 – Purchase	21,730	0.03	9,23,095	1.30
October 07, 2016 – Purchase	70,538	0.10	9,93,633	1.39
November 04, 2016 – Purchase	68,048	0.10	10,61,681	1.49
November 11, 2016 – Purchase	36,074	0.05	10,97,755	1.54
November 18, 2016 – Purchase	41,044	0.06	11,38,799	1.60
November 25, 2016 – Purchase	36,287	0.05	11,75,086	1.65
December 02, 2016 – Purchase	38,000	0.05	12,13,086	1.70
December 31, 2016	12,13,086	1.70*	-	-

#### 5. Unit Trust of India – Various Funds

We combine the folios of all schemes of UTI Mutual Fund to give a fair representation of the total holding.

January 1, 2016	11,50,277	1.62	-	-
January 8, 2016 – Purchase	2,135	0.00	11,52,412	1.62
January 29, 2016 – Purchase	3,000	0.00	11,55,412	1.62
February 5, 2016 – Sale	-506	0.00	11,54,906	1.62
February 12, 2016 – Purchase	598	0.00	11,55,504	1.62
February 26, 2016 – Purchase	31,752	0.04	11,87,256	1.67
March 04, 2016 – Sale	-225	0.00	11,87,031	1.67
April 08, 2016 – Sale	-800	0.00	11,86,231	1.67
April 14, 2016 – Sale	-7,000	-0.01	11,79,231	1.65
April 22, 2016 – Sale	-18,000	-0.03	11,61,231	1.63
April 29, 2016 – Sale	-273	0.00	11,60,958	1.63
May 13, 2016 – Sale	-110	0.00	11,60,848	1.63
June 30, 2016 – Sale	-468	0.00	11,60,380	1.63
August 12, 2016 – Sale	-5,000	-0.01	11,55,380	1.62
August 19, 2016 – Sale	-500	0.00	11,54,880	1.62
September 2, 2016 – Purchase	20,500	0.03	11,75,380	1.65
October 7, 2016 – Purchase	4,285	0.01	11,79,665	1.66
December 2, 2016 – Sale	-10,000	-0.01	11,69,665	1.64
December 31, 2016 – Purchase	25,423	0.04	11,95,088	1.68
December 31, 2016	11,95,088	1.68*	-	-

#### 6. Smallcap World Fund, Inc.

January 1, 2016	5,70,000	0.80	-	-
Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
December 31, 2016	5,70,000	0.80*	-	-

#### 7. Mondrian Emerging Market / Investments

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

January 1, 2016	7,02,544	0.99	-	-
March 31, 2016 – Purchase	8,884	0.01	7,11,428	1.00
April 08, 2016 – Purchase	33,172	0.05	7,44,600	1.05
April 14, 2016 – Purchase	7,961	0.01	7,52,561	1.06
June 24, 2016 – Sale	-2,309	0.00	7,50,252	1.05
June 30, 2016 – Sale	-32,406	-0.05	7,17,846	1.01
July 01, 2016 – Sale	-7,200	-0.01	7,10,646	1.00
July 08, 2016 – Sale	-76,890	-0.11	6,33,756	0.89

July 15, 2016 – Sale	-53,309	-0.07	5,80,447	0.81
September 16, 2016 – Sale	-31,025	-0.04	5,49,422	0.77
December 31, 2016	5,49,422	0.77*	-	-
<b>8. IDFC Premier Equity Fund</b>				
January 1, 2016	5,10,000	0.72	-	-
August 05, 2016 - Sale	-427	0.00	5,09,573	0.71
September 02, 2016 - Sale	-16,931	-0.02	4,92,642	0.69
December 31, 2016	4,92,642	0.69*	-	-
<b>9. T Rowe Price International Funds</b>				
We combine the folios of all schemes of T. Rowe Price International Funds under the Foreign Institutional Investors category to give a fair representation of the total holding.				
January 1, 2016	4,96,810	0.66	-	-
January 08, 2016 – Purchase	853	0.00	4,97,663	0.70
January 22, 2016 – Purchase	2,364	0.00	5,00,027	0.70
February 26, 2016 – Purchase	22,973	0.03	5,23,000	0.73
May 20, 2016 – Sale	-3,057	-0.004	5,19,943	0.73
August 05, 2016 – Purchase	17,357	0.024	5,37,300	0.75
August 12, 2016 – Purchase	6,231	0.009	5,43,531	0.76
August 19, 2016 – Purchase	3,541	0.005	5,47,072	0.77
August 26, 2016 – Purchase	321	0.000	5,47,393	0.77
September 02, 2016 – Purchase	1,129	0.002	5,48,522	0.77
September 09, 2016 – Purchase	267	0.000	5,48,789	0.77
December 02, 2016 – Purchase	160	0.00	5,48,949	0.77
December 09, 2016 – Sale	-499	0.00	5,48,450	0.77
December 16, 2016 – Sale	-50,745	-0.07	4,97,705	0.70
December 23, 2016 – Sale	-2,406	0.00	4,95,299	0.69
December 31, 2016 – Sale	-24,771	-0.03	4,70,528	0.66
December 31, 2016	4,70,528	0.66*	-	-
<b>10. SBI Magnum Global Fund</b>				
January 1, 2016	2,70,000	0.38	-	-
May 13, 2016 – Purchase	54,476	0.08	3,24,476	0.46
June 3, 2016 – Purchase	10,000	0.01	3,34,476	0.47
June 24, 2016 – Purchase	55,524	0.08	3,90,000	0.55
July 8, 2016 – Purchase	50,000	0.07	4,40,000	0.62
December 31, 2016	4,40,000	0.62*	-	-

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

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

SI no.	For each of the directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1. Mr. Douglas L. Peterson</b>					
	January 1, 2016	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		No change		
	December 31, 2016	Nil	0.00	Nil	0.00

<b>2. Mr. H. N. Sinor</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>3. Dr. Nachiket Mor</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>4. Mr. M. Damodaran</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>5. Ms. Vinita Bali</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>6. Ms. Martina Cheung</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>7. Mr. John L. Berisford</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>8. Mr. Ravinder Singhania (Alternate to Mr. Douglas Peterson)</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>9. Ms. Ashu Suyash, Managing Director &amp; Chief Executive Officer</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
<b>10. Mr. Amish Mehta, Chief Financial Officer</b>				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00



**11. Ms. Minal Bhosale, Company Secretary**

January 1, 2016

Nil 0.00 Nil 0.00

Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)

No change

December 31, 2016

Nil 0.00 Nil 0.00

**V. INDEBTEDNESS – NOT APPLICABLE**

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
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>
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
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 Managing Director, Whole-time Directors and/or Manager:**

Name of MD/WTD/Manager: Ms. Ashu Suyash, Managing Director &amp; Chief Executive Officer

Sl No.	Particulars of remuneration	Name of MD/WTD/Manager Ms. Ashu Suyash Managing Director & Chief Executive Officer	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	3,01,40,050	3,01,40,050
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	0	0
2.	Stock Options (Perquisite value)	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others (Variable Pay)	2,12,55,000	2,12,55,000
5.	Others, please specify	Nil	Nil
	<b>Total</b>	<b>5,14,34,650</b>	<b>5,14,34,650</b>
	Ceiling as per the Act	Rs. 19.41 crore (being 5% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)	

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

**B. Remuneration to other Directors:**

Sl. no.	Name of Directors	Particulars of remuneration			Total Amount (Rs.)
		Fee for attending board / committee meetings (Rs.)	Commission (Rs.)	Others, please specify (Rs.)	
<b>Independent Directors</b>					
1	Mr. H. N. Sinor	4,65,000	27,50,000	Nil	32,15,000
2	Dr. Nachiket Mor	2,65,000	27,50,000	Nil	30,15,000
3	Mr. M. Damodaran	6,20,000	27,50,000	Nil	33,70,000
4	Ms. Vinita Bali	5,35,000	27,50,000	Nil	32,85,000
<b>Non-Executive Directors</b>					
5.	Mr. Douglas Peterson	Nil*	Nil*	Nil	Nil
6.	Mr. Yann Le Pallec#	Nil*	Nil*	Nil	Nil
7.	Mr. John F. Callahan Jr.#	Nil*	Nil*	Nil	Nil
8.	Ms. Martina Cheung\$	Nil*	Nil*	Nil	Nil
9.	Mr. John L. Berisford\$	Nil	Nil	Nil	Nil
10.	Mr. Ravinder Singhania (Alternate to Mr. Douglas Peterson)	Nil	Nil	Nil	Nil

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

# Resigned with effect from July 19, 2016.

\$ Appointed as Directors on July 19, 2016.

**Total Managerial Remuneration :**

Sl No.	Particulars	Amount (Rs.)
1.	Remuneration to Managing Director, Whole-time Directors and/or Manager (as per A above)	5,14,34,650
2.	Remuneration to other Directors (as per B above)	1,28,85,000
	<b>TOTAL</b>	<b>6,43,19,650</b>
	Overall Ceiling as per the Act (%)	Rs. 23.29 crore (being 6% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)

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

Sl. no.	Particulars of remuneration	Key Managerial Personnel*		Total amount
		Chief Financial Officer (Mr. Amish Mehta)	Company Secretary (Ms. Minal Bhosale)	
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	1,94,92,308	62,45,150	2,57,37,458
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (Variable Pay)	NIL	NIL	NIL
2.	Stock option (Perquisite value)	NIL	NIL	NIL
3.	Sweat equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, (Variable Pay)	1,02,12,600	24,08,200	1,26,20,800
5.	Others, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	<b>2,97,04,908</b>	<b>86,53,350</b>	<b>3,83,58,258</b>

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

**VII. Penalties / Punishment/ Compounding of Offences:**

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

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

**Douglas L. Peterson**  
 Chairman  
 (DIN: 05102955)

Mumbai, February 11, 2017

# Annexure to the Directors' Report

## Management Discussion and Analysis Report

### CRISIL Business

CRISIL is a global, agile and innovative 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 deliver independent opinions, actionable insights, and efficient solutions to over 100,000 customers. CRISIL's businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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

### CRISIL Ratings

India's economic and business environment remained subdued during 2016 due to weak investment climate and muted demand for working capital. GDP growth is estimated at 6.9% for 2016-17 compared with 7.1% for 2015-16. Credit growth of India's banking sector remained muted at 9.0% year-on-year as of December 2016.

Despite this weak domestic environment, CRISIL Ratings maintained market leadership in 2016, backed by strong performance of its bond and SME ratings businesses. CRISIL announced 2,741 new BLRs and 18,000 SME ratings during the year. In 2016, CRISIL's BLR business witnessed muted growth due to weak credit off take in the manufacturing sector and intensified competition.

GAC continued to work closely with S&P Global Ratings, growing in new areas of support such as risk management and regulatory support, including assistants on criteria validation, operational and documentation support for control functions, while increasing the level of integration with S&P

Global Ratings teams globally. GAC also expanded support to previously under-served geographical segments including Latin America and Japan.

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

(Includes Financial Research, Risk and Analytics, Corporate Research and Coalition)

2016 was another year of subdued growth for the global economy. As a result, the size of the investment banking industry has reached its lowest level since the global financial crisis of 2008-09 with fixed-income revenue at the same level as in 2005. Banks are also transforming their front, middle and back-office activities to provide differentiated services, achieving cost efficiencies and increasing productivity. This is opening up a number of business opportunities for the Risk & Analytics business. Increasing regulatory changes continues to drive strong growth for CRISIL GR&A, especially in the Risk & Analytics vertical, and Coalition.

In Financial Research, we have added clients across new business segments on the buy side and in credit risk. The imminence of the Markets in Financial Instruments Directive II (MiFiD II) regulations, and increased cost pressure is stoking demand for our services on the buy side, especially from traditional managers and hedge funds. Our sell-side business witnessed demand from the Asia-Pacific region from existing clients. Our Credit Risk business gained from new opportunities related to risk management, deal screening and underwriting, and portfolio monitoring from global financial services clients.

The Risk & Analytics (R & A) business continued to witness strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics. We are also experiencing substantial interest for our services by banks and financial institutions to provide support for risk data aggregation, and for upgradation of risk systems and processes.

Coalition delivered strong results, driven by its core Competitor and Client Analytics, which continued to report solid growth. In 2016, 75% of Coalition's existing corporate and investment bank clients significantly increased their investment in our services. In addition, Coalition diversified its client base by establishing new relationships with regional and national players as well as buy-side firms.

## CRISIL Research

Despite a sharp increase in banks' non-performing assets and resultant pressure on profitability, which impacted research expenditure, subscription rates remained healthy, indicating the criticality and value of our research products and services. We continued to be the largest provider of fixed-income indices in India and consolidated our position by launching seven new indices during the year. In the mutual fund research, we increased our presence with corporate treasuries and exempted provident fund trusts, helping them in portfolio performance review and risk monitoring. The Executive Training business saw robust growth over the previous year.

## CRISIL Infrastructure Advisory and Risk Solution (CRIS)

CRISIL Risk and Infrastructure Solutions Limited, a wholly owned subsidiary of CRISIL Limited, houses CRISIL's infrastructure advisory and risk solutions businesses. It won some large and prestigious mandates in India and in the international markets, and built a healthy order book in infrastructure advisory. In CRISIL Risk Solutions, the year saw consolidation with continued investments in our products for building sustainable business and ensuring efficiencies in implementation. Process, people and products remain the key imperatives for the business.

## Analysis of Consolidated Financial Condition and Result of Operations

The financial statements of the group and its subsidiaries have been combined on a line by line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and intra-group transactions, and the resulting gains/ losses as per Accounting Standard 21 - Consolidated Financial Statements have been notified under Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The financial statements have been prepared under historical cost convention on an accrual basis. The management accepts responsibility for the integrity and objectivity of the

financial statements, as well as for the various estimates and judgment used therein.

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

### A. Financial Condition

#### 1. Share Capital

The authorised capital of the company is Rs.10 crore, comprising 100,000,000 equity shares of Re.1 per share. During the year, the company issued and allotted 126,255 equity shares of the company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011, 2012 and 2014. Consequently, the issued, subscribed and paid-up capital of the company increased from 71,209,103 equity shares of Re.1 each to 71,335,358 equity shares of Re.1 each.

#### 2. Reserves and Surplus

Reserves and surplus, as at December 31, 2016, stood at Rs. 938.22 crore as against Rs. 848.64 crore, marking a growth of 11% over the corresponding previous period. The growth in reserves was achieved through strong profitability despite a challenging business environment. The growth is after appropriation for dividend and dividend distribution tax of Rs. 231.74 crore.

#### 3. Trade Payables

Trade payables as at December 31, 2016 were Rs.41.60 crore as against Rs. 35.43 crore in the previous year. This includes amounts payable to vendors for supply of goods and services.

#### 4. Provisions

- a. **Provision for employee benefits:** The overall liability was Rs. 67.40 crore as at December 31, 2016, compared with Rs. 56.94 crore in the previous year. Growth in the current year is in line with headcount and merit increase.
- b. **Proposed dividend:** The proposed dividend represents the dividend recommended to shareholders by the Board of Directors, which will be paid after the annual general meeting, and upon approval by the shareholders.

#### 5. Other Liabilities

Other liabilities mainly represent payables on account of withholding tax, service tax, other duties, unearned revenue, rent deferment, employee payables including bonus, salary, and incentives. Unearned revenue represents fee received in advance for which services have not been rendered. Other liabilities were Rs. 295.96 crore as against Rs. 291.12 crore in the previous year. Other liabilities were higher in the current year due to employee payable.

## 6. Goodwill on Consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Goodwill is tested for impairment annually or more frequently, if there are indications of impairment. Goodwill on consolidation as at December 31, 2016, was Rs. 291.66 crore as against Rs. 315.03 crore in the previous year. Pursuant to the amalgamation of Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited with its holding company CRISIL Limited under 'pooling of interest' method, goodwill on consolidation relating to these subsidiaries has been adjusted.

## 7. Fixed Assets

### Tangible assets

The Company's investments in tangible assets represent cost of buildings, leasehold improvements, computers, office equipment, furniture, fixtures and vehicles.

### Intangible assets

The Company's intangible assets represent goodwill, customer relationship, brand, non compete and software. The Company's intangible assets are stated at cost of acquisition or construction less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over their estimated useful economic life.

At the end of the year, the company's investments in fixed assets were as follows:

				(Rs. in crore)
Details	As at December 31, 2016	As at December 31, 2015	Growth %	
Gross block				
Tangible assets	240.69	234.67	3	
Intangible assets	54.78	58.72	(7)	
Less: Accumulated depreciation	217.02	195.86	11	
<b>Net Block</b>	<b>78.45</b>	<b>97.53</b>	<b>(20)</b>	
Add: Capital work in progress	4.21	2.61	61	
<b>Net Fixed Assets</b>	<b>82.66</b>	<b>100.14</b>	<b>(17)</b>	
Depreciation as a % of total income	3%	3%		
Accumulated depreciation as % of gross block	73%	67%		

During the year, the Company's investment in fixed assets was Rs. 23.33 crore, whereas sale of assets realised Rs. 2.03 crore. Fixed assets capitalised during the year includes office equipment, computers, software and leasehold improvements to support expansion of business and to provide for replacement of existing assets.

Depreciation as a percentage of total income remained constant at 3% for the current year as compared with previous year. The company expects to fund its investments in fixed assets and infrastructure from internal accrual and liquid assets. It may, however, borrow to fund capital expenditure, if considered necessary.

## 8. Investments and Treasury

The company's treasury as at December 31, 2016, was Rs. 600.59 crore as against Rs. 530.05 crore in the previous year. Cash and equivalents constituted 42% of total assets as at December 31, 2016, as against 40% in the previous year.

						(Rs. in crore)
Category	As at December 31, 2016	%	As at December 31, 2015	%	Growth %	
Cash and bank balance	157.20	26	109.88	21	43	
Fixed deposit	19.45	3	42.44	8	(54)	
Mutual funds	423.94	71	377.73	71	12	
<b>Total</b>	<b>600.59</b>	<b>100</b>	<b>530.05</b>	<b>100</b>	<b>13</b>	

Cash and bank balance includes balances in Indian and overseas bank accounts. Bank balance in overseas accounts are maintained to meet the expenditure of the overseas operations. The company's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds. The company's treasury position continues to be healthy and showed a growth of 13% as against 1% in the previous year.

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

The company actively monitors its treasury portfolio and appropriate limits and controls are in place to ensure that investments are made as per policy.

## 9. Deferred Tax Assets

Deferred tax assets and liability primarily comprise deferred taxes on fixed assets, leave encashment, accrued compensation to employees, gratuity, provision for bad debt and deferred initial rating fees. The company's net deferred tax assets as at December 31, 2016 was Rs. 38.52 crore, compared with Rs. 36.26 crore in the previous year. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## 10. Loans and Advances

Loans and advances comprise loans to staff, advances recoverable in cash or kind, sundry deposits and advance taxes. Advances recoverable in cash or kind, or for value to be received, are mainly towards amounts paid in advance for value and services to be received in future. Sundry deposits represent deposits for premises taken on lease, electricity and others. As at December 31, 2016, loans and advances were Rs. 107.84 crore compared with Rs. 89.04 crore in the previous year. Growth in loans and advances was mainly on account of an increase in prepaid expenses, advance taxes, and other advances during the year.

## 11. Other Assets

Other assets, excluding bank balances, as at December 31, 2016, were Rs. 98.36 crore compared with Rs. 58.11 crore in the previous year. Other current assets mainly comprise accrued revenue and mark-to-market on outstanding forward contracts.

## 12. Trade Receivables

Trade receivables at the gross level were Rs. 227.03 crore as at December 31, 2016, compared with Rs. 211.68 crore in the previous year. Trade receivables as a percentage of operating revenue remained constant at 15% [representing an outstanding of 54 days (P.Y. 56 days) of operating revenue] in the current year as compared with previous year.

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

Segment	(Rs. in crore)				
	As at December 31, 2016	%	As at December 31, 2015	%	Growth %
Rating	32.13	14	44.06	21	(27)
Research	175.89	78	145.01	68	21
Advisory	19.01	8	22.61	11	(16)
<b>Total</b>	<b>227.03</b>	<b>100</b>	<b>211.68</b>	<b>100</b>	<b>7</b>

The company believes that outstanding trade receivables are recoverable and it has adequate provision for doubtful debts. Provision for doubtful debt balance as at December 31, 2016 was Rs. 16.97 crore as against Rs. 16.10 crore in the previous year. Provision for bad debt as a percentage of revenue remained constant at 1% in the current year as compared with previous year.

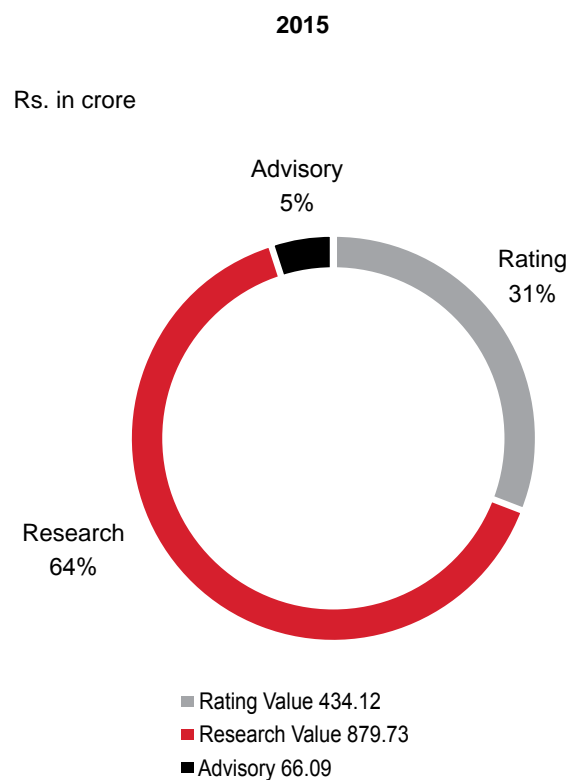
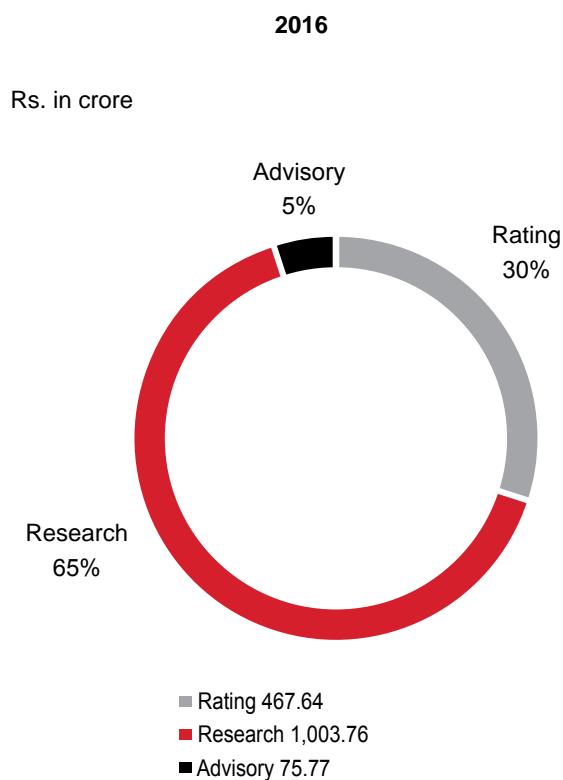
## B. Results of Operations

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

Particulars	Year ended		Year ended		Growth %
	December 31, 2016	% of revenue	December 31, 2015	% of revenue	
Income from operations	1,547.17	97	1,379.94	97	12
Other income	54.71	3	43.22	3	27
<b>Total income</b>	<b>1,601.88</b>	<b>100</b>	<b>1,423.16</b>	<b>100</b>	<b>13</b>
<b>Expenses</b>					
Personnel expenses	774.92	48	693.93	49	12
Establishment expenses	99.05	6	94.40	7	5
Other expenses	211.68	13	192.01	13	10
Depreciation	40.36	3	37.12	3	9
<b>Total operating expenses</b>	<b>1,126.01</b>	<b>70</b>	<b>1,017.46</b>	<b>72</b>	<b>11</b>
<b>Profit before tax</b>	<b>475.87</b>	<b>30</b>	<b>405.70</b>	<b>28</b>	<b>17</b>
Tax expense	149.53	10	120.55	8	24
<b>Profit after tax</b>	<b>326.34</b>	<b>20</b>	<b>285.15</b>	<b>20</b>	<b>14</b>
Dividend (including tax on dividend)	231.74	14	197.37	14	17

Income from operations increased by 12% in 2016 driven mainly by growth in the Research segment. Operating expenses grew 11% mainly on account of growth in personnel expenses.

### Segmental Revenue Analysis





## Segmental Results

Segmental details	(Rs. in crore)		
	Year ended December 31, 2016	Year ended December 31, 2015	Growth %
<b>Revenues :</b>			
Rating	467.64	434.12	8
Research	1,003.76	879.73	14
Advisory	75.77	66.09	15
<b>Total</b>	<b>1,547.17</b>	<b>1,379.94</b>	<b>12</b>
<b>Segmental profit :</b>			
Rating	148.09	147.06	1
Research	331.21	273.93	21
Advisory	1.42	2.31	(39)
<b>Total</b>	<b>480.72</b>	<b>423.30</b>	<b>14</b>

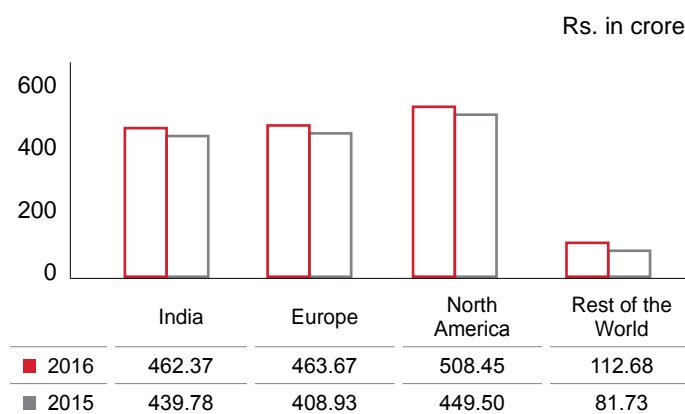
India's economic and business environment remained subdued during 2016 due to weak investment climate and muted demand for working capital. Credit growth of India's banking sector remained muted at 9% year-on-year as of December 2016. Despite this weak domestic environment, CRISIL Ratings maintained market leadership in 2016, backed by strong performance of its bond and SME ratings businesses. CRISIL announced 2,741 new BLRs and 18,000 SME ratings during the year. In 2016, CRISIL's BLR business witnessed muted growth due to weak credit off take in the manufacturing sector and intensified competition.

In the research segment, Risk & Analytics business continued to witness strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics. Coalition delivered strong results, driven by its core Competitor and Client Analytics, which continued to report solid growth. India Research maintained our dominant and premium position in the flagship Industry Research business.

Infrastructure Advisory won some large and prestigious mandates in India and in the international markets, and built a healthy order book. In CRISIL Risk Solutions, the year saw consolidation with continued investments in our products for building sustainable business and ensuring efficiencies in implementation

Margins in Ratings were impacted on account of economic and business environment, which remained subdued during 2016 due to weak investment climate and muted demand for working capital. The Research segment profitability recorded healthy growth driven by strong performance in Risk and Analytical and Coalition businesses. Margins of Advisory segment were lower on account of investments made in product enhancement and developments.

## Revenue by Geography



Of the total revenue for the year ended December 31, 2016, 70% were on account of exports and 30% from domestic services, which marks an increase of 15% in exports and 5% in domestic services.

### Other Income (Net)

Other income grew 27% in 2016 to Rs. 54.71 crore from Rs. 43.22 crore in the previous year. Other income was higher on account of profit on sale of current investment in the current year.

### Expense

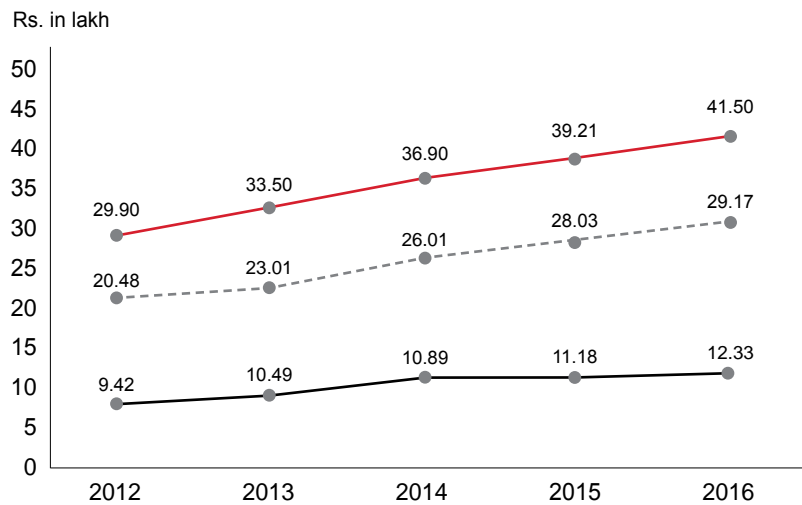
Total expense for the year was Rs. 1,126.01 crore compared with Rs. 1,017.46 crore in the previous year. The composition and growth in expenses as a percentage to total operating expenses are given below:

	(Rs. in crore)				
	Year ended December 31, 2016	%	Year ended December 31, 2015	%	Growth %
Personnel expenses	774.92	69	693.93	68	12
Establishment expenses	99.05	9	94.40	9	5
Other expenses	211.68	19	192.01	19	10
Depreciation	40.36	3	37.12	4	9
<b>Total Operating expenses</b>	<b>1,126.01</b>	<b>100</b>	<b>1,017.46</b>	<b>100</b>	<b>11</b>

Personnel expense grew by 12% on account of merit and headcount increase in the current year. Increase in other expenses was driven by higher professional fee, which is aligned to revenue growth and investments in product development.

### Profit and Loss Ratios

Particulars	2016	2015	2014	2013	2012
Personnel expenses/Revenue (%)	48	49	46	45	44
Operating and other expenses/ Revenue (%)	70	71	71	69	69
Operating profit (PBIDT)/Revenue (%)	32	31	32	40	35
Depreciation and amortisation/Revenue (%)	3	3	3	3	3
Tax/ Revenue (%)	9	8	8	11	9
<b>PAT/ Revenue (%)</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>26</b>	<b>22</b>

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

	2012	2013	2014	2015	2016
Total Income per employee	29.90	33.50	36.90	39.21	41.50
Total Expense per employee	20.48	23.01	26.01	28.03	29.17
Profit Before Tax per employee	9.42	10.49	10.89	11.18	12.33
Avg. Headcount (Nos.)	3,329	3,424	3,454	3,629	3,860

Total Income per employee recorded a healthy growth of 6% over the previous period. Profit per employee increased to Rs.12.33 lakh which was achieved through a combination of revenue growth and better productivity through automation and effective utilisation of resources.

**Interest**

The company continued to be debt-free during the year and therefore, did not incur any interest expense.

**Analysis of Standalone Financial Condition and Result of Operations of Crisil Limited****A. Financial condition****1. Share Capital**

The authorised capital of the company is Rs.10 crore, comprising 100,000,000 equity shares of Re. 1 per share. During the year, the company issued and allotted 126,255 equity shares to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011, 2012 and 2014. Consequently, the issued, subscribed and paid-up capital of the company increased from 71,209,103 equity shares of Re.1 each to 71,335,358 equity shares of Re.1 each.

**2. Reserves and Surplus**

Reserves and surplus, as at December 31, 2016, stood at Rs. 707.78 crore as against Rs. 668.02 crore in the previous period. The growth in reserves was 6% achieved through strong profitability, despite a challenging business environment. The growth in reserves is after appropriation for dividend and dividend distribution tax of Rs. 231.74 crore. During the year, CRISIL completed amalgamation of three wholly owned subsidiaries Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor) with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court adjusting Capital Reserve and General Reserve by Rs. 23.39 crore. Financial results of the Company for the year 2016 has been prepared after giving effect of these amalgamation.

**3. Trade Payables**

Trade payables as at December 31, 2016, were Rs. 32.48 crore as against Rs. 22.34 crore in the previous year. Trade payables include amount payable to vendors for supply of goods and services.

#### 4. Provisions

- a. **Provision for employee benefits.** The overall liability was Rs. 61.02 crore as at December 31, 2016, as against Rs. 46.99 crore in the previous year. Growth in the current year is in line with headcount and merit increase.
- b. **Proposed dividend.** The proposed dividend represents the dividend recommended to the shareholders by the Board of Directors, which will be paid after the Annual General Meeting upon approval by the shareholders.

#### 5. Other Liabilities

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

#### 6. Fixed Assets

##### Tangible Assets

The Company's investments in tangible assets represent cost of buildings, leasehold improvements, computers, office equipment, furniture fixtures and vehicles.

##### Intangible Assets

The Company's intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life.

At the end of the year, the Company's investments in fixed assets were as follows:

Details	(Rs. in crore)	
	As at December 31, 2016	As at December 31, 2015
Gross block		
Tangible assets	222.51	192.74
Intangible assets	2.14	0.15
Less : Accumulated depreciation	163.84	133.74
<b>Net Block</b>	<b>60.81</b>	<b>59.15</b>
Add : Capital work in progress	1.91	0.13
<b>Net Fixed Assets</b>	<b>62.72</b>	<b>59.28</b>
Depreciation as a % of total income	2%	2%
Accumulated depreciation as % of gross block	73%	69%

During the year, the Company's investment in fixed assets was Rs. 20.52 crore, whereas sale of assets realised Rs. 1.87 crore. The assets acquired included equipment, computers, software and leasehold improvements to support expansion of business and to provide for replacement of existing assets. The assets sold were mainly computers and furniture.

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

#### 7. Investments and Treasury

Category	(Rs. in crore)		
	As at December 31, 2016	As at December 31, 2015	Growth %
Cash and bank balance	17.09	34.42	(50)
Fixed deposit	7.81	8.75	(11)
Mutual funds	417.60	357.56	17
<b>Total</b>	<b>442.50</b>	<b>400.73</b>	<b>10</b>

The Company's treasury as at December 31, 2016, was Rs. 442.50 crore as against Rs. 400.73 crore in the previous year. Cash and cash equivalents constituted 41% of total assets as against 40% in the previous year. Treasury position continues to be strong even after making payment of Dividend & Dividend Distribution tax of Rs. 240.17 crore in the current year.

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

The Company actively monitors its treasury portfolio and appropriate limits and controls are in place to ensure that investments are made as per policy.

## **8. Investments in Subsidiaries**

Investment in subsidiaries was Rs. 122.21 crore as at December 31, 2016, as against Rs. 145.76 crore in the previous year. Reduction in investment in subsidiaries is on account of amalgamation of three wholly owned Indian subsidiaries of the company – Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited with CRISIL Limited.

## **9. Deferred Tax Assets**

Deferred tax assets and liability primarily comprise deferred taxes on fixed assets, leave encashment, accrued compensation to employees, gratuity, provision for bad debt and deferred initial rating fees. The Company's net deferred tax assets of Rs. 33.75 crore as at December 31, 2016 compared with Rs. 28.04 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.

## **10. Loans and Advances**

Loans and advances comprise loans to staff, advances recoverable in cash or kind, sundry deposits and advance taxes. Advances recoverable in cash or kind or for value to be received, are mainly towards amounts paid in advance for value and services to be received in future. Sundry deposits represent deposits for premises taken on lease, electricity and others.

As at December 31, 2016, loans and advances was Rs. 173.73 crore as against Rs. 199.98 crore in the previous year.

## **11. Other Assets**

Other assets, excluding bank balances, as at December 31, 2016 was Rs. 40.87 crore compared with Rs. 17.60 crore in the previous year. Other current assets mainly comprise accrued interest, accrued revenue and other advances.

## **12. Trade Receivables**

Trade receivables at the gross level were Rs. 203.55 crore as at December 31, 2016, compared with Rs. 147.72 crore in the previous year. Trade receivables constituted 18% of operating revenue, [representing an outstanding of 66 days (P.Y. 56 days) of operating revenue] compared with 15% in the previous year.

The company believes that outstanding trade receivables are recoverable and it has adequate provision for bad debts. Provision for doubtful debt balance as of December 31, 2016 was Rs. 13.74 crore as against Rs. 12.59 crore in the previous year. Provision for bad debts as a percentage to revenue for the year ended December 31, 2016 was 1.22% as against 1.32% in the previous year.

## B. Results of operations

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

Particulars	Year ended		Year ended		Growth %
	December 31, 2016	% of revenue	December 31, 2015	% of revenue	
Income from operations	1,129.59	96	956.10	96	18
Other income	49.20	4	44.60	4	10
<b>Total income</b>	<b>1,178.79</b>	<b>100</b>	<b>1,000.70</b>	<b>100</b>	<b>18</b>
<b>Expenses</b>					
Personnel expenses	446.79	38	362.69	36	23
Establishment expenses	76.75	7	69.31	7	11
Other expenses	241.07	20	219.32	22	10
Depreciation	28.52	2	24.03	2	19
<b>Operating expenses</b>	<b>793.13</b>	<b>67</b>	<b>675.35</b>	<b>67</b>	<b>17</b>
<b>Profit before tax</b>	<b>385.66</b>	<b>33</b>	<b>325.35</b>	<b>33</b>	<b>19</b>
Tax expense	130.01	11	103.35	11	26
<b>Profit after tax</b>	<b>255.65</b>	<b>22</b>	<b>222.00</b>	<b>22</b>	<b>15</b>
Dividend (including tax on dividend)	231.74	20	197.37	20	17

Income from operations revenue grew 18% in 2016 and was driven by growth in the Research segment. Operating expenses grew 17% mainly on account of growth in personnel expenses due to merit and headcount growth and impact of amalgamation.

### Revenue

CRISIL Ratings maintained its market leadership in 2016, backed by strong performance in its bond ratings and SME ratings businesses. The capital market witnessed increased activity in the third quarter of the year due to favourable liquidity and falling yields, which improved demand for bonds. CRISIL's consistent engagement with regulators and key decision-makers helped in the reinstatement of subsidy support by the Government of India under the NSIC – PCRS (Performance and Credit Rating Scheme).

The primary focus of CRISIL SME Ratings for 2016 was to ramp up business volumes by increasing capacity, thereby maximising subsidy share. CRISIL was able to achieve quick and timely ramp-up of manpower by June 2016. Research revenue growth was driven by CRISIL GR&A's R&A vertical on account of continued strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics.

The India Research business was impacted by a sharp increase the non-performing assets of banks and the resultant pressure on profitability, which impacted research expenditure. Subscription rates, however, remained healthy, indicating the criticality and value of our research products and services.

### Other Income (Net)

Other income for the year was Rs. 49.20 crore from Rs. 44.60 crore previously, mainly on account of profit on sale of current investment.

## Expense

The rise in other expenses is mainly on account of professional fee expenses that are linked to revenue growth and amalgamation.

## C. Risk Management

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

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

Key business risks and mitigation strategy are highlighted below.

### 1. Business Risks

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

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

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

### 2. Foreign Exchange Earning Risk

CRISIL's foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant

impact on revenue and profitability. The company has in place a well-defined hedging policy and process designed to minimise the impact of volatility in foreign exchange fluctuations on earnings.

We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedging contracts to mitigate the risks arising out of foreign exchange. The hedging program covers a large portion of projected future revenue over a 12-month period and is restricted to standard forward contracts and options.

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

### 3. Policy Risk

The company derives a significant portion of its revenue come from Ratings services, which depend on several factors, including regulatory policy. The Reserve Bank of India (RBI) has mandated that a new Internal Rating-Based (IRB) approach be adopted. The RBI has also specified that after implementation of the IRB framework by a bank, there should be a transition period of a minimum of two years during, which banks will have to calculate minimum capital requirement using the IRB approach as well as the standardised approach of Basel II. Most of the banks are in the process of building infrastructure to migrate to the IRB approach over the next 3-4 years.

To mitigate the risk of dependence on mandated businesses, the company continues to pursue its strategy of diversification (geographically as well as product wise). The company seeks to build a strong franchise with investors by holding investor meets and seminars for improving transparency around ratings and rating methodologies, and showcasing the utility and benefits of ratings.

### 4. Human Resource Attrition Risk

CRISIL's key assets are its employees and in a highly competitive market, attrition continues to be one of the key challenge. CRISIL continues to accord top priority to managed employee attrition through talent retention program and offering competitive salary and growth path for talented individuals.

### 5. Legal and Statutory Risks

The Company has no material litigation in relation to contractual obligations pending against it in any court in India or abroad. The Company Secretary, compliance and legal functions advice the company on issues relating to compliance with law and to pre-empt violations. The Company Secretary submits

a quarterly report to the Board on the company's initiatives to comply with the laws of various jurisdictions. The company also seeks independent legal advice wherever necessary.

## 6. Technology-Related Risks

Information technology is core to the operations of all CRISIL businesses. All technology services are governed through comprehensive policies and processes. These processes allow information access to personnel within the company based on identified roles. Audits are conducted regularly to ensure that implementation of policies and processes are satisfactory, and in line with internationally-accepted best practices; ISO certification of eight of our offices underscores our high compliance with policies related to Information Security and Management System.

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

keep the infrastructure current, and to provide for redundancy. With increasing ubiquity of computing systems and networks, and rapid digitization of myriad interconnected services, cyber threats are becoming increasingly difficult to detect. One or more cyber threats might pose a risk to the measures that we take to anticipate, detect, avoid or mitigate such threats. The Company conducts external and internal penetration testing with industry – standard technologies and service partners to continuously assess its security posture and address identified vulnerabilities to strengthen its systems.

## 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 its internal financial controls system. Accordingly, key risks and controls across all businesses and functions are identified, and gaps are remediated, if any.



## Auditors' Certificate for Corporate Governance

To the Members of CRISIL Limited

We have examined the compliance of conditions of corporate governance by CRISIL Limited, for the year ended on December 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further 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.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per **Jayesh Gandhi**  
Partner  
Membership number: 037924

Mumbai, February 11, 2017

## Managing Director & Chief Executive Officer's Declaration

To the Members of CRISIL Ltd.

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

For CRISIL Ltd.

**Ashu Suyash**  
Managing Director & Chief Executive Officer  
DIN: 00494515

Mumbai, February 11, 2017

# Report of the Directors on Corporate Governance

At CRISIL, corporate governance is a reflection of its principles embedded in its values, policies and day-to-day business practices, leading to sustainable, value-driven growth for the Company over the years. The Company has adopted best practices for corporate governance, disclosure standards and enhanced shareholder value while protecting the interests of all other stakeholders including clients, suppliers and its employees.

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

## A. Board of Directors

### Size and Composition of the Board

As on December 31, 2016, the Board of Directors has eight members of which seven (87.5%) are Non-Executive Directors. Four (50%) of the eight Board members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Company has one Alternate Director. As per the Articles of Association of the Company, the Board can have up to 15 members. None of the directors are related to any other director on the Board.

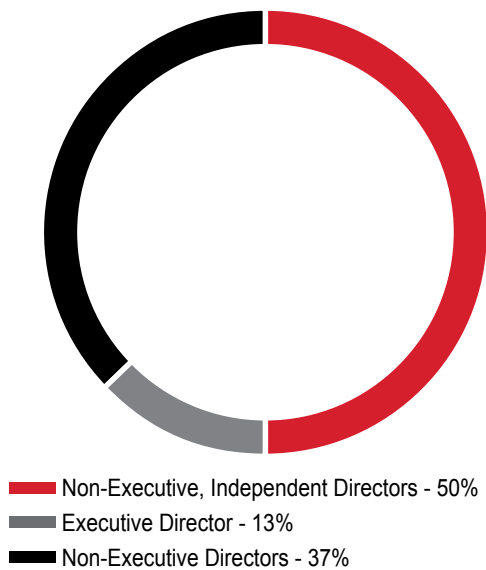
The composition of the Board of Directors of the Company as on December 31, 2016, was as follows:

Category	Name of the Director
Non-Executive Chairman	Mr. Douglas L. Peterson (DIN: 05102955)
Independent, Non-Executive Directors	Mr. H. N. Sinor (DIN: 00074905)
	Dr. Nachiket Mor (DIN: 00043646)
	Mr. M. Damodaran (DIN: 02106990)
	Ms. Vinita Bali (DIN: 00032940)
Non-Executive Directors	Ms. Martina Cheung (DIN: 07551069)
	Mr. John L. Berisford (DIN: 07554902)
Managing Director & Chief Executive Officer	Ms. Ashu Suyash (DIN: 00494515)
Alternate Director (alternate to Mr. Douglas L. Peterson)	Mr. Ravinder Singhanian (DIN: 00006921)

#### Notes:

- Mr. John F. Callahan Jr (DIN: 07314618) & Mr. Yann Le Pallec (DIN: 05173118) have resigned from the directorship of the Company with effect from July 19, 2016.
- The Board of Directors of the Company has appointed Ms. Martina Cheung & Mr. John L. Berisford as Additional Non-Executive Directors of the Company with effect from July 19, 2016.

### Percentage of Board Positions



### Criteria for Board Membership

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company. The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with requisite skill sets, so that the Company benefits from new insights, guidance and challenges to business proposals. The said Policy outlines the appointment criteria and qualifications for the Directors on the Board of CRISIL and the matters related to remuneration of the Directors. The said Policy has been published elsewhere in this Report as an Annexure to the Director's Report. None of the Directors is a relative of an Executive Director or of a Non-Executive Director.

### Membership Term

As per the Articles of Association of the Company, at least two-thirds of the other Board members shall be retiring directors, excluding the 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 up to two terms of five years each.

### Succession Policy

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment

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

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

### Memberships of other Boards

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

Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place. The details of other directorships held by the Company's Directors as on December 31, 2016 are given below:

Name of the Director	Directorship <sup>#</sup>	Membership of Committees <sup>#</sup>	Chairmanship of Committees <sup>#</sup>
Mr. H. N. Sinor	8	4	3
Dr. Nachiket Mor	2	0	0
Mr. M. Damodaran	8	5	2
Ms. Vinita Bali	3	2	0
Mr. Douglas Peterson	1	0	0
Ms. Martina Cheung	2	0	0
Mr. John L. Berisford	1	2	0
Ms. Ashu Suyash	1	1	0
Mr. Ravinder Singhania	9	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.

### Details of shareholdings of Directors as on December 31, 2016

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

### Responsibilities

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews key risks and opportunities in the business context. The Board meets at least once in every calendar quarter and the maximum time gap between any two meetings is not more than 120 days. During the year ended December 31, 2016, the Board met four times - on February 9, April 19, July 19 and October 14. The agenda of Board meetings is circulated to all the Directors well in advance and contains all the relevant information. The Company has an executive committee comprising the Managing Director and a team of senior management personnel with proper demarcation of responsibilities and authority. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The heads of individual businesses and the CRISIL leadership team are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

As on the date of this report, Mr. Gurpreet Chhatwal, was the President of CRISIL Ratings, Mr. Manish Jaiswal was the business head of CRISIL Ratings, SME, Mr. V. Srinivasan was the President of CRISIL Global Research & Analytics, Mr. Pawan Agrawal was the Chief Analytical Officer, CRISIL Ratings, Mr. Amish Mehta was the President - Chief Financial Officer of CRISIL and was the business head of India Research business, Mr. Stephane Besson was the Chief Executive Officer of Coalition, Mr. Ramraj Pai was the President of CRISIL Risk & Infrastructure Solutions and CRISIL Foundation, Mr. Rajasekhar Kaza was the President of Human Resources, CRISIL, Ms. Priti Arora was Chief Strategy Officer of CRISIL and was the business head of CRISIL Global Analytical Centre and Mr. Krishnan Venkateshwaran was a Senior Director - Corporate Technology.

Risk Solutions and Infrastructure Advisory businesses were the divisions of a wholly owned subsidiary, CRISIL Risk and Infrastructure Solutions Limited.

The meetings of the Board of Directors are as under:

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended out of those held	Last Annual General Meeting attendance
Mr. H. N. Sinor	4	3	Yes
Dr. Nachiket Mor	4	3	Yes
Mr. M. Damodaran	4	4	Yes
Ms. Vinita Bali	4	4	Yes
Mr. Douglas L. Peterson	4	4	Yes
Mr. Yann Le Pallec	3	1 <sup>#</sup>	Yes
Mr. John F. Callahan Jr.	3	3 <sup>#</sup>	Yes
Ms. Martina Cheung	2	2 <sup>\$</sup>	No
Mr. John L. Berisford	2	2 <sup>\$</sup>	No
Ms. Ashu Suyash	4	4	Yes
Mr. Ravinder Singhania (Alternate Director)	4	- <sup>@</sup>	No

# Resigned with effect from July 19, 2016

\$ Appointed on July 19, 2016

@ Mr. Ravinder Singhania did not attend the meetings since Mr. Douglas L. Peterson for whom he is Alternate Director, attended all Board Meetings.

### Familiarisation programme for Independent Directors

The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme and the details of familiarisation programmes imparted to independent directors during 2016 have been disclosed on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

### Remuneration Policy

#### 1) Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also

eligible for commission. The commission payable to each Non-Executive Director is limited to a fixed sum per year as determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members. In terms of the Central Government approval dated September 19, 2013 and special resolution passed by the shareholders on April 18, 2013, the Company can pay remuneration not exceeding one per cent of the net profits to the Non-Executive Directors for a period of five years with effect from January 1, 2013. The Non-Executive Directors have not been granted any stock options of the Company.

## 2) Managing Director and other employees of the Company

The remuneration and reward structure for Managing Director and employees comprises two broad components — short-term remuneration and long-term rewards. The remuneration package of Ms. Ashu Suyash comprises a fixed salary, allowances, perquisites, reimbursements and retirement benefits, and a variable pay to be determined by the Board on the recommendation of the Nomination and Remuneration Committee. In addition, Ms. Suyash has been granted 71,507 options under the Employee Stock Option Scheme – 2014 at an exercise price of Rs. 2,101.10 on June 1, 2015. These options will vest in three equal tranches in third, fourth and fifth year from the grant and can be exercised after two years from each vesting. Ms. Suyash is eligible for benefits under any long-term incentive plan, stock option plan, excess contribution and other benefits in accordance with the rules of the Company applicable to all employees. In terms of her service contract, she is not eligible for any severance fee. The Nomination and Remuneration Committee determines the remuneration of Managing Director and determines guidelines for remuneration payable to the employees. The detailed policy of the Company on the Nomination and Remuneration is annexed to the Directors' Report.

Sitting fees and commission paid to Non-Executive Directors

Name of Directors	(Rupees)		
	Sitting Fees	Commission	Total
Mr. H. N. Sinor	4,65,000	27,50,000	32,15,000
Dr. Nachiket Mor	2,65,000	27,50,000	30,15,000
Mr. M. Damodaran	6,20,000	27,50,000	33,70,000
Ms. Vinita Bali	5,35,000	27,50,000	32,85,000
Mr. Douglas L. Peterson	Nil*	Nil *	Nil *
Mr. Yann Le Pallec#	Nil*	Nil *	Nil *

Mr. John F. Callahan Jr.#	Nil*	Nil *	Nil *
Ms. Martina Cheung	Nil*	Nil *	Nil *
Mr. John L. Berisford	Nil*	Nil *	Nil *
Mr. Ravinder Singhania (Alternate Director)	Nil	Nil	Nil
<b>TOTAL</b>	<b>18,85,000</b>	<b>1,10,00,000</b>	<b>1,28,85,000</b>

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

# Resigned with effect from July 19, 2016

Remuneration paid to Managing Director(s) for the year ended December 31, 2016

Name	Ashu Suyash
Salary*	2,86,02,850
Variable Pay	2,12,55,000
Provident Fund	15,37,200
Perquisites	39,600
Appointment valid till	May 31, 2020
Notice period	3 months

\* 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 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, 2016 the Company had the following committees:

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

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

### 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 four times in 2016 — on February 8, April 18, July 18 and October 14. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the

last Annual General Meeting of the Company held on April 19, 2016. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from July 19, 2016. The composition of the Committee during 2016 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Mr. M. Damodaran	Independent, Non-Executive	Chairman	4	4
Mr. H. N. Sinor	Independent, Non-Executive	Member	4	3
Dr. Nachiket Mor	Independent, Non-Executive	Member*	3	1
Mr. John F. Callahan Jr.	Non-Executive	Member#	3	3
Ms. Vinita Bali	Independent, Non-Executive	Member <sup>§</sup>	1	1
Mr. John L. Berisford	Non-Executive	Member <sup>§</sup>	1	1

\* Dr. Nachiket Mor stepped down as a member of Audit Committee with effect from July 19, 2016

# Mr. John F. Callahan Jr. resigned as a Director with effect from July 19, 2016

§ Ms. Vinita Bali & Mr. John L. Berisford were appointed as a member of the Audit Committee with effect from July 19, 2016

The Audit Committee invites the executives of the Company, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors at its meetings.

#### Role of the Audit Committee

The terms of reference for the Audit Committee are broadly as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to;
  - a. Matters required to be included in Director's Responsibility Statement included in Board's report
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries based on exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency
- 7) Review and monitor the auditors' independence and performance, and effectiveness of audit process
- 8) Approval or any subsequent modification of transactions of the company with related parties
- 9) Scrutiny of inter-corporate loans and investments
- 10) Valuation of undertakings or assets of the company, wherever it is necessary
- 11) Evaluation of internal financial controls and risk management systems
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- 14) Discussion with internal auditors of any significant findings and follow up there on
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- 18) To review the functioning of the Whistle Blower mechanism
- 19) Approval of appointment of CFO
- 20) To review report submitted by 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 2016, the Audit Committee, at its each meeting reviewed the operations audit reports for businesses pursuant to audits undertaken by the Internal Auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. Independent sessions were held with the Statutory and the Internal Auditors to assess the effectiveness of the audit processes. The Committee reviewed adequacy of Internal Financial Controls on a Company-wide basis and shared their recommendations on the internal control processes to the Board. The Committee reviewed the risk management process, effectiveness of the monitoring and review mechanism therefor within the Management Committee, key risks and their respective mitigation plans. On a quarterly basis, the Committee continues to review whistle blower complaints with the corrective actions and mitigating controls put in place therefor, material litigations/ notices and related party transactions.

## 2. Investment Committee

The Investment Committee lays down policy guidelines and procedures for investing the Company's funds, and reviews this activity at regular intervals. The Investment Committee met once during the year, on October 14, 2016. The necessary quorum was present for the meeting. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from July 19, 2016. The details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Ms. Vinita Bali	Independent, Non-Executive	Chairperson	1	1
Mr. M. Damodaran	Independent, Non-Executive	Member	1	1
Ms. Ashu Suyash	Managing Director & CEO	Member	1	1
Mr. John F. Callahan Jr.	Non-Executive	Member <sup>#</sup>	0	-
Ms. Martina Cheung	Non-Executive	Member <sup>\$</sup>	1	1

<sup>\$</sup> Ms. Martina Cheung was appointed as a member of the Investment Committee with effect from July 19, 2016

<sup>#</sup> Mr. John F. Callahan Jr. stepped down as a member of the Investment Committee with effect from July 19, 2016

## 3. Nomination and Remuneration Committee (NRC)

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

- Formulate 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

- Assist 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 2016 - on February 9, October 13 and December 16. The necessary quorum was present for all the meetings. In terms of its mandate, during 2016, the Committee focussed on review of initiatives relating to talent acquisition & management, succession planning, employee engagement, leadership development, employee compensation and long term incentive plans. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 19, 2016. The composition of the Committee during 2016 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Mr. H. N. Sinor	Independent, Non-Executive	Chairman*	3	3
Ms. Vinita Bali	Independent, Non-Executive	Member*	3	3
Mr. Douglas L. Peterson	Non-Executive	Member	3	3

\* Mr. H. N. Sinor has stepped down as Chairman with effect from February 11, 2017 but continues as a member. Ms. Vinita Bali has assumed the Chairmanship of the Committee from the said date.

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been published elsewhere in this Report as an Annexure to the Directors Report. Further, the details of remuneration paid to all the directors and the other disclosures required to be made under 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 shareholders' grievances and redressal of the same. During 2016, the Committee's mandate was expanded to review of complaints from all stakeholders of the Company, including customers, employees and vendors/business partners. Through this process, the Committee reviews and steers improvements in relation service delivery, quality and other issues pertaining to other stakeholders as well. The Committee met four times in 2016 - on February 8, April 18, July 18 and October 13. 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 19, 2016. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from July 19, 2016.

The composition of the Committee during 2016 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Mr. M. Damodaran	Independent, Non-Executive	Chairman	4	4
Mr. Yann Le Pallec	Non-Executive	Member <sup>#</sup>	3	1
Mr. John L. Berisford	Non-Executive	Member <sup>§</sup>	1	1
Ms. Ashu Suyash	Managing Director & CEO	Member	4	4

<sup>#</sup> Mr. Yann Le Pallec resigned with effect from July 19, 2016.

<sup>§</sup> Mr. John L Berisford was appointed as a member of the Committee with effect from July 19, 2016.

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



## 5. Corporate Social Responsibility Committee (CSRC)

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

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities

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

The Committee met twice in 2016 - on February 8 and July 19. The necessary quorum was present for both the meetings. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from July 19, 2016. The composition of the Committee during 2016 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Ms. Vinita Bali	Independent, Non-Executive	Chairperson <sup>^</sup>	2	2
Dr. Nachiket Mor	Independent, Non-Executive	Chairman*	2	0
Mr. H. N. Sinor	Independent, Non-Executive	Member <sup>#</sup>	0	0
Ms. Ashu Suyash	Managing Director & CEO	Member	2	2

\* Dr. Nachiket Mor stepped down from the Committee with effect from July 19, 2016

<sup>^</sup> Ms. Vinita Bali was appointed as the Chairperson of the Committee with effect from July 19, 2016

<sup>#</sup> Mr. H.N.Sinor was appointed as a member of the Committee with effect from July 19, 2016

## 6. Meeting of Independent Directors

The Company's Independent Directors met on February 8, 2016, 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.

## 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 terms of the Company's Policy for Disclosure of Material Information.
5. The Company website contains information on the businesses of the Company, governance and important policies of the Company.

The Company encourages its shareholders to subscribe to e-communication from the Company and as a part of this initiative conducted a drive to update email ids of shareholders during December 2016. As a part of this initiative requisite depository forms for email updation with a reverse collection through a dedicated courier agency was organised so that shareholders could be facilitated in the updation process.

The Annual Report of the Company for the financial year 2016 has been emailed to the members whose email addresses are available with the depositories for communication purposes or are obtained directly from the members, as per Section 136

of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

The Management Discussion and Analysis Report forms a part of the Annual Report.

In case of appointment or re-appointment of a Director, members are provided a brief resume of the Director, the

nature of his / her expertise in specific functional areas, the names of companies in which he / she holds directorship, and membership of committees of the Board.

#### Grievance Redressal

The Board has appointed Stakeholders' Relationship Committee to review and redress complaints received from shareholders. The Committee meets periodically to consider the status of the investor grievances received and redressed along with the ageing schedules of pending complaints.

**General Body Meetings:** The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue	Special resolutions passed
Twenty Seventh Annual General Meeting	April 17, 2014 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Twenty Eighth Annual General Meeting	April 17, 2015 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Twenty Ninth Annual General Meeting	April 19, 2016 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None

#### Postal Ballot

During the financial year 2016, the Company did not pass any resolutions by postal ballot.

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. All related party transactions are mentioned in the notes to the accounts.

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.

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

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

- i. Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.
- ii. Separate posts of Chairman and CEO: The positions of the Chairman and the CEO are separate.
- iii. Reporting of Internal Auditor: 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 <http://www.crisil.com/investors/corporate-governance.html>. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

## Prohibition of Insider Trading

CRISIL has formulated a Code of Ethics and Personal Trading Policy for Directors and employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations). This policy is framed adopting the standards set out in the Regulations to regulate, monitor, and report trading by its employees to achieve compliance with the said Regulations.

## Vigil Mechanism and Whistle-Blower Policy

The Company has a Whistle-Blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and make 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 Whistle-Blower Policy has been hosted on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

## Policy for determining 'material' subsidiaries

As required under 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 <http://www.crisil.com/investors/corporate-governance.html>.

## Material unlisted subsidiary

The Company has two of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary companies. These are subject to special governance norms in terms of 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 put in place a 'Policy on redressal of Sexual Harassment' and a 'Policy on redressal of Workplace Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/her complaint to the Redressal Committee formed for this purpose or their manager or HR personnel. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. During the year, 4 complaints were received, of which 3 were resolved and one was under investigation under the Policy for CRISIL Limited. However, a single Committee addresses the complaints received under the Sexual Harassment Act for CRISIL and its subsidiary companies. During the year, one complaint was received and was resolved by the Committee for one of the wholly owned subsidiary companies of the Company.

## Related Party Transactions Policy

As required under 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 <http://www.crisil.com/investors/corporate-governance.html>.

## Record Management Policy

As required under Regulation 9 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 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 Stock Exchanges which is effective from December 1, 2015 and has been put up on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

The Board of Directors of the Company have authorised the Chief Financial Officer of the Company to determine materiality of an event or information and for making disclosures to 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. The detailed discussion of the foreign exchange risk and Company's hedging activities is given in the Management Discussion & Analysis Report and the Notes to the Financial Statements.

## Unclaimed Equity Shares

Consequent to the sub-division of nominal value of the equity shares of the Company from Rs. 10/- per share to Re. 1 per share with effect from October 1, 2011 and in terms of Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style “CRISIL Limited - Unclaimed Shares Suspense Account”. At the beginning of the

year, 41,000 equity shares belonging to 30 shareholders were lying in the account. During the year, one shareholder claimed 1,000 equity shares from the account, which were transferred to such shareholder after adequate verification. At the end of the year, i.e. as at December 31, 2016, 40,000 equity shares belonging to 29 shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.

In addition, the Ministry of Corporate Affairs (MCA) notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), effective September 7, 2016 for transfer to the Investor Education and Protection Fund (IEPF), all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years. The Company has already sent a specific communication to the concerned shareholders at their address registered with the Company, inter alia, providing the details of the shares entitled to such transfer and for taking appropriate action. Details of unclaimed dividend are also available on the Company's website [www.crisil.com](http://www.crisil.com). The Company is awaiting further directions on the transfer formalities from the MCA in terms of the Circular No. 05/23/2015 – IEPF dated December 7, 2016. In the meanwhile, concerned shareholders may approach our Registrar and Share Transfer Agent with necessary documents supporting their dividend claims.

## 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 three investor complaints through SCORES, all of which were responded to within 15 days of their receipt.

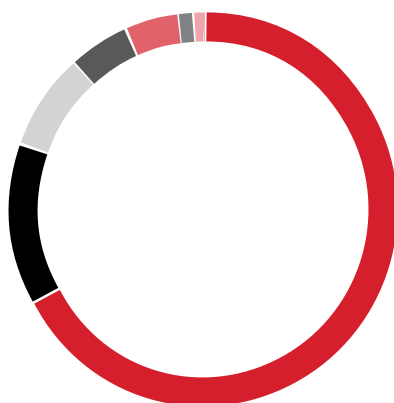
**D. General Shareholders Information:**

<b>1. Annual General Meeting</b>	
Date and Time	: April 20, 2017 at 3.30 p.m.
Venue	: Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
<b>2. Calendar for Financial Reporting</b>	
First Quarter ending March 31, 2017	: In April 2017
Second Quarter ending June 30, 2017	: In July 2017
Third Quarter ending September 30, 2017	: In October 2017
Year ending December 31, 2017	: In February 2018
Newspapers where the results are published	: Business Standard and Sakal
Websites where the financial results, shareholding pattern, annual report etc. are uploaded	: www.crisil.com, www.bseindia.com and www.nseindia.com
<b>3. Proposed Final and Special Dividend</b>	: Final Dividend of Rs. 9 per share having nominal value of Re. 1 each
<b>4. Dates of Book Closure</b>	: Thursday, March 23, 2017 to Friday, March 24, 2017 (both days inclusive)
<b>5. Dividend Payment Date</b>	: Thursday, May 4, 2017 (if dividend payment is approved at the Annual General Meeting).
<b>6. Listing Details</b>	: The shares of the Company are listed on:  <b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051  <b>BSE Ltd. (BSE)</b> P. J. Towers, Dalal Street, Fort, Mumbai 400 001  The Company has paid listing fees at both the exchanges and has complied with the listing requirements.
<b>7. Stock Codes</b>	: NSE – CRISIL BSE – 500092 ISIN : INE007A01025 CIN : L67120MH1987PLC042363
<b>8. Registrars and Share Transfer Agents</b>	: Karvy Computershare Private Limited Unit : CRISIL Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032 Email : einward.ris@karvy.com Phone : +91 40 6716 1500 Toll Free No. : 1-800-34-54-001 Fax : +91 40 6716 1567
<b>9. Compliance Officer</b>	: Ms. Minal Bhosale, Company Secretary, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 Phone: 022-3342 3000 Fax: 022-3342 3810

- 10. Depository System** : As on December 31, 2016, 99.80% of the Company's share capital is held in dematerialised form. For any assistance in converting physical shares in electronic form, investors may approach Karvy Computershare Private Limited or Ms. Minal Bhosale, Company Secretary, at the addresses given above.
- 11. Electronic Clearing Service (ECS)** : The Company has extended 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, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
- 14. Investor Complaints to be addressed to** : Registrars and Share Transfer Agents or to Ms. Minal Bhosale, Company Secretary, at the above mentioned addresses.
- 15. Email ID of Grievance Redressal Division** : investors@crisil.com

**16. Category – wise Shareholding Pattern as on December 31, 2016**

Sr. No.	Category	No. of shares	% holding
1	Group holding of S & P Global, Inc: - S & P India LLC - Standard & Poor's International, LLC - S & P Global Asian Holdings Pte. Ltd.	4,78,32,539	67.05
2	Individuals (includes trusts)	94,10,432	13.19
3	FII's / QFI's / FPI's	53,51,068	7.50
4	Insurance Companies	39,24,515	5.50
5	Mutual Funds / UTI	33,86,482	4.75
6	Financial Institutions / Banks	2,37,396	0.33
7	Bodies Corporate	9,91,527	1.39
8	NRIs	1,99,675	0.28
9	Directors	---	---
10	Clearing Members	1,724	0.00
<b>TOTAL</b>		<b>7,13,35,358</b>	<b>100.00</b>



■ S&P Global, Inc. - 67.05%	■ Bodies Corporate - 1.39%
■ Individuals - 13.19%	■ Financial Institutions/Banks - 0.33%
■ FIIs/QFIs/FPIs - 7.50%	■ NRIs - 0.28%
■ Insurance Companies - 5.50%	■ Directors - 0.00%
■ Mutual Funds/UTI - 4.75%	■ Clearing Members - 0.00%

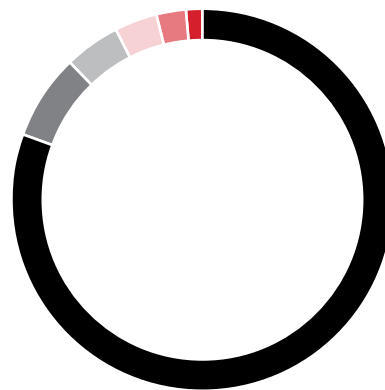
#### 17. Distribution of shareholding as on December 31, 2016

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	20,272	98.74	29,32,573	4.11
5,001 – 10,000	88	0.43	6,51,424	0.91
10,001 – 20,000	58	0.28	8,61,940	1.21
20,001 – 30,000	18	0.09	4,40,547	0.62
30,001 – 40,000	16	0.08	5,39,561	0.76
40,001 - 50,000	9	0.04	4,08,125	0.57
50,001 – 1,00,000	26	0.13	19,27,461	2.70
1,00,000 and above	44	0.21	6,35,73,727	89.12
<b>Total</b>	<b>20,531</b>	<b>100.00</b>	<b>7,13,35,358</b>	<b>100.00</b>

#### 18. Members holding more than 1% of the paid-up share capital as on December 31, 2016

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.	4,78,32,539	67.05
2	Jhunjhunwala Rakesh & Rekha	40,00,000	5.61
3	General Insurance Corporation of India	27,00,000	3.78
4	Matthews Funds - Various Funds	17,90,341	2.51
5	Life Insurance Corporation of India	12,13,086	1.70
6	Unit Trust of India	11,95,088	1.68

Number of Shares



- Group holding of S&P Global, Inc. - 67.05%
- Jhunjhunwala Rakesh and Rekha - 5.61%
- General Insurance Corporation of India - 3.78%
- Matthews Funds - 2.51%
- Unit Trust of India - 1.68%
- Life Insurance Corporation of India - 1.70%

**19. Status report on number of shareholder requests / complaints received and resolved by the Company during the year ended December 31, 2016**

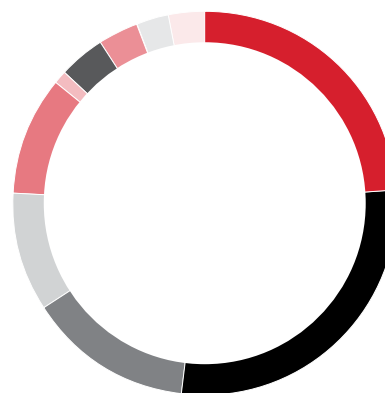
Nature of Correspondence	No. of cases received and resolved
Non-receipt of dividend	46*
Non-receipt of shares	5
Non-receipt of Annual Report	26
Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs	8
ECS facility / Change in bank mandates	20
Issue of duplicate drafts / revalidation of warrants	19
Dematerialisation / Rematerialisation	8
Incorporation of change of address	2
Transfer/Transposition	3
Other requests/queries	54
<b>TOTAL</b>	<b>191</b>

\*1 complaint received on December 30, 2016, since resolved.

There were no investor complaints outstanding at the beginning of the year.

The Company addressed all the investor complaints received during the year, except for one which was resolved in January.

Analysis of Investor Correspondence in 2016



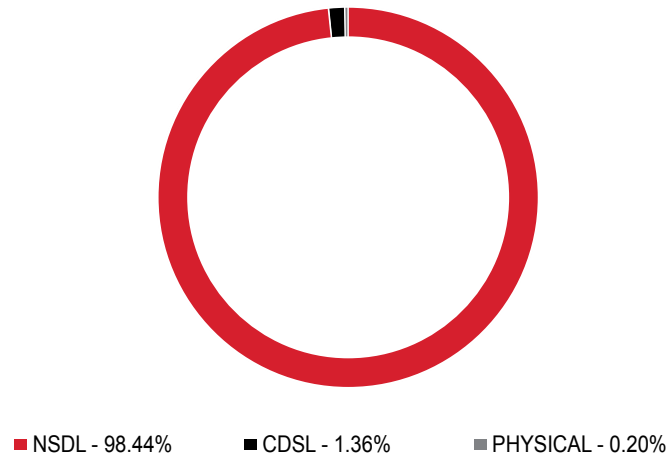
- Non-receipt of dividend - 46
- Other requests/queries - 54
- Non-receipt of Annual Report - 26
- Issue of duplicate drafts/revalidation of warrants - 19
- ECS facility/changes in bank mandates - 20
- Incorporation of change of address - 2
- Dematerialisation/Rematerialisation - 8
- Non-receipt of shares - 5
- Transfer/Transposition - 3
- Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs - 8



## 20. Shares held in Physical and Dematerialised form as on December 31, 2016

The break-up of physical and dematerialised shareholding as on December 31, 2016 is explained graphically below.

**Distribution of Holdings - Demat and Physical**



## 21. Equity history since sub – division of shares

Date	Particulars	No. of shares	Cumulative no. of shares
01.10.2011	No. of issued and fully paid up equity shares of face value Re. 1 each after stock split	7,09,68,440	7,09,68,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 9,10,000	7,00,58,440
16.04.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 1,09,950	7,01,68,390
17.10.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 67,350	7,02,35,740
18.04.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 2,70,730	7,05,06,470
18.10.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 1,46,420	7,06,52,890
17.04.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,09,140	7,09,62,030
17.10.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,95,025	7,13,57,055
17.04.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 93,465	7,14,50,520
16.07.2015	Extinguishment of shares consequent to buy-back	(-) 5,11,932	7,09,38,588
17.10.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011, Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 2,70,515	7,12,09,103
19.04.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 67,575	7,12,76,678
14.10.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 58,680	7,13,35,358

## 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. During 2016, CRISIL updated its Dividend Policy specifying 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 <http://www.crisil.com/investors/corporate-governance.html> and the same is also annexed herewith as Annexure I.

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

- (a) Credit to the Bank account via Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) / SWIFT Transfer and;
- (b) Dispatch of Physical dividend warrant

**Electronic Clearing Service (ECS/NECS):** The Company has extended the ECS/NECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants. Investors may obtain the ECS/NECS mandate form from the FAQs link (<http://www.crisil.com/investors/investor-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, 2016 are as follows:

Sr. No.	Dividend name	Dividend per share (Rs.)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF
1	Unclaimed Final Dividend 2009	25.00	250%	16-Apr-2010	17-May-2017
2	Unclaimed Special Dividend 2010 and 1st Interim Dividend 2010	125.00	1250%	16-Apr-2010	17-May-2017
3	Unclaimed 2nd Interim Dividend 2010	25.00	250%	22-Jul-2010	22-Aug-2017
4	Unclaimed 3rd Interim Dividend 2010	25.00	250%	18-Oct-2010	18-Nov-2017
5	Unclaimed Final Dividend 2010	25.00	250%	15-Apr-2011	16-May-2018
6	Unclaimed 1st Interim Dividend 2011	27.50	275%	15-Apr-2011	16-May-2018
7	Unclaimed 2nd Interim Dividend 2011	27.50	275%	20-Jul-2011	20-Aug-2018
8	Unclaimed 3rd Interim Dividend 2011	2.75	275%	18-Oct-2011	18-Nov-2018
9	Unclaimed Final Dividend 2011	2.75	275%	16-Apr-2012	18-May-2019
10	Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012	6.00	600%	16-Apr-2012	18-May-2019
11	Unclaimed 2nd Interim Dividend 2012	3.00	300%	18-Jul-2012	19-Aug-2019
12	Unclaimed 3rd Interim Dividend 2012	3.00	300%	17-Oct-2012	18-Nov-2019
13	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
14	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020

15	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
16	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020
17	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-14	18-May-2021
18	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-14	18-May-2021
19	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
20	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021
21	Unclaimed Final & Special Dividend 2014	10.00	1000%	17-Apr-15	18-May-2022
22	Unclaimed 1st Interim Dividend 2015	4.00	400%	17-Apr-15	18-May-2022
23	Unclaimed 2nd Interim Dividend 2015	4.00	400%	17-Jul-15	17-Aug-2022
24	Unclaimed 3rd Interim Dividend 2015	5.00	500%	17-Oct-15	17-Nov-2022
25	Unclaimed Final & Special Dividend 2015	10.00	1000%	19-Apr-16	20-May-2023
26	Unclaimed 1st Interim Dividend 2016	5.00	500%	19-Apr-16	20-May-2023
27	Unclaimed 2nd Interim Dividend 2016	6.00	600%	19-Jul-16	19-Aug-2023
28	Unclaimed 3rd Interim Dividend 2016	7.00	700%	14-Oct-2016	14-Nov-2023

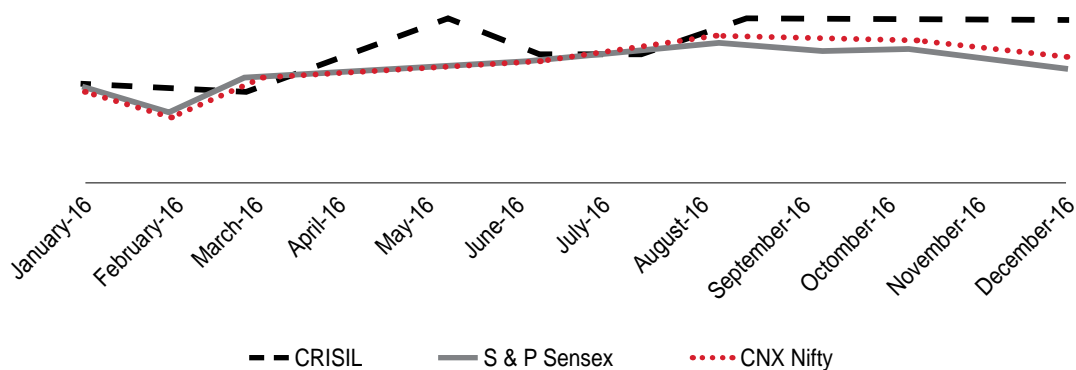
Notes:

- Investors are requested to send in their claim at least 15 days prior to due date for transfer to IEPF for ensuring payment of their dividend.
- The stock was split from Face Value Rs. 10 to Face Value Re. 1 with effect from October 1, 2011. Hence, dividend declared after that date is on share of face value Re 1 each.

**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 2016 to December 2016:**

NSE			BSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
January	1,999.00	1,761.25	January	1,997.00	1,760.00
February	1,916.00	1,771.05	February	1,908.00	1,764.70
March	1,820.00	1,770.00	March	1,829.95	1,750.00
April	2,244.40	1,767.15	April	2,244.40	1,774.00
May	2,246.00	1,943.00	May	2,243.00	1,948.35
June	2,314.70	1,811.55	June	2,307.00	1,932.55
July	2,120.00	1,982.25	July	2,115.50	1,985.00
August	2,235.00	2,011.05	August	2,240.00	2,001.00
September	2,272.00	2,105.65	September	2,266.55	2,109.55
October	2,500.00	2,178.00	October	2,490.00	2,180.00
November	2,334.90	2,061.90	November	2,325.00	2,073.90
December	2,299.00	2,131.20	December	2,292.00	2,140.00

**Price movement of CRISIL shares in 2016 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, <http://www.crisil.com/investors/investor-downloads.html>.

Apart from the above rights, the shareholders also enjoy the following rights as a group:

- To appoint the Directors and Auditors of the Company.
- To requisition an Extraordinary General Meeting.
- To apply to the National Company Law Tribunal to investigate the affairs of the Company.
- To apply to the National Company Law Tribunal for relief in cases of oppression and / or mismanagement.

The above-mentioned rights may not necessarily be absolute.

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

**Douglas L. Peterson**

Chairman

(DIN: 05102955)

Mumbai, February 11, 2017

# Annexure I to Corporate Governance Report

## Dividend Policy

Policy for determining 'Dividend Pay-out' to shareholders

### 1. Purpose and scope

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

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

### 2. Decision framework

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

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

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

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

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

- a. Business environment and trends in capital markets
  - b. Statutory regulations and guidelines
  - c. Profit earned during the year
  - d. Net worth
  - e. Company's need for growth capital
  - f. Working capital requirements and contingency plan
  - g. Any other factor as deemed fit by the Board
- iv. Utilisation of retained earnings shall be towards:
- a. Business expansion and growth
  - b. Acquisition
  - c. Working capital requirements and contingencies

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

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

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

### 3. Policy review

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

This policy is dated October 14, 2016.

# Business Responsibility Report

As a responsible corporate citizen, CRISIL is aware that its business actions and organisational decisions affect both internal and external stakeholders. Our constant endeavour is to create value for our stakeholders through consistent profitable growth built on the foundation of sound corporate governance principles. Our core values of excellence, accountability, integrity, teamwork and respect, serve as guiding principles in this journey of value creation for all our stakeholders. As part of the S&P Global Group, we hold ourselves to global standards of business conduct, fairness and integrity by adhering to the S&P Code of Business Ethics Policy in addition to the CRISIL Code of Ethics and Personal Trading Policy, both of which guide our employees to maintain highest levels of probity.

We entrust our people with responsibility and freedom to operate, and empower them by creating an environment that is conducive to performance, thus motivating them to perform better each year. We have a strong record of shareholder value creation through high return on capital and regular dividends. As the pioneers of credit rating in Indian market, we are responsible for several rating innovations for our customers in the bond market and over the years have diversified into well-positioned research and advisory businesses.

Established in 2013, CRISIL Foundation has been working with rural communities extensively to strengthen their financial capabilities. We are committed to extend the reach of the programme to larger sections of the society in coming years.

This Business Responsibility Report articulates our activities on sustainability during 2016 based on the nine-principle framework of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, notified by the Ministry of Corporate Affairs on July 8, 2011. Policy and practice under each principle is explained in subsequent paragraphs with correlation to the Securities and Exchange Board of India (SEBI) reporting format, appended at the end of the Report.

## Principle No 1

### Ethics, Transparency and Accountability

As India's premier rating agency and provider of ratings, data, research, analytics and solutions to our clients, credibility is the cornerstone of our existence. The trust our customers place in us for actionable insights, independent opinions and

benchmarks to base their investment decisions on, rests on our adherence to a robust governance framework and value system.

Central to our processes and decision-making is our value system of integrity, excellence, accountability, teamwork and respect for all. These ensure our commitment to the highest standards of business conduct and strict compliance with the letter and the spirit of internal and external regulations.

The CRISIL Code of Ethics and Personal Trading Policy and the S&P Code of Business Ethics Policy (together referred to as 'the Codes') enshrine the best practices of business conduct. The Codes articulate standards of behaviour for employees and senior management of CRISIL and subsidiary companies when dealing with confidential client data, competitive intelligence, conflicts, business courtesies and discriminatory conduct. The Codes are well-articulated and communicated throughout the organisation and reinforced through training. CRISIL employees are required to take an annual compliance test on the Codes and sign an annual confirmation that they are aware of their requirements.

The Personal Trading Policy articulates high standards of compliance, reviews and permissions with respect to the personal investment decisions of employees. These imperatives ensure conflict free and independent evaluation of work assignments.

The Whistle Blower Policy empowers employees with the mechanism to easily report violations of the Codes. It also contains essential safeguards to reassure whistle-blowers that the non-discrimination and fair conduct encapsulated in the Codes will protect them from reprisal. Transgressions can be directly reported to respective line managers as well as the Compliance Officer. Complaint redressal is tracked rigorously at various levels of Management. Serious allegations are reported to a senior management committee for review of actions taken.

CRISIL also strengthened its enterprise risk management framework during the year and we are on a continuous mission to embed a disciplined risk culture in our operations. Newer risks to reputation, emerging from potential misuse of confidential data or disruptions due to natural or manmade disasters and likely IT systems failure are being recognised and monitored.

We have an eminent Board equipped with diverse skill sets in law, regulations and global business experience to drive our strategy and business. The Board provides the required oversight over legal and compliance risks. Commencing 2016, the Board has decided to dedicate time to review cases of policy violations on a regular basis.

As in any other corporate, the senior management of CRISIL plays a vital role in reinforcing the compliance culture. Each Board and Senior Management member reiterates his/her commitment to a Senior Management Code of Conduct, specifically prescribed by Listing Regulations, by signing a declaration to this effect each year.

Heightened sensitivity towards policy violations, rigid stance on transgressions and review of such matters at the highest levels, reinforce the compliance culture at CRISIL.

Complaints received from employees, customers and shareholders have been reported at Principles 3 and 8 of this Report and under Corporate Governance Report, respectively. Besides these, there were no other complaints from our principle stakeholders.

## Principle No 2

### Sustainable services

At CRISIL, our mission of making markets function better by providing independent opinions, actionable insights and efficient solutions drives all our services and businesses. We believe that our mission of making markets function better includes providing services that not only create value for our clients but also contribute to the sustainable economic and social well-being of the country. The practical and innovative solutions we offer through our infrastructure advisory, small and medium enterprise, ratings and research businesses empower our clients, who range from the smallest of enterprises to the Government of India, to transnational agencies. By helping them optimise their potential and serve their end-consumer with excellence, we make a positive impact on the communities in which we operate.

### Ratings for bond market development

Market forces have a better traction in an efficient, deep and buoyant corporate bond market, thereby reducing the cost of funding for businesses, diversifying risks and spurring investments and growth. CRISIL Ratings is playing a key role in developing the relatively-shallow domestic bond market through a three-pronged strategy of interaction, innovation

and facilitation. CRISIL's flagship seminar series on Expanding India's Corporate Bond Market and sector-specific and theme-based investor reach initiatives provide stakeholders a platform to exchange perspectives. By way of continuous interaction with issuers and investors, CRISIL has evolved a platform for continuous innovation. CRISIL Ratings has played a key role in being the first to rate innovative instruments, including commercial mortgage-backed securities, NBFC Infrastructure debt fund, partially credit-enhanced renewable energy bonds and future flow securitisation to name a few. CRISIL acknowledges the role of the regulator in developing the bond markets. Hence, CRISIL's senior management continuously and proactively engages with all the key regulators to help shape policies that can lead to a robust domestic bond market. CRISIL believes that ratings improve investor confidence, giving the corporate bond market the wings to fly.

### Nation-building blocks

CRISIL Infrastructure Advisory helps shape public policy, develop viable frameworks, and enables infrastructure development. Our roster of clients includes national and provincial governments, multilateral organisations and development aid agencies, regulatory bodies, urban local bodies, large enterprises developing infrastructure projects, and leading financial institutions involved in infrastructure finance and development. We partner with these clients to help create a vibrant ecosystem for infrastructure development – formulating a viable tool kit to improve public-private-partnership decision-making processes, providing expertise on Smart Cities, and assisting the government in promoting renewable energy, to name a few of our engagements. We conceive mechanisms to ensure benefits of infrastructure development flow through to the consumers of infrastructure services – the people. Three important projects that we have supported government agencies with in 2016 are:

- National Rurban Mission (NRuM) – The mission aims at development of a cluster of villages that preserve and nurture the essence of the rural community life with focus on equity and inclusiveness without compromising with the facilities perceived essentially urban in nature, thus creating a cluster of 'Rurban villages'. The mission is Government of India's first attempt at integrated development of rural areas by focusing on improving basic services, enhance local economy and develop spatially planned Rurban clusters. About 300 Rurban clusters will be developed in the mission. CRISIL Infrastructure

Advisory supported the Ministry of Rural Development in rollout of the NRuM. CRISIL facilitated the identification of over 100 Rurban clusters, supported in formulation of cluster plans and facilitated initiation of activities at the villages during its 18 month engagement with the Ministry.

- LPG for all – In order to scale up the penetration of liquefied petroleum gas (LPG) in the country, especially in rural households, and thereby reduce adverse health/ environmental impacts of conventional fuels, the Petroleum Planning & Analysis Cell, Ministry of Petroleum & Natural Gas mandated CRISIL Infrastructure Advisory to prepare a comprehensive LPG master plan to identify key steps/ initiatives over the immediate, medium and long term. CRISIL Infrastructure Advisory assisted the client in development of a comprehensive plan from sourcing, import terminals, infrastructure and distribution to enhance supply of LPG and extend the benefits of the fuel to the unconnected population. Implementation of the plan will create sustainable benefits for rural, hilly terrain, tribal and remote areas and spur development in these areas.
- Hydrocarbon Vision 2030 for Northeast India - We assisted the Ministry of Petroleum & Natural Gas in formulation of the hydrocarbon vision for the northeast region. The hydrocarbon vision is aimed at passing on the benefits of natural resources possessed by the region to the local population in the form of development. It lays down a roadmap for the next 15 years to increase production of oil & gas in northeast India and enhance access to fuels. It envisages access to natural gas, which offers a clean energy alternative to people in the region in years to come and also emphasises the impact on local people and preservation of the rich biodiversity of the region.

### Empowering MSMEs

Our SME business provides actionable insights to the socio-economically significant micro, small and medium enterprises (MSMEs). The sector provides employment to over 117 million, second only to agriculture, and generates 37% of India's manufacturing output and 38% of the Gross Domestic Product. However, its potential is stifled owing to lack of credit; 92% MSMEs do not have access to external funding and only 5% have access to formal institutional funding.

CRISIL has devised a suitable rating methodology for rating the SMEs, aimed at helping them access credit in a timely manner from formal lending channels, at competitive interest rates. For this purpose, CRISIL has entered into Memoranda

of Understanding with over 40 banks/NBFCs that recognize CRISIL Ratings and provide loans at concessional rates to SMEs, beyond a threshold rating. In addition, CRISIL also provides bank loan ratings for such businesses that approach banks for upgrading to mid-sized loans, thus ensuring that the support to the enterprise is continuous, and through the lifecycle of their growth.

### Research insight

As the country's largest independent and integrated research house, we leverage our deep understanding of the macro-economy and our extensive 86-sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. CRISIL also provides incisive, customised research that allows clients to take informed business and investment decisions and also publishes a quarterly Mutual Fund Ranking and around 45 standard debt and hybrid indices. Our research products and executive training programmes enable 90% of India's commercial banks by asset base and other lending institutions, brokers, investment banks and private equity players assess potential risks in lending and help them take sustainable credit decisions.

### Regulatory and Risk Support

Financial markets are highly dynamic and at times volatile, making it a crucial for market players to evaluate and reduce risk. And recent regulations such as Dodd-Frank, Volcker Rule, Fundamental Review of Trading Book and Basel III have ushered in new paradigms in risk management and reporting globally.

CRISIL Global Risk & Analytics business helps global retail, commercial and investment banks, asset management companies and insurance companies with risk management, regulatory compliance, quantitative research, model development and validation and actuarial services, to help such institutions migrate to more robust risk and trading platforms, measure risk in a more real-time manner, and comply with regulatory requirements including model validation and stress testing. Globally, such financial institutions are custodians to huge investor wealth invested through their schemes/deposits, and our services indirectly seek to highlight capital risks to savings of millions of small investors. Our services help banks strengthen their model risk teams in response to increased regulatory scrutiny of stress testing submissions by regulators in the United States and the European Union. We help our clients set up robust control processes and enhance their model risk management practices to keep pace with the regulations. We also support analytics for transaction banking and the



US Comprehensive Capital Analysis and Review through our Coalition business.

### Sustainable supply chain

Our efforts to promote diversity and inclusion, support human rights, conduct business ethically and responsibly extend to our supply chain. We seek to instill good environmental, social and governance practices in our supply chain by encouraging our vendors to adopt and practice minimum good governance standards.

At least annually, we plan to assess tier-1 suppliers' performance using our Vendor Performance Scorecard. High value IT infrastructure is sourced from vendors who have technology advancements, are committed and have sustainable environment policies.

As a provider of high-end analytics, ratings and research services, people are our most critical resource and there is little scope to deviate from the fundamental focus on quality, skill sets and technical expertise while contracting or recruiting employees. We run very successful certification programmes such as the CRISIL Certified Analyst Programme and the CRISIL Young Thought Leader dissertation series, which encourage young talent across the country to reach us for promising opportunities to work together. This brings about a diversity in the workforce and also encourages talent in the smaller cities to be able to tap possible association opportunities with CRISIL.

CRISIL Foundation sponsors projects under CRISIL RE Change the Scene empowering employees to drive change through interventions for financial capability building, education, and environment conservation in underprivileged communities. Some important initiatives supported during 2016 were:

- **BookShareIndia**, a website and application that allows users to donate books to the underprivileged. The project collected over 6000 books from 65 plus centres, set up 4 mini-libraries and donated these books to 37 NGOs.
- **Sugran**, a series of culinary skills enhancement workshops to empower women with employable skills. The project trained 17 women from disadvantaged backgrounds by enhancing their culinary skills for employability.
- **Saksham**, an integrated rural development project near Pune that resulted in outreach to 4 villages through health, environment conservation, financial literacy and education related interventions. The project created 3 vermi-compost pits for waste management, linked beneficiaries to formal banking channels and set up one mini library.

In addition, at CRISIL local offices, we have empanelled women entrepreneurs in the past for services like horticulture and composting.

### Principle No 3

#### Our employees, our foundation

At the foundation of our success is a 3,972 strong global workforce. With their skills, commitment, and sheer energy, it is the employees who make the vision and mission of CRISIL a reality. They are our most valued assets.

Our focus, in every aspect of our operation, is to empower them with a supportive work environment and growth opportunities. As part of this effort, we are committed to providing an environment that is healthy, productive, and free from harassment and societal bias. Even as this helps them realise their potential, it ensures that we build a sustainable, responsible, and successful business.

#### Diversity and Merit

We are an equal opportunity employer and hire employees on merit and our business need. The diversity of our workforce spans knowledge areas, age, gender, skills, experience, and nationality. We have 12 nationalities represented in our employee base.

At CRISIL, we are committed to provide tangible programmes and practices that will help CRISIL attract, develop, and retain diverse, high-quality talent so that it remains an employer of choice.

Women comprise about 35% of CRISIL's workforce. To develop their leadership skills and empower them for career advancement within the organisation, we launched the Winspiration programme in March 2016. The programme aims to strengthen the women's network, offer learning opportunities, and recognise women achievers. It also looks to orient policies and practices to make the workplace more women-friendly.

We have been running successful certification programmes to groom young analysts joining at the entry-level at our various offices, thus attracting and absorbing diverse talent across the country in the workforce.

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

We had more than 900 people working on contract basis as on December 31, 2016. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2016			2015			2014		
	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
Americas	57	143	200	61	141	202	35	105	140
Europe	32	115	147	28	141	169	16	68	84
APAC	37	32	69	30	31	61	30	33	63
India	1,308	2,248	3,556	1,181	2,143	3,321	1,048	1,978	3,026
Grand Total	<b>1,434</b>	<b>2,538</b>	<b>3,972</b>	<b>1,300</b>	<b>2,456</b>	<b>3,753</b>	<b>1,129</b>	<b>2,184</b>	<b>3,313</b>

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

This diversity helps us get a range of perspectives and enriches us with a better understanding of client requirements and markets. In turn, it enables us to equip our clients with the best solutions.

### Talent engagement

Our annual employee engagement survey helps us capture feedback from our employees. The results are analysed and action items are formulated for better and effective engagement. Focus groups in each business unit address the action items.

We use various channels to interact, inform and engage with our employees across geographies. Our intranet – CRISIL Connect – is an online communication platform used widely across the organisation. Our employee town halls, conducted by our MD & CEO and respective business leaders every quarter, are a vital channel of communication wherein employees across the globe get a chance to interact with the leadership.

We deepen our employee engagement through impactful training and by ensuring that the work environment is motivating and positive. Fun activities at the work place, such as Family Day, talent contests and offsite team-building conducted across businesses, boost motivation and productivity and also contribute to a positive work environment. We have an active rewards and recognition initiative to honour excellence in employees.

We recognise the right to freedom of association in accordance with the laws of the land. However, we do not have a recognised employee association.

### Flexible work culture

As part of our effort to create an inclusive organisation that responds to the needs of employees, we believe in a flexible work culture and strongly propagate work-life balance. Some of the significant flexible options we provide are:

- Paid maternity leave
- Extended maternity leave
- Paternity leave
- Flexi-hours and work from home
- A hassle-free work place

We have specific policies and procedures to resolve issues and concerns raised by employees in a fair and transparent manner. The Whistleblower Policy provides a channel for employees to express their grievances. It guarantees complete anonymity and confidentiality of information to the reporting individual and safeguards from any reprisals.

Our Prevention of Sexual Harassment (POSH) initiative allows employees to report sexual harassment cases at the workplace. We also provide a platform called 'Confidant', where employees can seek professional help in case they need counselling on personal as well as professional matters. Number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the past one year are as follows:

	No. of complaints filed during financial year	No. of complaints pending as on end of year of financial year
Child Labour/Forced Labour/Involuntary Labour	-	-
Sexual Harassment*	2	1
Discriminatory employment	-	-

\* The aforesaid data relates to the Company on a stand-alone basis. Additionally 3 complaints were received from off-roll personnel out of which one off-roll personnel was of subsidiary company. All the 3 cases have been resolved.

Besides the above, the Company received complaints from employees which were resolved through an appropriate redressal mechanism. During the year, 8 complaints were received of which 3 were pending resolution as on December 31, 2016.

Complaints were looked into, redressed and appropriate action within the applicable framework has been taken for cases resolved.

### Talent development

CRISIL strongly believes in providing equal opportunity. Hence, we provide training to all our employees through programmes based on business needs and benchmarked with the best in the industry. We invest significant time and effort to train our employees, which is key to their career growth and our continued success. Interventions on training include technical, managerial, domain-related, leadership, and behavioural aspects. The training effort across categories over the past year is as follows:

	Count	Training Manhours	Average Training Manhours
Permanent Employees	2,462	16,098	6.54
Permanent Women	968	6,306	6.51
Contract Staff	42	257	6.12

\* Count includes training conducted globally for CRISIL and its subsidiaries

### Career development

We believe that once a person is employed at CRISIL, we need to provide him/her the opportunity to achieve career goals in line with individual capabilities. With this in view, we have clearly defined career paths for employees. We provide career guidance and support through various initiatives and run training programmes that help develop varied skill-sets. We have set up a Talent Development programme to equip our top performers with an opportunity to learn and hone their skills as they tread the path to be leaders of tomorrow.

Our internal job rotation policy provides ample opportunities to employees looking for varied roles across the organisation. The mid-year and annual appraisals allow employees to take stock of their performance, set new goals, and identify developmental needs in a transparent manner.

## Principle No 4

### Stakeholder engagement

Our principle stakeholders include our shareholders, employees, customers, vendors/partners and communities. We engage with all our stakeholders through structured communication channels, which helps us to assess material needs, improvement opportunities and continuously improve the value proposition to our stakeholders. This communication is a learning experience for us, helping us improve constantly. Beyond that, it enables us to sustain a strong relationship with our stakeholders.

### Investors

Investors and shareholders can reach out to a dedicated Investor Services Department and our Registrar & Transfer Agent with grievances and queries, which are addressed in accordance with regulatory timeframes. Information on company performance, investor meetings and annual general meetings, and a regularly updated website with key developments and material events ensures data is easily accessible. With a view to communicate speedily with our shareholders, we have encouraged them to opt for e-communication and, during 2016, conducted an extensive outreach initiative in this regard.

### Employees

A range of employee engagement initiatives, highlighted in detail under Principle 3, help sustain a close connect and provide information on company policies to our employees. An annual employee engagement survey helps us gather insights on what is important to our employees. Leadership town halls, CRISIL intranet, CRISIL TV, off-site team building exercises, and CRISIL Conclave (which is our leadership lecture series), are strong communication platforms for employee interactions. These supplement the inputs gathered through the performance management system to help design appropriate training and development programmes for our employees. These enable us to create future leaders and shape the careers of our employees as well as ensure that we formulate relevant compensation and benefits programmes. Our core values to create a conflict-free and harassment-free workplace with equal opportunity, encourage employees to promptly report discrimination and harassment and assure fair and transparent redressal to grievances.

## Customers

We have diverse sets of businesses, all of them running on the principle of value creation for our customers and keeping them at the centre of our service offerings. We deal with these in detail under Principle 9. Our interaction with customers goes beyond business development engagements. As a knowledge company, we believe in sharing our insights and opinions on the economy, infrastructure, key sectoral matters, and policy developments with our customers and with the larger financial community and invite them to participate in our seminars and regular webinars. Our thought leadership publications are strong tools for our business development teams to engage with clients for meaningful conversations. We employ client satisfaction surveys at various levels – assignment, trigger-based, or annually – to help us assess our customers' voice and improve our offerings and service quality.

## Vendors

We also constantly engage with our vendors through meetings, emails, and supplier and business associates' performance reviews on matters of product, service, technology, quality and support, commercial contracts, and technical terms and conditions.

## Communities

Our Policy on Corporate Social Responsibility determines our engagement with socially and economically disadvantaged sections of society, to strengthen their financial capabilities. The policy also champions community outreach to enable sustainable solutions for waste management and solar electricity to secluded communities, besides improving surroundings through tree plantations and maintenance drives. CRISIL Foundation identifies beneficiaries for Mein Pragati based on tools such as the region's CRISIL Inclusix score, presence of livelihood opportunities in the region, and then customises the CSR interventions based on needs assessment surveys. Metrics to gauge progress on key success measures from the initiatives are regularly reviewed by the management and presented to the CSR Committee of the Board. In addition, CRISIL serves disadvantaged communities within its areas of operations through CRISIL RE, the flagship social impact programme empowering employees as agents of social change. For more details on our engagements with communities, please refer to Principle 8.

Besides the above principle stakeholders, linkages of our portfolio of services with financial institutions such as banks,

pension funds, mutual funds, non-banking financial companies and other financial intermediaries encourage us to take care of their information needs and engage with them on a regular basis. During the year, we have established a dedicated team to reach out to these institutions and take their feedback to make our services more relevant to their needs. Periodic non-transactional meetings are held by senior functionaries with such stakeholders to discuss strategic agenda. They are also invited to CRISIL seminars and webinars on a regular basis.

We also engage with regulatory bodies such as the Reserve Bank of India, Securities and Exchange Board of India and government departments in charge of specific sectors such as urban development, infrastructure and power, to support policy development initiatives. Several of our senior employees participate in sub-committees set up for facilitating an enabling and conducive policy and regulatory framework for sectors. We frequently invite senior members of regulatory bodies to important seminars and events we organise.

## Principle No 5

### Human Rights

Acting ethically and with integrity in transactions and relationships is not only the springboard of a responsible business but also in the best interest of all stakeholders. At CRISIL, this is a given. We are committed to implementing and enforcing effective systems and controls to ensure human rights are respected. We believe that servitude, forced and compulsory labour and human trafficking are a violation of fundamental human rights and we have a zero-tolerance approach to such violations.

We have reinforced this stance by adopting a Policy on Anti-Slavery, which ensures transparency and prohibits the use of forced, compulsory or trafficked labour in our business. The policy extends to all CRISIL subsidiaries (please refer to the statement that is appended at the end of this Report.) We are sensitising our employees on human rights protection through training sessions and updates on our internal communication network.

We expect the same high standards on human rights protection from all of our contractors, suppliers and other business partners. As part of our contracting processes, we propose to encourage our suppliers to commit to removing forced, compulsory or trafficked labour from their businesses.

In addition, we also contractually bind our major suppliers of IT support, facility management and security services,

which employ people from the more vulnerable sections with lower literacy levels, to comply with labour standards such as minimum wages, gratuity, bonus, leave, employees state insurance and other employment laws. Our administrative teams regularly inspect our providers of housekeeping, café, and employee transport services to check on compliance requirements. We are in the process of rolling out our new procurement policy which provides for the annual performance review with selected high spend vendors with whom we have annual maintenance contracts. We propose to review our future contractual terms with such who do not meet minimum standards of the policy.

Our employees have various channels to report harassment, discrimination or forced labour. The reporting structure embeds confidentiality and anonymity for complainants. We also have a dedicated framework for reporting sexual harassment complaints. Employees, both men and women, are required to take mandatory training programmes on the law and the policy for prevention of sexual harassment.

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

## Principle No 6

### Environment

As an integral part of doing business, we recognise our responsibility towards the environment, given our operations and large employee footprint. We strive to manage our operations in such a manner that we tread lightly on the planet and optimise the use of resources such as energy and water. This is even as we commit, through our corporate social responsibility programme, to promote sustainable efforts at ecological restoration.

With this conviction, we have drafted a policy that regulates our approach to the environment. The policy is a commitment by CRISIL and its subsidiaries to be environmentally responsible by improving our environmental performance across our activities and encouraging our employees and members of the wider community to work for the environment.

Under the policy, we commit to:

- Improve continually our environmental performance by setting and monitoring relevant environmental objectives.
- Comply with all environmental legislation, regulations and codes of practice relevant to sector in which we operate.

- Make efficient use of natural resources by conserving energy and water and work to prevent pollution.
- Reduce, and where possible, eliminate waste through recycling, and handle and dispose waste through responsible methods.
- Use recyclable materials whenever these can be commercially justified.
- Reduce emissions in transportation and other operations.
- Promote the adoption of environmental protection goals and practices by our contractors and suppliers.
- Promote employee awareness of environmental concerns, actions, and responsibilities.

We recycle our dry garbage by handing it over to scrap vendors. Our wet garbage is currently collected by municipal services, however, we will soon start converting it to compost under a project that is being executed. We also offer a bus transportation service at multiple offices for employees, encouraging them to use public transport to reduce our carbon footprint.

We take pride in that CRISIL House, Mumbai, our largest office and corporate headquarters, is a Platinum-rated Green Building. Some of the key features of CRISIL House are:

- **Water conservation:** A sewage treatment plant treats the sewage water. Recycled water is used for horticulture and other cleaning purposes. Sensor-controlled taps for wash basins and over 150 waterless urinals help lower water consumption.
- **Energy-efficiency:** Our air-conditioning system is variable refrigerant volume, meaning localised units can be switched on and off as per requirement. It is monitored via a building management system. As much as 80% of the office is lit up during the day with natural light, while motion sensors switch off lights when there are no users. Even as gardens on terraces reduce the heat impact from direct sunlight, solar panels provide hot water for the kitchen.
- **Air quality:** Gardens inside the office area improve air quality

CRISIL's employee volunteer programme under the aegis of the CRISIL Corporate Social Responsibility Policy is actively focused on the environment and has a number of initiatives outlined for this purpose. The programme includes centrally driven and employee-run projects and strives to constructively engage employees

and also their families, friends and relatives in conservation. Employees choose and work on programmes relevant to the cities or geographical regions in which they live. These include tree-plantation drives, sustainable waste management initiatives, indoor awareness workshops and installations of solar-powered lamps for renewable and affordable electricity to disadvantaged communities. For details of the outcomes from these initiatives, refer to the Corporate Social Responsibility Report that forms a part of this Annual Report.

## Principle No 7

### Public Policy Advocacy

CRISIL's stated objective is to make markets function better. Advocacy is an important tool in this regard, especially when interacting with regulators and decision-makers. Through advocacy, we can present the opportunities to develop policies that ensure efficient markets and enhance industry standards.

As a credit rating agency, we are uniquely positioned to influence the development of the corporate bond market through interactions, innovation and facilitation. We create credit assessment tools for the emerging needs of the bond market. CRISIL's senior management, therefore, continuously and proactively engages with all key financial market regulators and ministries to help shape policies that will lead to a robust domestic bond market. The interaction is varied, such as responding to consultation papers, participation in sub-committees set up on various topics and dialogues organised with industry participants. CRISIL extensively interacted with regulators in the recent past for guidelines on partial credit enhancement provided by banks and for setting up the bond guarantee fund.

As a part of our thought leadership initiative, we conduct seminars and webinars around important topics, development issues and challenges involving the financial markets. We invite industry leaders, regulators and market participants to participate in the events. By fostering intense dialogue and debate, the series help create strong impact on the ground, enrich perspective-sharing and culminate in sharing outcomes with opinion-makers.

Each year, we sponsor the Annual Bond Market seminar, which sees participation from over 400 delegates across large corporates, financial institutions, regulatory bodies, and other market intermediaries. In line with our commitment to creating a deep, vibrant corporate debt market, the seminar has been exploring topical issues and regulatory initiatives that can be

taken. In 2016, the seminar discussed and debated steps that can leverage tailwinds, avert headwinds, and move to deepen the corporate bond market in India. Additionally, the seminar deliberated on the global experience in bringing about transformative changes in debt markets.

Each year, we release the updated CRISIL Yearbook on the Indian Debt Market. First released in 2013, the Yearbook is the most comprehensive chronicle of the evolution of the bond market in India over the past decade. We also contribute as knowledge partners, speakers, or panellists at various summits organised by industry associations.

CRISIL also publishes impactful articles on macro developments and analysis on the financial market on a regular basis, details of which are printed else where in the Annual Report.

We are a member of various Committees and sub-groups set up by Regulators or industry associations such as CII and the BRICs Business Council, through which we facilitate enabling policy and regulatory frameworks to develop the infrastructure sector and capital markets.

## Principle No 8

### Inclusive growth

As a responsible corporate citizen, we strive to generate a positive impact in the communities. We are committed to fostering inclusive and sustainable growth through our corporate social responsibility initiatives. In 2012, we decided to build on existing CSR initiatives in line with our central belief of doing good with what we're good at by focusing on financial empowerment of women and disadvantaged communities.

We run two programmes for marginalised sections of society through CRISIL Foundation:

Mein Pragati, our flagship financial capability building programme, empowers disadvantaged communities by strengthening their financial capabilities.

The programme was launched in Assam as the north-east is among the under-developed regions in India. CRISIL Foundation is implementing Mein Pragati in six districts of Assam – Barpeta, Nalbari, Goalpara, Morigaon, Kamrup and Darrang -- which have a below-average CRISIL Inclusix score of 39.7. The objective is to empower rural women with greater control over their finances, create awareness about the fundamentals of personal finance, and equip them to take independent and informed financial decisions.

Mein Pragati creates an enabling environment to encourage women to confidently control household finances, plan and manage their future. CRISIL Mitras actively integrate participants with the formal financial services sector. Linkages are facilitated with locally relevant and accessible products and services for savings, credit, pension, insurance and government-run schemes. Village level volunteers, called Sakhis, continue to engage with the participants to reiterate good financial practices through audio-messages, monitor progress and address their communities' immediate needs.

### Scale-up through organic expansion

After establishing Mein Pragati in Assam, our focus has been on scaling up the programme by expanding to newer geographies. In May 2016, we introduced Mein Pragati in Rajasthan. The programme will be implemented in two phases in eastern Rajasthan in Alwar, Dausa, and Sikar. The needs assessment in Rajasthan indicated a need for understanding of financial concepts and better management of personal finances amongst the rural commodities.

As on date, Mein Pragati has reached out to 72,000 women in Assam and 18,000 women in Rajasthan. To sustain impact, we are continuing efforts to develop a network of skilled community – and village-based resource persons, and nurture an enabling environment.

### Scale-up through partnerships

CRISIL is also sharing the Mein Pragati model with corporate-run foundations across cities, and customising interventions through strategic partnerships, expected to benefit several households of the urban poor along with small and marginalised rural farmers.

CRISIL Foundation is collaborating with the community radio station, Mandakini ki Awaaz, in Rudraprayag, Uttarakhand, to create financial awareness and drive financial inclusion. Through radio programmes, we will reach out to 300,000 households in the district. The project is a collaboration between CRISIL Foundation, IFMR Trust and People's Power Collective.

**CRISIL RE**, the flagship community outreach programme in cities, leverages our vibrant workforce as agents of change in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune. The programme uses a combination of centrally driven and employee-led projects for social impact

and community outreach engaging 2,660 employee volunteers and 1,250 friends and family members as on date, and facilitating a better quality of life for the urban poor.

The objectives of CRISIL RE are:

- Champion initiatives related to environment conservation, sustainable waste management, financial literacy, and education through centrally driven activities
- Leverage CRISIL's workforce as catalysts for social change by empowering employees to lead and drive projects for social impact
- Support disaster relief/ emergency response initiatives for rehabilitation and relief of victims of natural calamities

Mein Pragati and CRISIL RE are undertaken by CRISIL Foundation with the assistance of implementation partners as required. CRISIL Foundation comprises a team of social work specialists, dedicated to drive and monitor CSR activities.

Mein Pragati and CRISIL RE are assessed and monitored both internally and externally for project outcomes, and impact. Internal tracking mechanisms such as the Mein Pragati Android App, monthly reports, process audits and follow-up field visits (for Mein Pragati and CRISIL RE) along with external impact assessment (Mein Pragati) and financial audits by external agencies, provide holistic perspectives about programme impact, and enable course corrections, if required.

Please refer to Annexure II to the Directors' Report under Statutory Reports for details on spending on CSR activities during the year.

## Principle No 9

### Customer value

At CRISIL, we understand that our customers are the core of our business. As we strive to help them mitigate financial risks, we realise that operating ethically, transparently, and responsively is key to sustainably growing their success – and ours.

This is enjoined in our value framework, which commits us to work with:

- Integrity
- Excellence

- Accountability
- Teamwork
- Respect

Our customer base is varied and vast, and includes SMEs, lenders, financial institutions, government bodies, and multilateral agencies. Irrespective of their business and bottom line, all expect us to deliver independent opinions, actionable insights and viable solutions that empower them to make informed decisions. We aim to consistently surpass these expectations and retain their trust by constantly engaging with our clients, listening to them, and partnering with them responsibly to create long-term value for their business.

To drive this close customer collaboration, we have established systems and processes to seek regular feedback. This continuous conversation, an integral component of our operational activity, enables us to understand customer requirements and adjust our service accordingly. We emphasise regular one-on-one interactions with clients and undertake conscious outreach initiatives with vulnerable clients and investors to understand their perspectives and address their concerns.

The focused engagement includes surveys, analyst evaluations, service quality assessments, and project-level feedback, through which we gauge the level of satisfaction and understand their issues. While some surveys are periodic and client-specific, others are conducted during and after projects, the manner and timeframe differing across our offerings. Some

are conducted by third parties to ensure independence – and a better learning experience for us. Surveys gather customer responses on parameters such as customer experience, service levels, employee behaviour, communication, and areas of improvement, among others. This feedback is shared with team leaders and management, which helps us modify and improve our services.

Each business receives and addresses customer complaints regularly. As at the end of the year, 5.49% of customer complaints are pending. We do not have any pending consumer litigation. No case has been filed against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years, which is pending as on the end of the financial year.

As a part of our thought leadership and outreach initiatives, we also host seminars, webinars, workshops and conferences for clients that not only provide them insights about relevant topics on economy, sectors, bond markets, credit assessments etc. but also serve as a forum to deliberate on their area of business even as they offer us an avenue to engage with our clients and offer maximum benefit. We also publish impactful articles and regular newsletters and participate as knowledge partners at events.

In July this year, the Board interacted with key customers over a dinner event to improve connect and for feedback on ways to improve our working experience and to exchange ideas and suggestions.



**Statutory report in terms of SEBI reporting guidelines****Section A: General Information about the Company**

1.	CIN	L67120MH1987PLC042363
2.	Name of the Company	CRISIL Limited
3.	Registered office	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076
4.	Website	www.crisil.com
5.	E-mail id	investors@crisil.com
6.	Financial Year reported	January 1, 2016 - December 31, 2016
7.	Sectors that the Company is engaged in (industrial activity code-wise)	<ol style="list-style-type: none"> <li>1. Ratings : Providing credit ratings including Bond Ratings, Bank Loan Ratings, SME Ratings, other grading services NIC Code : 66190</li> <li>2. Research : Research services include Global Research &amp; Analytics activities divided into Financial Research, Risk &amp; Analytics and Corporate Research, and India Research activities comprising Economy &amp; Industry Research, Funds &amp; Fixed Income Research and Equity &amp; Company Research NIC Code : 66190 (includes CRISIL stand-alone operations only)</li> </ol>
8.	List three key products / services that the Company manufactures/provides (as in Balance Sheet)	Same as 7 above
9.	Total number of locations where the business activity is undertaken by the Company	
	i Number of international locations	Refer page titled Office Locations in the Annual Report (includes subsidiary operations)
	ii Number of national locations	Refer page titled Office Locations in the Annual Report
10.	Markets served by the Company – Local/State/ National/International	All

**Section B: Financial Details of the Company**

The following details are of CRISIL stand-alone only:

1.	Paid-up capital	Rs. 7.13 cr
2.	Total Turnover	Rs. 1,178.79 cr
3.	Total profit after taxes	Rs. 255.65 cr
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	Refer Annexure II of the Directors' Report
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annexure II of the Directors' Report

**Section C: Other Details**

1.	Does the Company have subsidiary company/companies?	Yes. Refer to Annexure VI of the Directors' Report
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. Refer to various sections of the Business Responsibility Report
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Less than 30%. Refer to paragraphs on Sustainable Supply chain and Human Rights of the Business Responsibility Report

**Section D: BR Information**

1. BR Governance

a) Details of the Director/Director responsible for implementation of the BR policy/policies and details of BR Head:

Name: Ms. Ashu Suyash

DIN: 00494515

Designation: Managing Director & CEO

Telephone: +91 22 3342 3000

Email Id: investors@crisil.com

b) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually: Annually

c) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? No separate report is published.

2. Principle-Wise BR Policy Compliance

**Principle Index**

- P1** Business should conduct and govern themselves with ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the wellbeing of all employees
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	Whistle Blower, Information Disclosure Policies on www.crisil.com and rest on Company Intranet	Internal strategy and planning documents	Available on Company Intranet	Available on Company Intranet; CSR Policy on www.crisil.com	Available on www.crisil.com	Available on Company Intranet	Available on Company Intranet	CSR Policy on www.crisil.com	Internal customer survey documents
Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y

Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

**3. If answer to s. no. 1 against any principle is 'No', please explain why (Tick up to two options) – Not applicable**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles.									
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3. The Company does not have financial or manpower resources available for the task.									
4. It is planned to be done within the next six months.									
5. It is planned to be done within the next one year.									
6. Any other reason (please specify).									

**Section E : Principle-Wise Performance**

Principle	Reported At
<b>Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability</b>	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	Section titled Ethics, Transparency and Accountability in the Business Responsibility Report
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	
<b>Principle 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 & 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?	

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

**Principle 3 : Businesses should promote the wellbeing of all employees**

- 1. Please indicate the total number of employees Section titled Our Employees, Our Foundation 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 management?
- 6. What percentage of your permanent employees is members of this recognised employee association?
- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
- 8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
  - Permanent Employees
  - Permanent Women Employees
  - Casual/Temporary/Contractual Employees
  - Employees with Disabilities

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

- 1. Has the company mapped its internal and external stakeholders? Section titled Stakeholder Engagement 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.

**Principle 5 : Businesses should respect and promote human rights**

- 1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? Section titled Human Rights in the Business Responsibility Report
- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

- 1. Does the policy related to Principle 6 cover only the company or extends 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, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc
- 3. Does the company identify and assess potential environmental risks?
- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
- 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- 7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

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**Principle 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 or association?   | Section titled Public Policy Advocacy in the Business Responsibility Report |
| 2. If Yes, Name only those major ones that your business deals with  |   |
| 3. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) |   |

---

**Principle 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 there of.                    | Section titled Inclusive Growth in the Business Responsibility Report |
| 2. Are the programmes / projects undertaken through in-house team?  |   |
| 3. Have you done any impact assessment of your initiative?  |   |
| 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?                        |   |
| 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain in 50 words, or so. |   |

---

**Principle 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. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so. |   |
| 4. Did your company carry out any consumer survey/ consumer satisfaction trends?  |   |
-

## The Modern Slavery Act 2015 (The “Act”) Statement

This statement is published by CRISIL Limited (“CRISIL”) about and to enable those of its subsidiaries which are subject to the Act including in particular CRISIL Irevna UK Limited and Coalition UK Limited (“CRISIL Subsidiaries”). CRISIL and CRISIL Subsidiaries together are (“CRISIL Entities”).

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery signify some of the severest forms of human rights abuse. We are committed to improving our practices to combat slavery and human trafficking.

### Organisation’s structure

We are a provider of ratings, research, and risk and policy advisory services in the knowledge process and business process outsourcing sector. Our ultimate parent company is S&P Global Inc. CRISIL Limited has its registered office in Mumbai, India. We have approximately 4000 employees worldwide and operate in India, China, Singapore, England, Poland, Argentina and the United States of America.

Our global annual turnover in excess of £36 million.

### Our business

Our business is organised into 7 business units: Ratings, Global Research and Analytics, India Research, Infrastructure Advisory, Risk Solutions, Global Analytical Centre and Global Data Services.

### Our supply chains

Our supply chains include consultants, advisors, IT (hardware and software) and other office equipment supplier, professional services from our lawyers, accountants and other advisers, security, catering, office cleaning and other office facilities services, staffing companies etc...

We require all of our suppliers to conduct business in a lawful and ethical manner as part of our supplier on-boarding process and in accepting our trading terms and conditions.

### Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Modern Slavery Act 2015 Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and

enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

### Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.
- Where possible we build long standing relationships with local suppliers and make clear our expectations of business behaviour;

### Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values and ethics.

### Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.

### Our effectiveness in combating slavery and human trafficking

The Act is relatively new legislation and few companies including CRISIL Entities have any experience of seeking out let alone detecting slavery or trafficking among their own staff or among those of their suppliers. To date CRISIL Entities are yet to detect or suspect that any CRISIL Entities or their suppliers employ persons who may be enslaved or trafficked, and so key performance indicators can only be set in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises during 2016 are collated and analysed.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 2016.

# Agile, Actionable Analytics



- Post tightening of regulatory norms, the oil & gas team of a large global investment bank with significant operations in the US needed peak-time support for semi-annual, borrowing base re-determination of its energy loan book. This involved **independent evaluation of credit risks** of 60 energy companies in just 8 weeks.
- CRISIL GR&A set up a global team inside a fortnight. Leveraging in-house sector specialists and their **deep understanding of the oil & gas sector**, CRISIL's analytical team rebased financial performance data, projected medium- and long-term credit metrics, and also stress-tested the credit profile against various scenarios of crude oil prices.
- The CRISIL GR&A team's analysis, independent assessments, and recommendation on exposure levels provided the client with **actionable insights** that helped them take **corrective measures** to optimise exposures in its energy loan book.

●  
CRISIL GR&A offered on-time, precise and neutral assessment of loan portfolio within regulatory deadlines by leveraging CRISIL GR&A's **energy sector expertise** and **advanced credit analytics**

●  
Delivered **deep fundamental credit analysis** through **complex** borrowing base modelling technique

# Market-leading Risk Analytics



- CRISIL GR&A helped a large European bank improve its market risk analytics programme to meet the challenging requirements of the US Federal Reserve's 2017 Comprehensive Capital Analysis and Review (CCAR).
  - Being a new participant in the CCAR programme, the bank had to incorporate regulatory stress testing scenarios and assess their impact on its global portfolios that included **complex derivatives across asset classes**.
  - CRISIL GR&A built a **sophisticated scenario expansion analytics suite** consisting of a large number of statistical and time-series models that evaluated the impact of macroeconomic and financial market factors on the bank's market risk parameters. This formed a key component of the bank's 2017 CCAR run, helping it with the regulatory submission.
- Delivered a **sophisticated risk analytics solution** to help the bank meet its **CCAR obligation**
  - Built **40+** **complex statistical and time-series models** customised to the bank's overall market risk programme, leveraging our **market risk analytics** and **CCAR expertise**



# **Consolidated Financial Statements**

# Independent Auditor's Report

## To the Members of CRISIL Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CRISIL Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the consolidated Balance Sheet as at December 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated financial statements’).

### Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in “Other Matters” below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at December 31, 2016, its consolidated profit, and its consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- (a) We / the other auditors whose reports we have relied upon, 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31st December, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in Annexure to this report;
- (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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 24 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
- 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 incorporated in India.

### Other Matter

The accompanying consolidated financial statements include total assets of Rs 641.92 crores as at December 31, 2016, net assets of Rs 274.62 crores as at December 31, 2016, total revenues and net cash outflows of Rs 1,065.70 crores and Rs 63.64 crores respectively for the year ended on that date, in respect of seven subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the Company's management. The financial statements and information of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors who have submitted their audit reports, prepared under generally accepted auditing standards of their respective countries, to the shareholders of the respective entities. The Company's management has converted the financial statements and information of these subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We audited the adjustments that were applied to prepare the consolidated financial statements for the year ended December 31, 2016 made by the Company's management to convert these subsidiaries financial statements and information from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. In our opinion, such adjustments have been properly applied. We were not engaged to audit, review or apply any procedures to the financial statements for the year ended December 31, 2016 of these subsidiaries other than with respect to the

adjustments and, accordingly, we do not express an opinion or any other form of assurance on the financial statements of these subsidiaries from which such adjustments were derived.

In addition, our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors and the information provided by the Company's management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Mumbai, February 11, 2017 Membership Number: 037924

## Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of CRISIL Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of CRISIL Limited for the year ended December 31, 2016, we have audited the internal financial controls over financial reporting of CRISIL Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to the respective 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

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Mumbai, February 11, 2017 Membership Number: 037924

# Consolidated Balance Sheet

as at December 31, 2016

Particulars	Notes	(Rupees)	
		As at December 31, 2016	As at December 31, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	71,335,358	71,209,103
Reserve and surplus	4	9,382,178,268	8,486,405,123
<b>Non-current Liabilities</b>			
Other liabilities	5	102,295,805	191,768,305
Provisions	6	133,520,661	92,505,583
<b>Current Liabilities</b>			
Trade payables	7	415,988,292	354,332,915
Other liabilities	8	2,857,256,055	2,719,468,332
Provisions	9	1,399,929,168	1,393,086,052
<b>Total</b>		<b>14,362,503,607</b>	<b>13,308,775,413</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill on consolidation		2,916,561,809	3,150,313,229
Fixed assets			
Tangible assets	10	664,417,390	784,732,274
Intangible assets	10	120,111,282	190,606,540
Intangible asset under development	38	42,062,956	24,801,002
Capital work in progress		-	1,271,617
Investments	11	56,252,031	56,252,031
Deferred tax assets (Net)	12	385,217,473	362,553,560
Loans and advances	13	631,058,094	442,259,018
Other assets	14	1,352,425	16,667,539
<b>Current Assets</b>			
Investments	11	4,239,433,939	3,777,261,191
Trade receivables	15	2,100,540,480	1,955,806,496
Cash and bank balances	16	1,774,679,206	1,517,805,384
Loans and advances	17	447,389,238	448,121,976
Other assets	18	983,427,284	580,323,556
<b>Total</b>		<b>14,362,503,607</b>	<b>13,308,775,413</b>
Summary of significant accounting policies	1,2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
Director

**H.N. Sinor**  
Director

**Vinita Bali**  
Director

**John L. Berisford**  
Director

**Douglas L. Peterson**  
Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Consolidated Statement of Profit and Loss

for the year ended December 31, 2016

Particulars	Notes	(Rupees)	
		Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Income</b>			
Income from operations	19	15,471,686,206	13,799,369,114
Other income	20	547,128,143	432,228,722
<b>Total</b>		<b>16,018,814,349</b>	<b>14,231,597,836</b>
<b>Expenses</b>			
Personnel expenses	21	7,749,202,956	6,939,269,079
Establishment expenses	22	990,523,326	943,965,597
Other expenses	23	2,116,736,479	1,920,137,710
Depreciation/ Amortisation	10	403,633,729	371,243,933
<b>Total</b>		<b>11,260,096,490</b>	<b>10,174,616,319</b>
<b>Profit before tax</b>		<b>4,758,717,859</b>	<b>4,056,981,517</b>
<b>Tax expense</b>			
Current tax		1,518,275,220	1,263,438,008
Deferred tax		(22,994,390)	(57,974,634)
<b>Total tax expense</b>		<b>1,495,280,830</b>	<b>1,205,463,374</b>
<b>Profit after tax</b>		<b>3,263,437,029</b>	<b>2,851,518,143</b>
Earnings per share : Nominal value of Re. 1/- per share	33		
Basic		45.79	40.03
Diluted		45.31	39.51
Summary of significant accounting policies	1,2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
Director

**H.N. Sinor**  
Director

**Vinita Bali**  
Director

**John L Berisford**  
Director

**Douglas L. Peterson**  
Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai



# Consolidated Cash Flow Statement

for the year ended December 31, 2016

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	4,758,717,859	4,056,981,517
Adjustments for :		
Depreciation	403,633,729	371,243,933
Amortisation of foreign currency monetary item translation reserve	(95,120,582)	(73,195,383)
Unrealised foreign exchange gain	(48,217,807)	(38,846,773)
(Profit)/ Loss on sale of fixed assets	(12,634,662)	377,858
(Profit)/ Loss on sale of current investments	(386,374,891)	(197,432,530)
Provision for doubtful debts / bad debts	138,191,653	117,289,028
Interest income	(21,791,027)	(26,024,862)
Dividend on non-current investments	(4,687,500)	(2,812,524)
Operating profit before working capital changes	<b>4,731,716,772</b>	<b>4,207,580,264</b>
<b>Movements in working capital</b>		
- (Increase)/decrease in trade receivables	(293,308,867)	(659,382,008)
- (Increase)/decrease in sundry deposits	(38,612,920)	12,039,403
- (Increase)/decrease in loans	890,880	(11,746,638)
- (Increase)/decrease in deferred grant revenue	-	(60,044,442)
- (Increase)/decrease in advances	(27,806,470)	(70,360,479)
- (Increase)/decrease in accrued revenue	(256,400,684)	(82,777,410)
- Increase/(decrease) in trade payables	67,413,220	(8,803,618)
- Increase/(decrease) in unearned revenue and fees received in advance	(25,481,671)	92,195,785
- Increase/(decrease) in rent deferment	(34,219,816)	(17,745,134)
- Increase/(decrease) in other payables	128,408,810	404,854,506
- Increase/(decrease) in provision for leave benefits	59,603,330	48,644,831
- Increase/(decrease) in provision for gratuity	44,980,762	30,899,921
- Increase/(decrease) in statutory liabilities	(25,129,832)	119,835,747
Cash generated from operations	<b>4,332,053,514</b>	<b>4,005,190,728</b>
- Taxes paid	(1,542,571,530)	(1,301,298,897)
<b>Net cash generated from operating activities - (A)</b>	<b>2,789,481,984</b>	<b>2,703,891,831</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets	(233,325,453)	(262,035,569)
Proceeds from sale of fixed assets	20,295,867	6,888,823
Investments in mutual funds	(9,691,113,978)	(4,999,590,903)
Sale proceeds from investments in mutual funds	9,545,316,121	5,108,649,213
Investment in fixed deposits	(5,860,720)	(15,876,650)
Proceeds from fixed deposits maturity	92,406,346	140,976,407
Interest income	20,909,307	26,709,223
Dividend on non-current investments	4,687,500	2,812,524
<b>Net cash generated from/(used in) investing activities - (B)</b>	<b>(246,685,010)</b>	<b>8,533,068</b>

# Consolidated Cash Flow Statement

for the year ended December 31, 2016 (Contd.)

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>C. Cash flow from financing activities :</b>		
Proceeds from issuance of share capital on exercise of stock options	132,517,510	375,954,050
Dividend and dividend tax paid	(2,401,743,496)	(1,973,104,783)
Payment towards buy back of shares (Refer note 31)	-	(1,019,780,638)
<b>Net cash generated from/(used in) financing activities - (C)</b>	<b>(2,269,225,986)</b>	<b>(2,616,931,371)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>273,570,988</b>	<b>95,493,528</b>
Cash and cash equivalents - Opening balance	1,309,157,320	1,205,135,322
Add : Exchange difference on translation of foreign currency cash and cash equivalents	56,249,323	8,528,470
Cash and cash equivalents - Closing balance	1,638,977,631	1,309,157,320
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>273,570,988</b>	<b>95,493,528</b>
Components of cash and cash equivalents as at		
Cash on hand and with banks on current account	1,572,032,705	1,098,813,364
Deposits with original maturity of less than three months	66,944,926	210,343,956
<b>Total</b>	<b>1,638,977,631</b>	<b>1,309,157,320</b>

The accompanying notes are an integral part of the Cash flow statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
Director

**H.N. Sinor**  
Director

**Vinita Bali**  
Director

**John L Berisford**  
Director

**Douglas L. Peterson**  
Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Notes forming part of the Consolidated financial statements

## 1 Nature of operations

CRISIL is a globally-diversified analytical Company providing ratings, research, risk and policy advisory services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better.

### 1.1 Basis of preparation

The Consolidated Financial Statements ('CFS') are prepared in accordance with Accounting Standard ('AS') 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) as notified by Ministry of Corporate Affairs (MCA).

The financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year

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 Summary of significant accounting policies

### Principal of consolidation

- 2.1 The consolidated financial statements include the financial statements of CRISIL Limited consolidated with the financial statements of its wholly owned subsidiaries ("Group").
- 2.2 The financial statements of the Group have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra group balances and intra group transactions and resulting gains/ losses as per Accounting Standard 21 - Consolidated Financial Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- 2.3 The consolidated financial statements are prepared by applying uniform accounting policies in use at the group, except as disclosed.

2.4 The Consolidated Financial Statements represent consolidation of accounts of the Company, its subsidiaries as detailed below :

Name of the company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		December 31, 2016	December 31, 2015
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna USA LLC	United States of America	100%	100%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%
CRISIL Irevna Poland Sp.zo.o.	Poland	100%	100%
Pipal Research Analytics and Information Services India Private Limited (Refer note 34)	India	-	100%
Coalition Development Limited	United Kingdom	100%	100%
Coalition Development Systems (India) Private Limited (Refer note 34)	India	-	100%
Mercator Info-Services India Private Limited (Refer note 34)	India	-	100%
Coalition Development Singapore Pte Limited	Singapore	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%

Note: Financial statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2016.

## 2.5 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## 2.6 Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition.

## 2.7 Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable

cost of bringing the asset to its working condition for its intended use. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets. Capital work in progress is measured at cost.

Intangible assets acquired separately are measured on initial recognition at cost if it meets criteria, in line with accounting standard 26. Cost of Internally generated intangible assets, during development phase, is capitalised. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

## 2.8 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 is provided on straight line method (SLM) over useful life.

Assets	Estimated Useful Life	Schedule II- Useful life
Buildings	20 Years	60 Years
Furniture and fixtures	4 to 16 Years	10 Years
Office equipments	3 to 21 Years	5 Years
Computers	3 to 5 Years	3 Years
Vehicles	3 Years	8 Years

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.

## 2.9 Impairment

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 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.

## 2.10 Intangibles

Goodwill (acquired) is amortized on a systematic basis over the best estimate of its useful life from the date asset is available for use. Details of estimated useful life of intangible assets are as under :

Assets	Estimated Useful Life
Goodwill	5 to 10 Years
Customer relationship	3 to 7 Years
Brand	7 Years
Non compete	3 Years
Software	Upto 3 Years

## 2.11 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.

## 2.12 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

## 2.13 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

### Income from operations

Income from Operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred and recorded equally over 11 months subsequent to the month in which the rating was awarded. Revenue on service contracts are recognised on completion of related services. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out or milestones achieved. Revenue from infrastructure advisory services are recognized as income in the year in which such assessments/assignments are carried out or milestones achieved. Revenue from risk

management services comprises 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 sale of software which involves customization is recognized in accordance with the percentage completion method. 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.

Service income accrued but not billed represents revenue recognized on contracts to be billed in the subsequent period, in accordance with terms of the contract.

#### **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividend income**

Dividend Income is recognised when the company's right to receive payment is established by the balance sheet date.

#### **Profit /(loss) on sale of investment**

Profit /(loss) on sale of 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.

### **2.14 Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and is charged to the Statement 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 statement. There are no other obligations other than the contribution payable to the respective authorities.

The Company provides gratuity as a defined benefit plan to the eligible employees. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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 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.

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

In respect of foreign subsidiaries retirement benefits are governed and accrued as per local statutes and there are no defined benefit plan. The amount contributed to the defined contribution plan is charged to the Statement of Profit & Loss account on accrual basis.

### **2.15 Foreign currency transactions**

#### **Initial recognition**

Foreign currency transactions are recorded in reporting currency (INR) by applying to the foreign currency amount the monthly average exchange rates for the respective periods in which the transaction takes place

#### **Conversion**

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

#### **Exchange difference**

Exchange differences relating to long term monetary items other than depreciable assets, arising during the year, such differences are accumulated in the " Foreign Currency Monetary Item Translation Account" and amortised to the Statement of Profit and Loss over the balance life of the long term monetary item. All other exchange differences are recognised as income or expense in the Statement of Profit and Loss.

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign

currency are reported using the exchange rate that existed, when the values were determined. Exchange differences arising as a result of the above are recognised in currency fluctuation translation reserve.

#### **Forward contract**

Forward contracts are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date and also to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. The premium or discount on forward contracts that are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date arising at the inception of each contract, is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as income or as expense for the year.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where the transaction is settled during the reporting year, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the Statement of Profit and Loss in the reporting year in which the exchange rates change.

The Company has adopted the principles of "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India (ICAI) in respect of its derivative financial instruments that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with guidance note, such derivative financial instruments, which qualify for cash flow hedge accounting, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and

Surplus. This gain / loss would be recorded in the Statement of Profit and Loss when the underlying transactions affect earnings.

#### **Foreign Currency Translation on long term monetary items**

In line with notification of the Companies (Accounting Standards) Amendment Rules, 2011 issued by Ministry of Corporate Affairs on December 29, 2011 amending Accounting Standard - 11 (AS - 11) 'The Effects of Changes in Foreign Exchange Rates (revised 2003)' the Company has chosen to exercise the option under para 46A inserted in the standard by the notification. Accordingly, exchange differences arising after January 1, 2011 on all long term monetary items, has been accumulated in the "Foreign Currency Monetary Translation Account" and amortised to the Statement of Profit and Loss over the balance life of the long term monetary item but not beyond March 31, 2020.

### **2.16 Translation of integral and non integral foreign operation**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non integral foreign operation are translated at average exchange rates and resulting exchange differences are accumulated in a currency fluctuation translation reserve until the disposal of the net investment. On disposal of the net investment, this amount is transferred to the Statement of Profit and Loss.

### **2.17 Taxes on income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. With respect to

foreign subsidiaries, tax expense is recorded and recognised as per local statute.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

## 2.18 Segment reporting policies

### Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### Identification of segments:

The Group's operating businesses are organized and managed separately according to the nature of

products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical locations of customers.

### Inter segment transfers:

The Group generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### 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, 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 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 Provisions

A provision is recognised when the Company has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.



These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **2.21 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### **2.22 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.

### **2.23 Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis wherever grant price is lower than the market price.

### 3. Share Capital

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Authorised capital:</b>		
100,000,000 Equity Shares of Re.1/- each (P.Y. 100,000,000 of Re. 1/- each)	100,000,000	100,000,000
<b>Issued, Subscribed and Paid Up:</b>		
71,335,358 Equity Shares of Re. 1/- each fully paid up (P.Y. 71,209,103 of Re.1/- each)	71,335,358	71,209,103
<b>Total</b>	<b>71,335,358</b>	<b>71,209,103</b>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

##### Equity shares

Particulars	As at December 31, 2016	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	71,209,103	71,209,103
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 32)	126,255	126,255
<b>Outstanding at the end of the year</b>	<b>71,335,358</b>	<b>71,335,358</b>

Particulars	As at December 31, 2015	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	71,357,055	71,357,055
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 32)	363,980	363,980
Less : Buy-back during the year (Refer note 31)	(511,932)	(511,932)
<b>Outstanding at the end of the year</b>	<b>71,209,103</b>	<b>71,209,103</b>

#### (b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Group Holding of the S&amp;P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)</b>		
31,209,480 equity shares of Re.1/- each fully paid held by S&P India, LLC, Fellow Subsidiary (P.Y. 31,209,480 of Re.1/- each)	31,209,480	31,209,480
10,623,059 Equity Shares of Re.1/- each fully paid held by S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte Limited), Fellow Subsidiary (P.Y. 10,623,059 of Re. 1/- each)	10,623,059	10,623,059
6,000,000 Equity Shares of Re.1/- are held by Standard & Poor's International LLC, Fellow Subsidiary (P.Y. 6,000,000 of Re.1/- each)	6,000,000	6,000,000
	<b>47,832,539</b>	<b>47,832,539</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	(Nos.)	
	As at December 31, 2016	As at December 31, 2015
Aggregate number of equity shares bought back by the company (In last five years)	1,421,932	1,421,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the company.	Nil	Nil

**(e) Details of shareholders holding more than 5% shares in the company.**

Name of the shareholder	As at December 31, 2016	
	% holding in the class	Nos.
Equity shares of Re. 1/- each fully paid		
1. Group Holding of the S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)		
a) S&P India, LLC	43.75%	31,209,480
b) S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	14.89%	10,623,059
c) Standard & Poor's International LLC	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000

Name of the shareholder	As at December 31, 2015	
	% holding in the class	Nos.
Equity shares of Re. 1/- each fully paid		
1. Group Holding of the S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)		
a) S&P India, LLC	43.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	14.92%	10,623,059
c) Standard & Poor's International LLC	8.42%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.62%	4,000,000

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 32).

#### 4. Reserves and Surplus

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Securities premium account</b>		
Opening balance	294,635,781	901,841,217
Add: Received on exercise of employee stock options (Refer note 32)	132,391,255	375,590,070
Less: Used towards buy back of equity shares (Refer note 31)	-	(982,795,506)
	<b>427,027,036</b>	<b>294,635,781</b>
<b>Capital reserve</b>		
Opening balance	122,232,111	122,232,111
Less : Adjustment on amalgamation (Refer note 34)	(122,232,111)	-
	<b>-</b>	<b>122,232,111</b>
<b>Capital redemption reserve</b>		
Opening balance	2,703,492	2,191,560
Add:- Transfer from general reserve (Refer note 31)	-	511,932
	<b>2,703,492</b>	<b>2,703,492</b>
<b>General reserve</b>		
Opening balance	1,318,687,630	1,133,665,099
Add : Transfer from the Statement of Profit and Loss	204,522,727	222,007,663
Less :Transfer to capital redemption reserve account (Refer note 31)	-	(511,932)
Less :Used towards buy back of equity shares (Refer note 31)	-	(36,473,200)
Less : Adjustment on amalgamation (Refer note 34)	(111,702,311)	-
	<b>1,411,508,046</b>	<b>1,318,687,630</b>
<b>Foreign currency monetary item translation account</b>		
Opening balance	113,339,208	186,534,591
Less : Transfer to foreign exchange gain	6,106,020	(70,821,108)
Add : Movement during the year	(189,298,263)	(2,374,275)
	<b>(69,853,035)</b>	<b>113,339,208</b>
<b>Currency fluctuation translation reserve</b>		
Opening balance	(310,849,821)	(276,055,890)
Add : Movement during the year	63,773,841	(34,793,931)
	<b>(247,075,980)</b>	<b>(310,849,821)</b>
<b>Hedging reserve account (Refer note 29)</b>		
Opening balance	41,945,658	93,770,263
Changes in the fair value of effective portion of Cash Flow Hedges (Gain)/Loss transferred to statement of profit and loss on occurrence of forecasted hedge transactions	187,756,985	41,945,658
	(41,945,658)	(93,770,263)
	<b>187,756,985</b>	<b>41,945,658</b>
<b>Surplus in the Statement of profit and loss</b>		
Balance as per last financial statements	6,903,711,064	6,247,914,885
Add : Transferred on amalgamation (Refer note 34)	24,890,222	-
Profit for the year	3,263,437,029	2,851,518,143
<b>Less: Appropriation</b>		
Proposed final equity dividend (amount per share Rs. 9 (P.Y. Rs. 10) of Re. 1/- each)	(642,018,222)	(712,091,030)
Interim dividend (amount per share Rs. 18 (P.Y. Rs. 13) of Re. 1/- each)	(1,283,390,964)	(925,601,947)
Corporate dividend tax	(391,994,678)	(336,021,324)
Transfer to general reserve	(204,522,727)	(222,007,663)
<b>Total appropriations</b>	<b>(2,521,926,591)</b>	<b>(2,195,721,964)</b>
<b>Net surplus in the statement of profit and loss</b>	<b>7,670,111,724</b>	<b>6,903,711,064</b>
<b>Total</b>	<b>9,382,178,268</b>	<b>8,486,405,123</b>

**5. Other Liabilities**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non current</b>		
Statutory liabilities	-	6,089,289
Rent deferment	89,119,863	115,667,289
Unearned revenue and fees received in advance	1,638,434	800,648
Others	11,537,508	69,211,079
<b>Total</b>	<b>102,295,805</b>	<b>191,768,305</b>

**6. Provisions**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non current</b>		
<b>For employee benefits</b>		
For gratuity (Refer note 28)	133,520,661	92,505,583
<b>Total</b>	<b>133,520,661</b>	<b>92,505,583</b>

**7. Trade Payables**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 36)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	415,988,292	354,332,915
<b>Total</b>	<b>415,988,292</b>	<b>354,332,915</b>

**8. Other Liabilities**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
Statutory liabilities	383,259,940	396,643,936
Unearned revenue and fees received in advance	1,007,115,749	1,033,171,704
Rent deferment	31,056,691	38,729,081
Others	1,426,494,482	1,240,411,152
Unclaimed dividend (Investor education and protection fund will be credited as and when due)	9,329,193	10,512,459
<b>Total</b>	<b>2,857,256,055</b>	<b>2,719,468,332</b>

**9. Provisions**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
Proposed dividend	642,018,222	712,091,030
Corporate dividend tax thereon	130,714,910	144,981,734
Provision for tax	86,757,815	59,144,081
<b>For employee benefits</b>		
For leave benefit	496,815,702	437,212,372
For gratuity (Refer note 28)	43,622,519	39,656,835
<b>Total</b>	<b>1,399,929,168</b>	<b>1,393,086,052</b>

### 10. Fixed Assets

For the year ended December 31, 2016

Particulars	Gross Block at Cost				Accumulated Depreciation/Amortization				Net Block (Rupees)				
	As at January 1, 2016	Additions	Deductions	Currency Translation Reserve	Adjustments	As at December 31, 2016	Up to January 1, 2016	For the year		Deletion On Account of Assets sold	Currency Translation Reserve	Adjustments	Up to December 31, 2016
<b>Intangible assets</b>													
Customer relationship	282,851,102	-	-	(42,420,101)	-	240,431,001	206,842,581	36,549,232	-	(33,929,024)	-	209,462,789	30,968,212
Brand	35,705,660	-	-	(5,354,894)	-	30,350,766	35,705,660	-	-	(5,354,894)	-	30,350,766	-
Non compete	45,430,269	-	-	(6,813,326)	-	38,616,943	45,430,269	-	-	(6,813,326)	-	38,616,943	-
Goodwill	220,957,412	-	-	(17,872,914)	-	203,084,498	107,902,107	31,477,695	-	(15,497,342)	-	123,882,460	79,202,038
Software	2,273,973	31,333,085	7,199,266	8,962,728	-	35,370,520	731,259	30,433,688	6,338,409	602,950	-	25,429,488	9,941,032
<b>Sub Total intangible assets</b>	<b>587,218,416</b>	<b>31,333,085</b>	<b>7,199,266</b>	<b>(63,498,507)</b>	-	<b>547,853,728</b>	<b>396,611,876</b>	<b>98,460,615</b>	<b>6,338,409</b>	<b>(60,991,636)</b>	-	<b>427,742,446</b>	<b>120,111,282</b>
<b>Tangible assets</b>													
Buildings	27,887,375	-	1,690,000	-	-	26,197,375	26,908,526	797,500	1,690,000	-	-	26,016,026	181,349
Furniture and fixtures	205,572,513	10,715,772	7,947,560	(1,552,848)	-	206,787,877	119,526,856	20,263,408	6,385,865	(1,003,206)	-	132,401,193	74,386,684
Office equipments	365,624,396	5,164,218	4,048,606	(5,729,264)	-	361,010,744	208,664,145	32,370,248	3,301,510	(2,964,416)	-	234,768,467	126,242,277
Computers	848,924,083	167,828,597	86,800,614	(18,325,999)	-	911,626,067	647,698,695	140,406,791	85,841,764	(4,540,934)	-	697,722,788	213,903,279
Vehicles	62,879,641	20,922,412	19,578,810	(117,750)	-	84,105,493	35,705,930	16,511,951	16,740,348	(103,343)	-	35,374,190	28,731,303
Leasehold improvements	835,787,767	5,659,666	694,245	(3,625,443)	-	837,127,745	523,439,349	94,823,216	-	(2,107,318)	-	616,155,247	220,972,498
<b>Sub Total tangible assets</b>	<b>2,346,675,775</b>	<b>210,290,665</b>	<b>120,759,835</b>	<b>(29,351,304)</b>	-	<b>2,406,855,301</b>	<b>1,561,943,501</b>	<b>305,173,114</b>	<b>113,959,487</b>	<b>(10,719,217)</b>	-	<b>1,742,437,911</b>	<b>664,417,390</b>
<b>Total</b>	<b>2,933,894,191</b>	<b>241,623,750</b>	<b>127,959,101</b>	<b>(92,849,811)</b>	-	<b>2,954,709,029</b>	<b>1,958,555,377</b>	<b>403,633,729</b>	<b>120,297,896</b>	<b>(71,710,853)</b>	-	<b>2,170,180,357</b>	<b>784,528,672</b>

For the year ended December 31, 2015

Particulars	Gross Block at Cost				Accumulated Depreciation/Amortization				Net Block (Rupees)				
	As at January 1, 2015	Additions	Deductions	Currency Translation Reserve	Adjustments	As at December 31, 2015	Up to January 1, 2015	For the year		Deletion On Account of Assets sold	Currency Translation Reserve	Adjustments	Up to December 31, 2015
<b>Intangible assets</b>													
Customer relationship	282,611,046	-	-	240,056	-	282,851,102	167,124,147	39,276,757	-	441,677	-	206,842,581	76,008,521
Brand	35,675,356	-	-	30,304	-	35,705,660	35,675,356	-	-	30,304	-	35,705,660	-
Non compete	45,391,712	-	-	38,557	-	45,430,269	45,391,712	-	-	38,557	-	45,430,269	-
Goodwill	225,834,513	-	-	(4,877,101)	-	220,957,412	85,278,351	21,401,122	-	1,222,634	-	107,902,107	113,055,305
Software	-	2,266,053	-	7,920	-	2,273,973	-	731,976	-	(717)	-	731,259	1,542,714
<b>Sub Total intangible assets</b>	<b>589,512,627</b>	<b>2,266,053</b>	<b>-</b>	<b>(4,560,264)</b>	-	<b>587,218,416</b>	<b>333,469,566</b>	<b>61,409,855</b>	<b>-</b>	<b>1,732,455</b>	-	<b>396,611,876</b>	<b>190,606,540</b>
<b>Tangible assets</b>													
Buildings (Refer note below)	157,352,097	-	129,464,722	-	-	27,887,375	117,714,309	6,817,469	97,623,251	-	-	26,908,526	978,849
Furniture and fixtures	205,573,420	8,175,034	7,244,336	(931,605)	-	205,572,513	104,365,645	21,729,467	6,186,588	(381,668)	-	119,526,856	86,045,657
Office equipments	376,996,447	25,935,440	24,286,346	(13,041,145)	-	385,624,396	197,517,445	44,556,523	20,983,667	(12,426,156)	-	208,664,145	156,960,251
Computers	785,625,171	159,878,821	100,346,292	3,766,383	-	848,924,083	624,253,381	119,452,948	99,451,618	3,443,984	-	647,698,695	201,225,388
Vehicles	61,804,776	19,405,996	17,974,402	(356,729)	-	82,879,641	37,862,754	14,060,425	15,942,822	(274,427)	-	35,705,930	27,173,711
Leasehold improvements	831,133,665	14,476,767	-	(9,822,665)	-	835,787,767	424,053,694	103,217,246	-	(3,831,591)	-	523,439,349	312,348,418
<b>Sub Total tangible assets</b>	<b>2,418,485,576</b>	<b>227,872,058</b>	<b>279,296,098</b>	<b>(20,385,761)</b>	-	<b>2,346,675,775</b>	<b>1,505,767,228</b>	<b>309,834,078</b>	<b>240,187,946</b>	<b>(13,469,858)</b>	-	<b>1,561,943,501</b>	<b>784,732,274</b>
<b>Total</b>	<b>3,007,998,203</b>	<b>230,138,111</b>	<b>279,296,098</b>	<b>(24,946,025)</b>	-	<b>2,933,894,191</b>	<b>1,839,236,794</b>	<b>371,243,933</b>	<b>240,187,946</b>	<b>(11,737,403)</b>	-	<b>1,958,555,377</b>	<b>975,338,814</b>

Note : Net Adjustment with respect to building are on account of a premise being classified as asset held for sale in previous year Rs. 31,841,471 (Refer note 18).

## 11. Investments

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>A. Non-current investments</b>		
<b>Trade investment (valued at cost unless stated otherwise)</b>		
<i>Unquoted equity investments</i>		
<b>Other Investments</b>		
1,875,000 (P.Y. 1,875,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10/- each, fully paid up	56,250,000	56,250,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency Of US \$ 1 each, fully paid up	13,642,500	13,642,500
Less: Provision for diminution in value of Investment	(13,642,499) 1	(13,642,499) 1
<b>Sub - total {A}</b>	<b>56,250,001</b>	<b>56,250,001</b>
<i>Quoted equity investments</i>		
<b>Other Investments</b>		
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10/- each, fully paid up	1,218	1,218
1 (P.Y. 1) Equity Share of Credit Analysis and Research Limited of Rs.10/- each, fully paid up	812	812
<b>Sub - total {B} *</b>	<b>2,030</b>	<b>2,030</b>
<b>Total Non-current investments (At cost) - {A + B}</b>	<b>56,252,031</b>	<b>56,252,031</b>
<b>B. Current investments</b>		
<b>Non-trade investments (valued at lower of cost or market value)</b>		
<i>Unquoted mutual funds</i>		
<b>Investments in Mutual Funds (Unquoted)</b>		
Nil (P.Y. 17,346,779.84) units of face value Rs 10.00 each Sundaram Money Fund - Direct Plan - Daily Dividend	-	540,000,000
Nil (P.Y. 185,030.08) units of face value Rs.1,000.00 each HDFC Liquid Fund - Direct Plan - Growth	-	538,500,000
Nil (P.Y. 331,002.34) units of face value Rs.1,000.00 each Axis Liquid Fund - Direct Growth	-	515,599,305
Nil (P.Y. 241,805.76) units of face value Rs.1,000.00 each L&T Liquid Fund Direct Plan - Growth	-	475,672,029
Nil (P.Y. 2,205,893.75) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth	-	475,789,739
Nil (P.Y. 267,080.10) units of face value Rs.1,000.00 each IDFC Cash Fund - Growth - Direct Plan	-	454,825,599
Nil (P.Y. 208,380.08) units of face value Rs.1,000.00 each SBI Premier Liquid Fund - Direct Plan - Growth	-	444,252,014
Nil (P.Y. 104,806.10) units of face value Rs.1,000.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	-	325,000,004
Nil (P.Y. 1,901.48) units of face value Rs.1,000.00 each UTI-Liquid Cash Plan- Institutional - Direct Plan - Growth	-	4,557,570
Nil (P.Y. 1,311.98) units of face value Rs.1,000.00 each TATA Money Market Fund - Direct Plan - Growth	-	3,064,931
94,06,993.70 (P.Y. Nil) units of face value Rs.10.00 each ICICI Prudential Banking and PSU Debt Plan - Direct - Growth	175,541,994	-

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
23,908,344.97 (P.Y. Nil) units of face value Rs.10.00 each ICICI Prudential Long Term - Direct - Growth	491,990,704	-
22,922,423.31 (P.Y. Nil) units of face value Rs.10.00 each Axis Short Term Fund - Direct - Growth	407,287,907	-
259,704.23 (P.Y. Nil) units of face value Rs.1,000.00 each Axis Treasury Advantage Fund - Direct - Growth	470,001,237	-
8,362,615.20 (P.Y. Nil) units of face value Rs.10.00 each HDFC Medium Term Opportunities Fund - Direct - Growth	145,000,000	-
17,613,977.73 (P.Y. Nil) units of face value Rs.10.00 each HDFC Floating Rate Income Fund - Short Term Plan - Direct - Wholesale Option - Growth	489,851,774	-
2,739,723.75 (P.Y. Nil) units of face value Rs.100.00 each Birla Sun Life Floating Rate Fund-Long Term-Regular Plan-Growth	522,000,000	-
14,208,581.69 (P.Y. Nil) units of face value Rs.10.00 each Kotak Banking and PSU Debt Fund - Direct - Growth	513,317,635	-
43,066,267.49 (P.Y. Nil) units of face value Rs.10.00 each DSP BlackRock Ultra Short Term Fund - Direct - Growth	490,003,956	-
22,092,784.89 (P.Y. Nil) units of face value Rs.10.00 each Reliance Banking & PSU Debt Fund - Direct - Growth	254,999,999	-
12,203,790.46 (P.Y. Nil) units of face value Rs.10.00 each Reliance Dynamic Bond Fund - Direct - Growth	279,438,733	-
<b>Total Investments in Mutual Funds {C} **</b>	<b>4,239,433,939</b>	<b>3,777,261,191</b>
<b>Total Investments {A}+{B}+{C}</b>	<b>4,295,685,970</b>	<b>3,833,513,222</b>
Aggregate investment in unquoted equity shares and mutual funds {A+C}	4,295,683,940	3,833,511,192
*Aggregate market value of Company's investment in quoted equity shares	5,310	5,721
**Aggregate Net Asset Value (NAV) of Company's investment in unquoted mutual funds	4,295,358,229	3,909,107,679

## 12. Deferred Tax Asset

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Deferred tax liability</b>		
On fixed assets	9,534,710	22,496,796
<b>Gross deferred tax liability</b>	<b>9,534,710</b>	<b>22,496,796</b>
<b>Deferred tax asset</b>		
On lease rent amortisation	40,971,626	51,788,675
On provision for leave encashment	125,593,034	112,328,152
On provision for bonus and commission	67,226,132	75,555,313
On provision for gratuity	42,451,881	35,965,722
On provision for bad debt	61,987,524	53,885,036
On initial rating fees deferred	24,194,993	32,062,603
On fixed assets	21,684,617	9,017,352
On disallowance under section 40(a) and others	10,642,376	14,447,503
<b>Gross deferred tax asset</b>	<b>394,752,183</b>	<b>385,050,356</b>
<b>Net deferred tax asset</b>	<b>385,217,473</b>	<b>362,553,560</b>



### 13. Loans and Advances

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Sundry deposits	420,786,023	280,010,800
Advance recoverable in cash or kind	966,279	-
<b>Other loan and advances</b>		
Advance taxes paid	194,384,322	142,474,278
Prepaid expense	14,921,470	19,773,940
<b>Total</b>	<b>631,058,094</b>	<b>442,259,018</b>

### 14. Other Assets

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Interest accrued on fixed deposits	201,455	734,166
<b>Other bank balances</b>		
-Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with bank Rs. 62,919 (P.Y. Rs. 6,742,489) marked as lien for guarantees issued by banks on behalf of the Group (Refer note 24))	1,150,970	15,933,373
<b>Total</b>	<b>1,352,425</b>	<b>16,667,539</b>

### 15. Trade Receivables

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	124,411,174	104,150,191
Unsecured, considered doubtful	169,777,652	157,604,045
<b>Other receivables</b>		
Unsecured, considered good (Related party balances - Refer note 26)	1,976,087,343	1,855,090,097
Less : Provision for doubtful receivables	(169,735,689)	(161,037,837)
<b>Total</b>	<b>2,100,540,480</b>	<b>1,955,806,496</b>

## 16. Cash and Bank Balances

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Cash and cash equivalents</b>		
<b>Cash on hand</b>	59,173	333,700
Balances with banks :		
On current accounts	1,571,973,532	1,098,479,664
Deposits with original maturity of less than three months	66,944,926	210,343,956
	<b>1,638,977,631</b>	<b>1,309,157,320</b>
<b>Other bank balances</b>		
On unpaid dividend accounts	9,329,193	10,512,459
Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 65,842,709 (P.Y. Rs. 54,685,300) marked as lien for guarantees issued by banks on behalf of the group. (Refer note 24))	126,372,382	198,135,605
<b>Total</b>	<b>1,774,679,206</b>	<b>1,517,805,384</b>

## 17. Loans and Advances

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Sundry deposits	17,521,887	119,571,993
Advance recoverable in cash or kind (Related party balances - Refer note 26)	71,446,802	93,015,551
Application for investment in Mutual Fund	70,000,000	-
<b>Other loan and advances</b>		
Loans to employees	36,846,577	37,737,457
Cenvat credit receivable	94,681,100	106,854,921
Prepaid expense	156,892,872	90,942,054
<b>Total</b>	<b>447,389,238</b>	<b>448,121,976</b>

## 18. Other Assets

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Interest accrued on fixed deposit	5,528,197	4,113,766
Accrued revenue	758,300,632	502,422,662
Forward contract receivable	187,756,984	41,945,657
Assets held for sale	31,841,471	31,841,471
<b>Total</b>	<b>983,427,284</b>	<b>580,323,556</b>

## 19. Income from Operations

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Ratings services	4,676,421,274	4,341,198,795
Research services	10,037,609,497	8,797,311,347
Advisory services	757,655,435	660,858,972
<b>Total</b>	<b>15,471,686,206</b>	<b>13,799,369,114</b>

## 20. Other Income

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Interest on bank deposits	21,791,027	25,494,580
Other interest income	-	530,282
Profit on sale of fixed assets (Net)	12,634,662	-
Dividend on non-current investments	4,687,500	2,812,524
Foreign exchange gain (Net)	94,412,570	189,345,728
Profit on sale of current investments (Refer note 37)	386,374,891	197,432,530
Miscellaneous income	21,910,824	16,613,078
Grant Income	5,316,669	-
<b>Total</b>	<b>547,128,143</b>	<b>432,228,722</b>

## 21. Personnel Expenses

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Salaries, wages and bonus	6,979,936,012	6,291,904,880
Contribution to provident and other funds	426,036,767	381,605,048
Contribution to gratuity fund (Refer note 28)	91,257,221	67,408,337
Staff training and welfare expenses	251,972,956	198,350,814
<b>Total</b>	<b>7,749,202,956</b>	<b>6,939,269,079</b>

## 22. Establishment Expenses

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Repairs and maintenance - Buildings	150,293,034	131,365,141
Repairs and maintenance - Others	93,786,615	93,937,074
Electricity	103,063,256	104,820,953
Communication expenses	103,342,049	108,769,282
Insurance	7,355,142	6,289,980
Rent (Refer note 27)	526,443,691	491,280,018
Rates and taxes	6,239,539	7,503,149
<b>Total</b>	<b>990,523,326</b>	<b>943,965,597</b>

## 23. Other Expenses

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Printing and stationery	38,324,891	43,956,337
Conveyance and travelling	407,982,846	382,506,173
Books and periodicals	93,601,326	86,855,601
Vehicle expenses	441,459	540,971
Remuneration to non-whole time directors	12,985,000	12,866,712
Business promotion and advertisement	28,859,493	19,046,549
Professional fees	680,995,488	700,196,884
Associate service fee	427,296,358	331,818,946
Software purchase and maintenance expenses	81,924,941	43,505,481
Provision for doubtful debts / bad debts	138,191,653	117,289,028
Loss on sale of fixed assets	-	377,858
Corporate social responsibility (CSR) expenses (Refer note 35)	61,610,823	43,402,075
Auditors' remuneration	20,876,386	15,095,031
Recruitment expenses	68,021,897	71,963,376
Miscellaneous expenses	52,088,864	44,888,680
Sales commission	3,535,054	5,828,008
<b>Total</b>	<b>2,116,736,479</b>	<b>1,920,137,710</b>

## 24. Details of contingent liabilities and capital commitments are as under :

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Contingent liabilities</b>		
1. Bank guarantee in the normal course of business	95,176,281	241,130,708
2. <u>Disputed income tax and sales tax demand:</u>		
(i) Pending before appellate authorities in respect of which the group is in appeal	450,407,791	442,158,120
(ii) Decided in group's favour by appellate authorities and department is in further appeal	123,152,688	35,179,640
The Company has given a bank guarantee of Rs. 219,003,000 in relation to the tax demands with regards Pipal India, for FY 2007-08 to FY 2011-12		
	<b>668,736,760</b>	<b>718,468,468</b>
<b>Capital commitment</b>		
Estimated amount of contracts ( net of advances ) remaining to be executed on capital account and not provided for	57,984,219	45,915,253
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.		
<b>Total</b>	<b>726,720,979</b>	<b>764,383,721</b>

## 25. Segment Reporting

### Business segments:

The Group has three major business segment: Ratings, Research and Advisory. A description of the types of products and services provided by each reportable segment is as follows:

- Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.
- Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.
- The Advisory segment comprise of infrastructure advisory, sale of software and annual maintenance contracts.

### Segment reporting for the year ended December 31, 2016

Particulars	Business segments			(Rupees)
	Ratings	Research	Advisory	Total
	Operating revenue (Refer note 19)	4,676,421,274	10,037,609,497	757,655,435
Segment results	1,480,939,074	3,312,056,880	14,233,867	4,807,229,821
Add / (Less) Unallocables:				
1. Unallocable income				
Interest income				21,791,027
Profit on sale of current investments				386,374,891
Profit on sale of fixed asset				12,634,662
Others*				3,398,115
2. Unallocable expenditure				(69,076,928)
3. Depreciation/ Amortisation				(403,633,729)
Profit before tax				4,758,717,859
Tax expense				(1,495,280,830)
Profit after tax				3,263,437,029
Non-cash expenses other than depreciation and amortisation	182,111,059	29,251,172	27,611,960	238,974,191
Segment assets	703,275,630	6,827,131,721	596,996,229	8,127,403,580
Unallocable assets**				6,235,100,027
Segment liabilities	1,237,923,618	2,088,606,432	213,043,458	3,539,573,508
Unallocable liabilities**				1,369,416,473

### Revenue and Assets by Geographic Segments

Geography	(Rupees)	
	Revenue	Assets
India	4,623,666,834	7,890,255,923
Europe	4,636,762,299	4,040,017,266
North America	5,084,476,735	1,323,870,381
Rest of the world	1,126,780,338	528,758,242
<b>Total</b>	<b>15,471,686,206</b>	<b>13,782,901,812</b>

## 25. Segment Reporting (Contd.)

Segment reporting for the year ended December 31, 2015

Particulars	Business segments			(Rupees)
				Total
	Ratings	Research	Advisory	
Operating revenue (refer note 19)	4,341,198,795	8,797,311,347	660,858,972	13,799,369,114
Segment results	1,470,596,803	2,739,352,170	23,052,816	4,233,001,789
Add / ( Less ) Unallocables :				
1. Unallocable income				
Interest income				25,494,580
Profit on sale of current investments				197,432,530
Profit on sale of fixed asset				-
Others*				83,847,566
2. Unallocable expenditure				(111,551,015)
3. Depreciation/ Amortisation				(371,243,933)
Profit before tax				4,056,981,517
Tax expense				(1,205,463,374)
Profit after tax				2,851,518,143
Non-cash expenses other than depreciation and amortisation	128,887,306	42,385,419	18,291,618	189,564,343
Segment assets	566,195,604	6,909,501,741	630,043,500	8,105,740,845
Unallocable assets**				5,203,034,568
Segment liabilities	1,197,582,410	2,079,549,388	211,750,989	3,488,882,787
Unallocable liabilities**				1,262,278,400

### Revenue and Assets by Geographic Segments

Geography	(Rupees)	
	Revenue	Assets
India	4,397,754,592	7,532,631,240
Europe	4,089,287,147	3,890,274,304
North America	4,494,981,242	981,549,627
Rest of the world	817,346,133	399,292,404
<b>Total</b>	<b>13,799,369,114</b>	<b>12,803,747,575</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.

## 26. List of related parties (As per Accounting Standard 18)

Parties	Relationship
<b>Related parties where control exists</b>	
S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)	The Ultimate Holding Company
<b>Other related parties</b>	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	Fellow Subsidiary
S&P Global Canada Corp. (Formerly known as McGraw-Hill Companies Canada Corp.)	Fellow Subsidiary
S&P Global UK Limited (Formerly known as McGraw-Hill International (U.K) Limited)	Fellow Subsidiary
Standard & Poor's Credit Market Services Europe Limited	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poor's Ratings Japan K.K.	Fellow Subsidiary
S&P Global Market Intelligence LLC (S&P Capital IQ LLC)	Fellow Subsidiary
S&P Global Market Intelligence Inc. (S&P Capital IQ Inc.)	Fellow Subsidiary
S&P Global International LLC (Formerly known as McGraw-Hill Financial International (US) LLC)	Fellow Subsidiary
Asia Index Private Limited	Fellow Subsidiary
J.D. Power and Associates	Fellow Subsidiary (up to September 8, 2016)
CRISIL Foundation	Controlled Trust
JM Financial Asset Reconstruction Company Private Limited *	Common director
Glocal Healthcare Systems Private Limited *	Common director
Care India Solutions for Sustainable Development *	Common director
Ravinder Singhania	Alternate Director
<b>Key Management Personnel</b>	
Roopa Kudva	Managing Director and Chief Executive Officer (up to April 30, 2015)
Ashu Suyash	Managing Director and Chief Executive Officer (with effect from June 01, 2015)
Amish Mehta*	Chief Financial Officer
Neelabja Chakrabarty *	Company Secretary (up to February 27, 2015)
Minal Bhosale *	Company Secretary (with effect from June 01, 2015)

\* Related party under Companies Act, 2013

**26. List of related parties (As per Accounting Standard 18) (Contd.)**
**Transactions with related parties**

Name of the related party	Nature of transaction	(Rupees)	
		Year Ended December 31, 2016	Year Ended December 31, 2015
S&P Global Canada Corp. (Formerly known as McGraw-Hill Companies Canada Corp.)	Professional services rendered	10,628,085	7,545,433
	Amount receivable	1,292,602	361,754
Standard & Poor's Credit Market Services Europe Limited	Professional services rendered	405,600,489	359,565,472
	Amount receivable	70,592,948	62,099,039
Standard & Poor's Financial Services, LLC	Professional services rendered	1,140,110,722	990,047,915
	Amount receivable	1,833,671	1,791,518
	Subscription fees	549,641	2,138,161
	Reimbursement of expenses received	-	527,701
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	49,753,412	43,601,424
	Amount receivable	5,226,303	-
	Reimbursement of expenses	-	190,343
Standard & Poor's Hong Kong Limited	Professional services rendered	19,474,519	17,930,407
	Amount receivable	2,005,968	1,532,013
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	32,563,853	27,092,701
	Amount receivable	3,166,886	1,514,031
S&P Global Market Intelligence LLC (Formerly known as S&P Capital IQ LLC)	Subscription fees	21,563,101	3,247,948
S&P India, LLC	Dividend	842,655,960	717,818,040
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	20,445,436	11,305,250
	Amount receivable	3,564,873	2,438,343
Standard & Poors Ratings Japan K.K.	Amount receivable (net)	1,469,246	590,604
	Professional services rendered	12,158,928	8,561,484
	Reimbursement of expenses	50,250	53,699
Asia Index Private Limited	Reimbursement of expenses	50,250	53,699
Standard & Poor's International LLC	Dividend	162,000,000	138,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees & commission paid to nominee directors	-	80,000
	Amount receivable	-	398,115
S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	Professional services rendered	4,088,166	720,000
	Dividend	286,822,593	244,330,357
S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)	Share capital outstanding	10,623,059	10,623,059
	Amount receivable	3,183,523	-
S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)	Reimbursement of expenses received	1,480,049	14,357,988
	Professional Service rendered	16,117,014	-
	Rent expenses	8,146,977	-
	Professional services rendered	15,151,231	-
S&P Global Market Intelligence Inc (Formerly known as S&P Capital IQ Inc)	Amount receivable (net)	16,464,390	-
	Professional services rendered	15,151,231	-
S&P Global UK Limited (Formerly known as McGraw-Hill International (U.K) Limited)	Amount receivable	19,226,518	2,208,012
	Professional fees	10,247,876	20,811,948
	Professional services rendered	49,957,809	8,774,203
S&P Global International LLC (Formerly known as McGraw-Hill Financial International (US) LLC)	Professional Services Rendered	-	2,332,851
	Amount Receivable (net)	-	2,528,446



## 26. List of related parties (As per Accounting Standard 18) (Contd.)

### Transactions with related parties

Name of the related party	Nature of transaction	(Rupees)	
		Year Ended December 31, 2016	Year Ended December 31, 2015
J.D. Power and Associates (upto September 8, 2016)	Professional Services Rendered	806,819	-
JM Financial Asset Reconstruction Company Private Limited	Professional services rendered	5,747,137	1,433,661
	Amount receivable (net)	-	586,416
Glocal Healthcare Systems Private Limited	Professional services rendered	-	686,930
	Amount receivable (net)	-	30,000
Care India Solutions for Sustainable Development	Donation given	-	1,063,816
CRISIL Foundation	Donation	44,725,000	9,532,483
Roopa Kudva (up to April 30, 2015)*	Remuneration	-	18,594,106
	Dividend	-	220,000
	Perquisite on stock option (as per Income Tax Act, 1961)	-	109,344,031
Ashu Suyash (with effect from June 01, 2015)*	Remuneration	51,434,650	27,809,450
	Options granted	-	71,507
Amish Mehta*	Remuneration	29,704,908	24,904,484
Neelabja Chakrabarty (up to February 27, 2015)*	Remuneration	-	796,606
	Perquisite on stock option (as per Income Tax Act, 1961)	-	154,007
Minal Bhosale (with effect from June 01, 2015)*	Remuneration	8,653,350	4,364,075

\*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 key management personnel is not included above.

## 27. Operating Lease

The Group has taken certain office premises on non cancellable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Lease Payment recognised in the statement of profit and loss	526,443,691	491,280,018
<b>Future minimum lease payments :</b>		
Not later than one year	452,376,045	487,742,982
Later than one year and not later than five years	981,862,343	1,009,007,658
Later than five years	379,005,214	63,562,905
	<b>1,813,243,602</b>	<b>1,560,313,545</b>

## 28. 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 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.

## 28. Gratuity and other post employment benefits plans (Contd.)

### Statement of Profit and Loss:

Net employee benefit expense (recognised in Personnel expenses)

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Current service cost	45,341,177	43,567,108
Interest cost on defined benefit obligation	20,384,593	18,675,322
Expected return on plan assets	(11,817,226)	(11,790,642)
Net actuarial (gain)/ loss recognised in the year	37,348,677	16,956,549
<b>Net gratuity benefit expense</b>	<b>91,257,221</b>	<b>67,408,337</b>

### Balance Sheet:

Details of provision for gratuity benefit

Particulars	(Rupees)				
	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Present value of funded obligations	352,995,329	272,639,769	233,620,953	190,390,636	176,731,353
Fair value of plan assets	(175,852,149)	(140,477,351)	(132,358,456)	(111,997,336)	(100,940,518)
<b>Net liability</b>	<b>177,143,180</b>	<b>132,162,418</b>	<b>101,262,497</b>	<b>78,393,300</b>	<b>75,790,835</b>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees)				
	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Opening defined benefit obligation	272,639,769	233,620,953	190,390,636	176,731,353	137,139,263
Current service cost	45,341,177	43,567,108	40,671,493	41,734,522	33,083,842
Interest cost	20,384,593	18,675,322	17,558,431	14,965,206	11,250,633
Actuarial (gain)/loss	35,977,896	17,878,716	18,321,385	(13,552,903)	4,214,639
Liabilities assumed on amalgamation/acquisition/(Settled on divestiture)	13,229,560	-	-	(4,472,050)	1,577,122
Benefits paid	(34,577,666)	(41,102,330)	(33,320,992)	(25,015,492)	(10,534,146)
<b>Closing defined benefit obligation</b>	<b>352,995,329</b>	<b>272,639,769</b>	<b>233,620,953</b>	<b>190,390,636</b>	<b>176,731,353</b>

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees)				
	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Opening fair value of plan assets	140,477,351	132,358,456	111,997,336	100,940,518	87,139,192
Expected return on plan assets	11,817,226	11,790,642	10,757,744	9,875,118	8,309,796
Actuarial gain/ (loss)	(221,586)	922,093	(1,462,952)	1,556,159	(1,620,049)
Contribution by employer	42,144,668	36,508,490	44,387,320	28,738,307	15,832,107
Asset acquired on amalgamation/ acquisition	16,212,156	-	-	(284,270)	1,813,618
Benefits paid	(34,577,666)	(41,102,330)	(33,320,992)	(28,828,496)	(10,534,146)
<b>Closing fair value of plan assets</b>	<b>175,852,149</b>	<b>140,477,351</b>	<b>132,358,456</b>	<b>111,997,336</b>	<b>100,940,518</b>

## 28. Gratuity and other post employment benefits plans (Contd.)

Details of experience adjustment on plan assets and liabilities are as follows :

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Experience adjustment on plan assets	(221,586)	922,093	(1,462,952)	1,700,065	(1,620,049)
Experience adjustment on plan liabilities	1,089,779	4,661,397	11,459,626	(2,061,058)	(1,594,692)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(%)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2016/2015)	8.00	8.75

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 December 31, 2016	Year Ended December 31, 2015
Discount rate	6.50%	7.90%
Estimated rate of return on plan assets	8.00%	8.50%
Expected employee turnover		
<b>Service years</b>	<b>Rates</b>	<b>Rates</b>
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Expected employer's contribution next year	43,622,519	39,656,835

Broad category of plan assets as per percentage of total plan assets of the Gratuity

(%)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Government securities	56.05	52.24
Fixed deposit, debentures and bond	35.12	42.26
Others	8.83	5.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

29. The Company, in accordance with its risk management policies and procedures, has a hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles of "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India (ICAI). Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedging reserve account. The counter party is generally a bank. These contracts are for a period between one day and one year.

Foreign currency risk is identified based on forecasted revenue in foreign currency. The management regularly monitors foreign currency risk based on periodic reports giving details on hedged/ unhedged positions, mark-to-market open contracts and available cash position. The use of derivative for hedging purpose is governed by Risk management policy of the Company. Hedge limits are governed by Risk Management Policy and are reviewed periodically.

Derivatives contracts are entered to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. Derivative financial instruments, which qualify for cash flow hedge accounting, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the Statement of Profit and Loss when the underlying transactions affect earnings. Any profit or loss arising on the cancellation or renewal of derivative contracts is recognised as income or as expense for the year. Derivative contracts are structured in a way that they bear an opposite and offsetting impact with respect to foreign currency movement of underlying transactions. Derivative contracts are fair valued based on mark to market position sent by respective counterparty banks with whom such contracts are entered into.

Details of currency hedge entered for hedging highly probable future transactions are as under :

Particulars	As at December 31, 2016			As at December 31, 2015		
	Number of Contracts	Amount in foreign currency	Fair Value (Amount in Rupees)	Number of Contracts	Amount in foreign currency	Fair Value (Amount in Rupees)
USD	27	48,521,000	3,452,759,113	15	38,547,800	2,654,392,345
GBP	14	9,071,000	873,295,916	15	9,210,520	960,628,986
EUR	12	4,118,000	328,019,411	14	4,526,400	342,785,848

Details of unhedged foreign currency exposure

Particulars	As at December 31, 2016		As at December 31, 2016	
	Foreign	Currency	Rupees	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
<b>Monetary</b>				
USD	18,117,804	282,533	1,230,467,412	19,109,635
GBP	348,319	-	29,263,224	-
EUR	2,663,814	14,302	188,571,046	1,016,380
Others	16,347,605	944,037	18,622,355	9,032,489
<b>Total</b>	<b>37,477,542</b>	<b>1,240,872</b>	<b>1,466,924,037</b>	<b>29,158,504</b>

Details of unhedged foreign currency exposure

Particulars	As at December 31, 2015		As at December 31, 2015	
	Foreign	Currency	Rupees	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
<b>Monetary</b>				
USD	9,981,489	813,643	663,137,371	53,839,788
GBP	83,690	-	8,271,537	-
EUR	2,640,416	12,367	191,347,701	886,594
Others	1,849,885	347,412	10,121,546	3,396,194
<b>Total</b>	<b>14,555,480</b>	<b>1,173,422</b>	<b>872,878,155</b>	<b>58,122,576</b>

### 30. Statement of Net Assets and Profit or Loss as required under Schedule III to the Companies Act, 2013.

Name of the entity	Net Assets (Total assets - Total liabilities)		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount in Rupees	As % of consolidated Profit/(Loss)	Amount in Rupees
<b>Parent Company</b>				
CRISIL Limited	75.62%	7,149,147,840	78.34%	2,556,534,087
<b>Subsidiaries</b>				
<b>Indian</b>				
1. CRISIL Risk and Infrastructure Solutions Limited	5.79%	547,638,413	0.15%	4,856,327
2. Pipal Research Analytics and Information Services (I) Private Limited (Refer note 34)	-	-	0.20%	6,580,858
3. Coalition Development Systems (India) Private Limited (Refer note 34)	-	-	0.05%	1,761,686
4. Mercator Info-Services India Private Limited (Refer note 34)	-	-	0.28%	9,257,980
<b>Foreign</b>				
1. CRISIL Irevna Argentina S.A.	0.83%	78,850,036	0.81%	26,580,297
2. CRISIL Irevna Poland Sp.Zo.o.	0.44%	41,358,301	0.40%	12,913,938
3. CRISIL Irevna UK Limited	20.15%	1,905,040,944	9.77%	318,728,889
4. CRISIL Irevna USA LLC	0.70%	66,180,077	0.86%	28,051,024
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	0.93%	87,500,283	0.59%	19,117,321
6. Coalition Development Limited	5.57%	526,749,310	17.66%	576,423,661
7. Coalition Development Singapore Pte Limited	0.25%	23,351,722	0.58%	19,025,085
Total eliminations / adjustment	-10.28%	(972,303,300)	-9.69%	(316,394,124)
<b>Total</b>	<b>100.00%</b>	<b>9,453,513,626</b>	<b>100.00%</b>	<b>3,263,437,029</b>

### 31. In accordance with provisions of the Companies Act, 2013 and pursuant to the public announcement for buy back made by the Company, during the previous year, the Company bought back and extinguished share as under:

Particulars	Year Ended	Year Ended
	December 31, 2016	December 31, 2015
Date of public announcement	-	23-Jun-15
Number of shares purchased	-	511,932
Face value of shares purchased (Rupee)	-	1
Consideration paid towards buy back (Rupees)	-	1,019,780,638
Share capital reduction (Rupees)	-	(511,932)
Share premium utilised (Rupees)	-	982,795,506
General reserve utilised (Rupees)	-	36,985,132
Amount transferred to capital redemption reserve on extinguishment of share capital (Rupees)	-	511,932
	-	<b>1,019,780,638</b>

### 32. Employee stock option scheme (“ESOS”)

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	03-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46

\* At the end of 3rd, 4th & 5th year in equal tranches

\*\*Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

The company had three schemes under which options have been granted in the past.

Under ESOS 2011 and ESOS 2012 option vest over three years at each of the anniversaries. All options are exercisable within three years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	66,100	1,762.90	204,940	1,083.38	2,195,807	1,245.98
Granted during the period	194,200	2,180.85	47,800	2,180.85	82,100	2,180.85
Forfeited during the period	1,200	579.88	4,685	1,060.00	382,300	1,217.20
Exercised during the period	6,400	579.88	116,265	1,060.00	-	N.A.
Expired during the period	-	N.A.	-	N.A.	-	N.A.
Outstanding at the end of the period	252,700	2,119.67	131,790	1,502.86	1,895,607	1,292.28
Exercisable at the end of the period	23,300	1,774.74	51,990	1,115.26	-	N.A.

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise	April 19, 2016	1,810.85
	October 14, 2016	2,097.11

### 32. Employee stock option scheme (“ESOS”) (Contd.)

Particulars	Range of exercise prices (Rupees)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life	579.88 to 1060.00	271 days
	1119.85 to 1985.95	1545 days
	2025.20 to 2180.85	2178 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	Grant dates		
	ESOS 2014	ESOS 2012	ESOS 2011
Date of Grant	16-Dec-16	16-Dec-16	16-Dec-16
Stock Price (Rupees)	2,180.85	2,180.85	2,180.85
Volatility	27.90%	28.31%	28.31%
Riskfree Rate	6.58%	6.45%	6.45%
Exercise Price (Rupees)	2,180.85	2,180.85	2,180.85
Expected Life (Time to Maturity)	5.01	3.02	3.02
Dividend yield	1.05%	1.05%	1.05%
Fair value per option	734.46	621.74	621.74

We 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. We have considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

**Risk-free rate:** The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

**Expected life of the options:** Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. We have calculated expected life as the average of the minimum and maximum life of the options.

**Dividend yield:** Expected dividend yield has been calculated as an total of Interim and final dividend declared in last year preceding date of Grant.

There were no modification made to the share based payment arrangement during the period.

The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS . The Company has not recorded any compensation cost as the grant has been given at 100% of the closing market price immediately prior to the date of grant on the stock exchange which recorded highest trading volume.

Had the Company recorded the compensation cost on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by Rs. 239,837,183 (P.Y. Rs. 360,854,250) and EPS would have been as under :

Earnings per share : Nominal value of Re. 1 per share :	Year Ended December 31, 2016	Year Ended December 31, 2015
Basic (Rupees)	42.43	34.96
Diluted (Rupees)	41.98	34.51

### 32. Employee stock option scheme (“ESOS”) (Contd.)

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	Year Ended December 31, 2016		Year Ended December 31, 2015	
	(Nos.)	Amount in Rupees	(Nos.)	Amount in Rupees
Exercised during the year	122,665	129,441,892	338,770	357,225,448
Exercised during the previous year	3,590	3,075,618	25,210	18,728,602
<b>Total</b>	<b>126,255</b>	<b>132,517,510</b>	<b>363,980</b>	<b>375,954,050</b>

There are no cash settled plans implemented by the company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	Year Ended December 31, 2016		Year Ended December 31, 2015	
	(Nos.)	Amount in Rupees	(Nos.)	Amount in Rupees
Not later than two years	1,461,007	1,971,616,642	931,129	1,138,037,385
Later than two years & not later than five years	819,090	1,211,740,331	1,535,588	1,936,317,951
<b>Total</b>	<b>2,280,097</b>	<b>3,183,356,973</b>	<b>2,466,717</b>	<b>3,074,355,336</b>

### 33. Earning Per Share

The following reflects the profit and share data used in the basic and diluted Earning Per Share (EPS) computations:

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Net profit for calculation of basic/diluted EPS	3,263,437,029	2,851,518,143

Particulars	(Nos.)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Weighted average number of equity shares in calculating basic EPS	71,269,219	71,239,290
<b>Effect of dilution:</b>		
Add: weighted average stock options granted under ESOS	757,032	930,975
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>72,026,251</b>	<b>72,170,265</b>

Earnings per share : Nominal value of Re.1	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Basic	45.79	40.03
Diluted (On account of ESOS, refer note 32)	45.31	39.51

34. Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor as a part of the group) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1, 2016.

On the above amalgamation, goodwill on consolidation pertaining to these entities have been adjusted from the reserves and surplus.



- 35.** Corporate Social Responsibility (CSR) expenses for the year ending 2016 includes Rs. 61,610,823 (P.Y. Rs. 43,402,075) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rs 62,854,244 (P.Y. Rs 60,697,748). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.
- 36.** The Company has a process of identification of ‘suppliers’ registered under the “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006” by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.
- 37.** Profit on sale of current investments are net of reduction in carrying value of current investment.
- 38.** Personnel expenses to the extent of Rs. 5,223,993 (P.Y. Rs. 5,444,446) is considered for capitalisation as Intangible assets.
- 39. Previous year comparatives**  
 Previous year’s figures have been regrouped where necessary to conform to current year’s classification.

For **S.R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration No.: 301003E / E300005  
 Chartered Accountants

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

per **Jayesh Gandhi**  
 Partner  
 Membership No.: 037924

**M. Damodaran**  
 Director

**H.N. Sinor**  
 Director

**Vinita Bali**  
 Director

**John L Berisford**  
 Director

**Douglas L. Peterson**  
 Chairman

**Ashu Suyash**  
 Managing Director  
 and Chief Executive Officer

Date: February 11, 2017  
 Place: Mumbai

**Martina Cheung**  
 Director

**Minal Bhosale**  
 Company Secretary

**Amish Mehta**  
 Chief Financial Officer

Date: February 11, 2017  
 Place: Mumbai

**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**

Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Argentina S.A.	CRISIL Irevna Sp.Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna USA LLC	Pipal Research Analytics and Information Services (I) Pvt. Ltd.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Systems (India) Private Limited	Mercator Info-Services India Private Limited	Coalition Development Systems Private Limited
The date since when subsidiary was acquired/ Investment made	4-Aug-00	21-May-07	14-Nov-08	19-Oct-04	19-Oct-04	3-Dec-10	22-Jul-10	3-Jul-12	3-Jul-12	3-Jul-12
% of shareholding	100%	100%	100%	100%	100%	100%*	100%	100%	100%*	100%

**(Information in respect of each subsidiary to be presented with amounts in Rupees)**

Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Argentina S.A.	CRISIL Irevna Sp.Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna USA LLC	Pipal Research Analytics and Information Services (I) Pvt. Ltd.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Systems (India) Private Limited	Mercator Info-Services India Private Limited	Coalition Development Systems Private Limited
Share Capital	49,999,900 Equity Shares of Re.1 each, fully paid up	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	5,514,100 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US\$ 200 each, fully paid up	10,000 Equity Shares of Rs.10 each, fully paid up	100% Investment in the capital	174,691 Equity Shares of £ 1 each, fully paid up	100,000 Equity Shares of Rs. 10 each, fully paid up	50,000 Equity Shares of Rs. 10 each, fully paid up
Reserves & Surplus	497,638,443	69,909,551	40,465,432	1,460,961,784	83,302,081	-	62,816,043	511,650,767	-	-
Total Assets	771,581,112	169,843,096	110,659,570	3,556,195,760	1,333,058,990	-	105,051,573	1,073,924,792	-	-
Total Liabilities	771,581,112	169,843,096	110,659,570	3,556,195,760	1,333,058,990	-	105,051,573	1,073,924,792	-	-
Investments	-	-	-	2,666,225,790	552,732	-	-	44	-	-
Turnover	758,163,635	481,069,714	393,089,137	3,257,285,454	3,920,655,668	65,242,467	191,118,018	1,880,020,822	11,924,498	75,157,701
Profit/(Loss) Before Tax	6,766,788	40,626,072	17,365,002	316,902,946	55,699,781	9,352,924	26,018,088	714,228,326	2,318,224	11,599,056
Tax Expense	1,910,461	14,045,775	4,451,064	12,999,361	23,838,366	2,772,066	6,900,768	137,804,665	556,538	2,341,076
Profit After Tax	4,856,327	26,580,297	12,913,938	303,903,584	31,861,415	6,580,858	19,117,321	576,423,661	1,761,686	9,257,980
Dividend Paid	-	-	-	-	-	-	-	316,381,665	-	-

\*Note : Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1, 2016.

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

**M. Damodaran** Director **H.N. Sinor** Director **Vinita Bai** Director **John L Berntford** Director

**Douglas L. Peterson** Chairman **Ashu Suyash** Managing Director and Chief Executive Officer **Martina Cheung** Director **Amish Mehta** Chief Financial Officer **Minal Bhosale** Company Secretary

Date: February 11, 2017  
Place: Mumbai

# **Standalone Financial Statements**

# Independent Auditor's Report

## To the Members of CRISIL Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of CRISIL Limited (“the Company”), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control 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.

### Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of

the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at December 31, 2016, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on December 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016, 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 Company and the operating effectiveness of such controls, refer to our separate report in Annexure 2 to this report;
- (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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Mumbai, February 11, 2017

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

Re: **CRISIL Limited** (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted unsecured loan to a body corporate covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of such loans are not prejudicial to the company’s interest.
- (b) In respect of loans granted, the terms of repayment of principal and payment of interest has been stipulated and the repayment are as per the terms.
- (c) There is no overdue amount in respect of the said loans.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act is not applicable to the company as no loans are given or investments made after the applicability of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales tax, service tax, value added tax, professional tax, cess and other statutory dues applicable to it. The provisions relating to custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, service tax, value added tax, professional tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	50,00,000	AY 2000-01	High Court
		38,75,417	AY 2001-02	High Court
		46,00,929	AY 2002-03	High Court
		36,38,158	AY 2003-04	High Court
		31,96,382	AY 2004-05	High Court
		28,76,744	AY 2005-06	High Court
		16,25,404	AY 2006-07	Commissioner of Income Tax (Appeals)
		8,32,24,366	AY 2007-08	High Court
		75,44,894	AY 2007-08	Commissioner of Income Tax (Appeals)
		8,27,47,829	AY 2008-09	Income Tax Appellate Tribunal
		4,650	AY 2008-09	Commissioner of Income Tax (Appeals)
		12,57,05,297	AY 2009-10	Income Tax Appellate Tribunal
		62,62,418	AY 2009-10	Commissioner of Income Tax (Appeals)
		8,25,71,900	AY 2010-11	Income Tax Appellate Tribunal
		7,92,05,704	AY 2011-12	Income Tax Appellate Tribunal
		8,19,44,021	AY 2012-13	Income Tax Appellate Tribunal
Bombay Sales Tax Act, 1959	Sales Tax	18,94,861	FY 2003-04	Asst. Comm. of Sales Tax (Appeals)
		34,38,786	FY 2004-05	Asst. Comm. of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Sales Tax	33,000	FY 2003-04	Asst. Comm. of Sales Tax (Appeals)
		6,931	FY 2004-05	Asst. Comm. of Sales Tax (Appeals)
Finance Act 1994	Service Tax	30,23,071	FY 2010-11 to 2012-13	Add Comm. of Service Tax

(viii) During the year, the Company did not have any outstanding loans or borrowing dues to financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments / term loans. Hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 in respect of managerial remuneration read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the record, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him/her and hence section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Mumbai, February 11, 2017      Membership Number: 037924



## Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of CRISIL Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CRISIL Limited ("the Company") as of December 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management 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 issued by the Institute of Chartered Accountants of India. 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 its 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**

Partner

Mumbai, February 11, 2017      Membership Number: 037924

# Balance Sheet

as at December 31, 2016

Particulars	Notes	(Rupees)	
		As at December 31, 2016	As at December 31, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	71,335,358	71,209,103
Reserve and surplus	4	7,077,812,482	6,680,202,171
<b>Non-current liabilities</b>			
Other liabilities	5	83,700,617	92,958,309
Provisions	6	135,271,776	88,900,384
<b>Current liabilities</b>			
Trade payables	7	324,850,233	223,423,821
Other liabilities	8	1,780,865,200	1,537,268,681
Provisions	9	1,247,669,318	1,238,072,204
<b>Total</b>		<b>10,721,504,984</b>	<b>9,932,034,673</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	600,760,817	590,566,995
Intangible assets	10	7,357,813	952,774
Capital work-in-progress		-	1,271,617
Intangible assets under development		19,115,765	-
Investments	11	1,278,326,234	1,513,860,656
Deferred tax assets (Net)	12	337,463,742	280,433,504
Loans and advances	13	1,170,910,413	1,452,863,623
Other assets	14	100,000	7,781,591
<b>Current assets</b>			
Investments	11	4,176,043,587	3,575,624,270
Trade receivables	15	1,898,101,134	1,351,343,263
Cash and bank balances	16	258,237,497	434,781,266
Loans and advances	17	566,344,548	546,910,238
Other assets	18	408,743,434	175,644,876
<b>TOTAL</b>		<b>10,721,504,984</b>	<b>9,932,034,673</b>
Summary of significant accounting policies	1, 2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
Director

**H.N. Sinor**  
Director

**Vinita Bali**  
Director

**John L Berisford**  
Director

**Douglas L. Peterson**  
Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Statement of Profit and Loss

for the year ended December 31, 2016

Particulars	Notes	(Rupees)	
		Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Income</b>			
Income from operations	19	11,295,896,021	9,560,969,261
Other income	20	491,969,193	445,999,568
<b>Total</b>		<b>11,787,865,214</b>	<b>10,006,968,829</b>
<b>Expenses</b>			
Personnel expenses	21	4,467,934,526	3,626,824,980
Establishment expenses	22	767,480,623	693,085,129
Other expenses	23	2,410,650,895	2,193,176,759
Depreciation / Amortization	10	285,149,328	240,349,132
<b>Total</b>		<b>7,931,215,372</b>	<b>6,753,436,000</b>
<b>Profit before tax</b>		<b>3,856,649,842</b>	<b>3,253,532,829</b>
<b>Tax expense</b>			
Current tax		1,339,890,574	1,097,316,502
Deferred tax		(39,774,819)	(63,860,298)
<b>Total tax expense</b>	25	<b>1,300,115,755</b>	<b>1,033,456,204</b>
<b>Profit after tax</b>		<b>2,556,534,087</b>	<b>2,220,076,625</b>
Earnings per share : Nominal value of Re. 1/- per share	38		
Basic		35.87	31.16
Diluted		35.49	30.76
Summary of significant accounting policies	1, 2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
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**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Cash Flow Statement

for the year ended December 31, 2016

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>A. Cash flow from operating activities :</b>		
<b>Profit before tax</b>	3,856,649,842	3,253,532,829
Adjustments for :		
Depreciation / Amortization	285,149,328	240,349,132
Profit on sale of current investments	(378,252,020)	(181,660,656)
Foreign exchange (gain)/loss	4,655,405	(63,349,023)
(Profit) / Loss on sale of fixed assets	(12,585,945)	459,607
Provision for doubtful debts / bad debts	119,642,949	102,304,356
Interest income	(12,731,612)	(14,381,457)
Interest on loan to subsidiary	(55,338,718)	(76,329,277)
Dividend on non-current investments	(4,687,500)	(2,812,524)
Operating profit before working capital changes	<b>3,802,501,729</b>	<b>3,258,112,987</b>
<b>Movements in working capital</b>		
- (Increase)/decrease in trade receivables	(678,737,669)	(206,202,859)
- (Increase)/decrease in sundry deposits	(36,671,625)	23,876,995
- (Increase)/decrease in loans to employees	(5,068,943)	(1,902,208)
- (Increase)/decrease in advances	(22,988,257)	(58,547,550)
- (Increase)/decrease in accrued revenue	(93,415,226)	(6,581,549)
- Increase/(decrease) in trade payables	84,663,654	(47,723,378)
- Increase/(decrease) in unearned revenue and fees received in advance	(25,688,860)	136,925,329
- Increase/(decrease) in provision for leave benefits	76,187,898	37,652,066
- Increase/(decrease) in provision for gratuity	45,727,546	24,750,384
- Increase/(decrease) in rent deferment	(31,937,637)	(20,594,800)
- Increase/(decrease) in other liabilities	242,975,203	12,222,792
Cash generated from operations	<b>3,357,547,813</b>	<b>3,151,988,209</b>
- Taxes paid	(1,337,411,564)	(1,073,097,422)
<b>Net cash generated from operating activities - (A)</b>	<b>2,020,136,249</b>	<b>2,078,890,787</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets and capital work-in-progress	(205,249,688)	(162,833,480)
Proceeds from sale of fixed assets	18,662,812	5,727,007
Interest on loan to subsidiary	62,650,362	77,203,165
Loan repaid by subsidiary	340,265,620	288,739,924
Investments in mutual funds	(9,409,969,966)	(4,556,800,001)
Sale proceeds from investments in mutual funds	9,145,117,721	4,718,044,393
Investment in fixed deposits	-	(615,000)
Proceeds from fixed deposits maturity	39,902,089	105,300,843
Interest income	12,145,172	15,500,285
Dividend on non-current investments	4,687,500	2,812,524
<b>Net cash generated (used) in investing activities - (B)</b>	<b>8,211,622</b>	<b>493,079,660</b>

# Cash Flow Statement

for the year ended December 31, 2016 (Contd.)

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>C. Cash flow from financing activities :</b>		
Proceeds from issuance of share capital on exercise of stock options (Refer note 37)	132,517,510	375,954,050
Dividend and dividend tax paid	(2,401,743,496)	(1,973,104,783)
Payment towards buy back of shares (Refer note 36)	-	(1,019,780,638)
<b>Net cash used in financing activities - (C)</b>	<b>(2,269,225,986)</b>	<b>(2,616,931,371)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(240,878,115)</b>	<b>(44,960,924)</b>
Cash and cash equivalents - Opening balance	350,719,030	395,100,030
Add : Exchange difference on translation of foreign currency cash and cash equivalents	1,276,376	579,924
Add : Adjustments on account of Amalgamation of subsidiaries	96,776,811	-
Cash and cash equivalents - Closing balance	207,894,102	350,719,030
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(240,878,115)</b>	<b>(44,960,924)</b>
Components of cash and cash equivalents as at		
With banks on current account	170,923,633	344,186,362
Deposits with original maturity of less than three months	36,970,469	6,532,668
<b>Total</b>	<b>207,894,102</b>	<b>350,719,030</b>

The accompanying notes are an integral part of the Cash flow statements.  
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

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

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

**M. Damodaran**  
Director

**H.N. Sinor**  
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**Vinita Bali**  
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Director

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Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

Date: February 11, 2017  
Place: Mumbai

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Notes forming part of the financial statements

## 1 Nature of Operations

CRISIL Limited ('the Company') is a global analytical company providing ratings and research services. CRISIL is India's leading ratings agency and also 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.

### 1.1 Basis of Preparation of Financial Statement

The financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year.

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 Summary of Significant Accounting Policies

### 2.1 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles

requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### 2.2 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets. Capital work in progress is measured at cost.

Intangible assets acquired are measured on initial recognition at cost if it meets criteria, in line with Accounting Standards 26. Cost of Internally generated intangible assets, during development phase, is capitalised. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

### 2.3 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

of the Companies Act, 2013. Depreciation is provided on straight line method (SLM) over useful life.

Assets	Useful life	Schedule II - Useful life
Buildings	20 Years	60 Years
Furniture and fixtures	10 Years	10 Years
Office equipments	10 Years	5 Years
Office equipments (Mobile Instruments)	3 Years	5 Years
Computers	3 Years	3 Years
Vehicles	3 Years	8 Years

Leasehold Improvements are amortized over the lease term or useful life of the asset, whichever is lower, over the period of 1-9 years.

Intangible assets are amortised over a period of 1-3 years from the date asset is available for use.

## 2.4 Impairment

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 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.

## 2.5 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.

## 2.6 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

## 2.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Income from Operations

Income from Operations comprises of income from initial rating fees and surveillance services, global research and analytical services, customised research, subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred and recorded equally over 11 months subsequent to the month in which the rating was awarded. Revenue on service contracts are recognised on completion of related services. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out or milestones achieved.

### Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### Dividend Income

Dividend income is recognised when the company's right to receive payment is established by the balance sheet date.



### **Profit/(loss) on sale of investment**

Profit/(loss) on sale of 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.

### **2.8 Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund is a defined contribution scheme and is charge to the Statement of Profit and Loss for each period of service rendered by the employees. Excess or short of contribution is recognized as an asset or liability in the financial statement. There are no other obligations other than the contribution payable to the respective authorities.

The Company provides gratuity as a defined benefit plan to the eligible employees. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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 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.

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### **2.9 Foreign Currency Transactions Initial Recognition**

Foreign currency transactions are recorded in reporting currency (INR) by applying to the foreign currency amount to the monthly average exchange rates for the respective periods in which the transaction takes place.

### **Conversion**

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

### **Exchange Difference**

Exchange differences relating to long term monetary items (loan to subsidiary) other than depreciable assets, arising during the year are accumulated in the " Foreign Currency Monetary Item Translation Account" and amortised to the Statement of Profit and Loss over the balance life of the long term monetary item. All other exchange differences are recognised as income or expense in the Statement of Profit and Loss.

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined. Exchange differences arising as a result of the above are recognised as income or expense in the Statement of Profit and Loss.

### **Forward Contract**

Forward contracts are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date and also to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. The premium or discount on forward contracts that are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date arising at the inception of each contract, is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as income or as expense for the year.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where

the transaction is settled during the reporting year, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the Statement of Profit and Loss in the reporting year in which the exchange rates change.

The Company has adopted the principles of “Guidance Note on Accounting for Derivative Contracts” issued by the Institute of Chartered Accountants of India (ICAI) in respect of its derivative financial instruments that are not covered by AS 11 “Accounting for the Effects of Changes in Foreign Exchange Rates” and that relate to a firm commitment or a highly probable forecast transaction. In accordance with guidance note, such derivative financial instruments, which qualify for cash flow hedge accounting, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the Statement of Profit and Loss when the underlying transactions affect earnings.

### **Foreign Currency Translation on long term monetary items**

In line with notification of the Companies (Accounting Standards) Amendment Rules, 2011 issued by Ministry of Corporate Affairs on December 29, 2011 amending Accounting Standard - 11 (AS - 11) ‘The Effects of Changes in Foreign Exchange Rates (revised 2003), the Company has chosen to exercise the option under para 46A inserted in the standard by the notification. Accordingly, exchange differences arising after January 1, 2011 on all long term monetary items, has been accumulated in the “Foreign Currency Monetary Translation Account” and amortised to the Statement of Profit and Loss over the balance life of the long term monetary item but not beyond March 31, 2020.

## **2.10 Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current

year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

## **2.11 Segment Reporting Policies**

### **Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical locations of customers.

**Inter segment transfers:**

The Company generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

**Allocation of common costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items:**

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

**2.12 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, 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 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.

**2.13 Provisions**

A provision is recognised when the Company has a present obligation as a result of past event;

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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**2.14 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**2.15 Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2.16 Employee Stock Compensation Cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis wherever grant price is lower than the market price.

### 3. Share Capital

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Authorised Capital:</b>		
100,000,000 Equity Shares of Re.1/- each (P.Y. 100,000,000 of Re.1/- each)	100,000,000	100,000,000
<b>Issued, Subscribed and Paid Up:</b>		
71,335,358 Equity Shares of Re. 1/- each fully paid up (P.Y. 71,209,103 of Re. 1/- each)	71,335,358	71,209,103
<b>Total</b>	<b>71,335,358</b>	<b>71,209,103</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the year

##### Equity shares

Particulars	As at December 31, 2016	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	71,209,103	71,209,103
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer note 37)	126,255	126,255
<b>Outstanding at the end of the year</b>	<b>71,335,358</b>	<b>71,335,358</b>

Particulars	As at December 31, 2015	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	71,357,055	71,357,055
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer note 37)	363,980	363,980
Less - Buy-back during the year (Refer Note 36)	(511,932)	(511,932)
<b>Outstanding at the end of the year</b>	<b>71,209,103</b>	<b>71,209,103</b>

#### (b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Group Holding of the S&amp;P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)</b>		
31,209,480 Equity Shares of Re.1/- each fully paid held by S&P India, LLC, Fellow Subsidiary (P.Y. 31,209,480 of Re.1/- each)	31,209,480	31,209,480
10,623,059 Equity Shares of Re.1/- each fully paid held by S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte Limited, Fellow Subsidiary (P.Y. 10,623,059 of Re. 1/- each)	10,623,059	10,623,059
6,000,000 Equity Shares of Re.1/- are held by Standard & Poor's International LLC, Fellow Subsidiary (P.Y. 6,000,000 of Re.1/- each)	6,000,000	6,000,000
	<b>47,832,539</b>	<b>47,832,539</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	(Nos.)	
	As at December 31, 2016	As at December 31, 2015
Aggregate number of equity shares bought back by the company (In last five years)	1,421,932	1,421,932
Aggregate number of bonus shares and shares issued other than cash by the company	Nil	Nil

**(e) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at December 31, 2016	
	% holding in the class	Nos.
Equity shares of Re. 1/- each fully paid		
1. Group Holding of the S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)		
a) S&P India, LLC	43.75%	31,209,480
b) S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	14.89%	10,623,059
c) Standard & Poor's International LLC	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000

Name of the shareholder	As At December 31, 2015	
	% holding in the class	Nos.
Equity shares of Re. 1/- each fully paid		
1. Group Holding of the S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)		
a) S&P India, LLC	43.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	14.92%	10,623,059
c) Standard & Poor's International LLC	8.42%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.62%	4,000,000

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 37).

#### 4. Reserves and Surplus

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Securities premium account</b>		
Opening balance	294,635,781	901,841,217
Add :- Received on exercise of employee stock options (Refer note 37)	132,391,255	375,590,070
Less:- Used towards buy back of equity shares (Refer Note 36)	-	(982,795,506)
	<b>427,027,036</b>	<b>294,635,781</b>
<b>Capital reserve</b>		
Opening balance	122,232,111	122,232,111
Less : Adjustment on amalgamation (Refer note 39)	(122,232,111)	-
	<b>-</b>	<b>122,232,111</b>
<b>Capital redemption reserve</b>		
Opening balance	2,703,492	2,191,560
Add : Transfer from general reserve (Refer note 36)	-	511,932
	<b>2,703,492</b>	<b>2,703,492</b>
<b>General reserve</b>		
Opening balance	1,318,687,630	1,133,665,099
Add : Transferred from the Statement of Profit and Loss	204,522,727	222,007,663
Less : Transfer to capital redemption reserve account (Refer note 36)	-	(511,932)
Less : Used towards buy back of equity shares (Refer note 36)	-	(36,473,200)
Less : Adjustment on amalgamation (Refer note 39)	(111,702,311)	-
	<b>1,411,508,046</b>	<b>1,318,687,630</b>
<b>Hedging reserve account (Refer note 35)</b>		
Opening balance	41,945,658	93,770,263
Changes in the fair value of effective portion of Cash Flow Hedges (Gain)/Loss transferred to statement of profit and loss on occurrence of forecasted hedge transactions	187,756,985	41,945,658
	(41,945,658)	(93,770,263)
	<b>187,756,985</b>	<b>41,945,658</b>
<b>Foreign currency monetary item translation account</b>		
Opening balance	113,339,208	186,534,591
Add/ Less :- Transfer to foreign exchange gain	6,106,020	(70,821,108)
Add :- Movement during the year	(189,298,263)	(2,374,275)
	<b>(69,853,035)</b>	<b>113,339,208</b>
<b>Surplus in the Statement of profit and loss</b>		
Opening balance	4,786,658,291	4,762,303,630
Add : Transferred on amalgamation (Refer note 39)	297,404,171	-
Add : Profit after tax for the year	2,556,534,087	2,220,076,625
<u>Less: Appropriations</u>		
Proposed final equity dividend (amount per share Rs. 9 (P.Y. Rs. 10) of Re. 1 each)	(642,018,222)	(712,091,030)
Interim dividend (amount per share Rs. 18 (P.Y. Rs. 13) of Re. 1 each )	(1,283,390,964)	(925,601,947)
Corporate dividend tax	(391,994,678)	(336,021,324)
Transfer to general reserve	(204,522,727)	(222,007,663)
<b>Total appropriations</b>	<b>(2,521,926,591)</b>	<b>(2,195,721,964)</b>
<b>Net surplus in the statement of profit and loss</b>	<b>5,118,669,958</b>	<b>4,786,658,291</b>
<b>Total</b>	<b>7,077,812,482</b>	<b>6,680,202,171</b>

**5. Other Liabilities**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non-Current</b>		
Unearned revenue and fees received in advance	1,638,434	800,648
Rent deferment	82,062,183	92,157,661
<b>Total</b>	<b>83,700,617</b>	<b>92,958,309</b>

**6. Provisions**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non-current</b>		
<b>For employee benefits</b>		
For gratuity (Refer note 33)	135,271,776	88,900,384
<b>Total</b>	<b>135,271,776</b>	<b>88,900,384</b>

**7. Trade Payables**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note 26)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	324,850,233	223,423,821
<b>Total</b>	<b>324,850,233</b>	<b>223,423,821</b>

**8. Other Liabilities**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
Statutory liabilities	129,531,621	93,743,545
Unearned revenue and fees received in advance	909,641,539	936,069,155
Rent deferment	29,246,198	36,005,506
Others	703,116,649	460,938,016
Unpaid dividend (Investor education and protection fund will be credited as and when due)	9,329,193	10,512,459
<b>Total</b>	<b>1,780,865,200</b>	<b>1,537,268,681</b>

**9. Provisions**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>For employee benefits</b>		
For Gratuity (Refer note 33)	42,350,000	38,500,000
For leave benefits	432,586,186	342,499,440
<b>Other provisions</b>		
Proposed equity dividend	642,018,222	712,091,030
Corporate dividend tax thereon	130,714,910	144,981,734
<b>Total</b>	<b>1,247,669,318</b>	<b>1,238,072,204</b>

## 10. Fixed Assets

For the year ended December 31, 2016

Particulars	Gross Block at Cost				Accumulated Depreciation/Amortization				Net Block (Rupees)	
	As at January 1, 2016	Additions	Assets acquired on amalgamation	Deductions / Adjustments	As at December 31, 2016	Up to January 1, 2016	For the year on amalgamation	Deductions / Adjustments		Up to December 31, 2016
<b>Intangible assets</b>										
Software	1,534,435	14,606,288	5,325,538	-	21,466,261	581,661	13,369,424	157,363	14,108,448	7,357,813
<b>Total intangible assets</b>	<b>1,534,435</b>	<b>14,606,288</b>	<b>5,325,538</b>	<b>-</b>	<b>21,466,261</b>	<b>581,661</b>	<b>13,369,424</b>	<b>157,363</b>	<b>14,108,448</b>	<b>7,357,813</b>
<b>Tangible assets</b>										
Buildings	27,887,375	-	-	1,690,000	26,197,375	26,908,526	797,500	-	26,016,026	181,349
Furniture & Fixtures	167,874,329	8,519,097	23,074,076	5,334,355	194,133,147	103,725,622	18,441,749	8,327,871	4,378,859	68,016,764
Office Equipments	288,533,386	13,842,806	32,331,429	2,700,359	332,007,262	170,621,965	34,738,384	12,899,748	2,045,287	115,792,452
Computers	690,121,520	130,487,370	60,359,669	72,345,010	808,623,549	533,297,325	118,955,580	45,609,689	70,717,173	181,478,128
Vehicles	51,340,276	19,976,490	1,285,626	13,645,281	58,957,111	27,399,822	15,127,469	914,143	10,806,819	26,322,496
Leasehold Improvements	701,661,544	5,300,509	98,217,705	-	805,179,758	474,898,175	83,719,222	37,592,733	-	208,969,628
<b>Total tangible assets</b>	<b>1,927,418,430</b>	<b>178,126,272</b>	<b>215,268,505</b>	<b>95,715,005</b>	<b>2,225,098,202</b>	<b>1,336,851,435</b>	<b>271,779,904</b>	<b>105,344,184</b>	<b>89,638,138</b>	<b>600,760,817</b>
<b>Grand total</b>	<b>1,928,952,865</b>	<b>192,732,560</b>	<b>220,594,043</b>	<b>95,715,005</b>	<b>2,246,564,463</b>	<b>1,337,433,096</b>	<b>285,149,328</b>	<b>105,501,547</b>	<b>1,638,445,833</b>	<b>608,118,630</b>

For the year ended December 31, 2015

Particulars	Gross Block at Cost				Accumulated Depreciation/Amortization				Net Block (Rupees)	
	As at January 1, 2015	Additions	Deductions / Adjustments	As at December 31, 2015	Up to January 1, 2015	For the Year	Deductions / Adjustments	Up to December 31, 2015		As at December 31, 2015
<b>Intangible assets</b>										
Software	-	1,534,435	-	1,534,435	-	581,661	-	-	581,661	952,774
<b>Total intangible assets</b>	<b>-</b>	<b>1,534,435</b>	<b>-</b>	<b>1,534,435</b>	<b>-</b>	<b>581,661</b>	<b>-</b>	<b>-</b>	<b>581,661</b>	<b>952,774</b>
<b>Tangible assets</b>										
Buildings (Refer note below)	157,352,097	-	129,464,722	27,887,375	117,714,308	6,817,469	97,623,251	26,908,526	64,148,707	978,849
Furniture & Fixtures	171,326,887	3,791,778	7,244,336	167,874,329	92,180,098	17,732,112	6,186,588	103,725,622	117,911,421	117,911,421
Office Equipments	301,364,507	10,474,710	23,305,831	288,533,386	160,844,587	30,019,681	20,242,303	170,621,965	166,824,195	166,824,195
Computers	630,990,509	127,474,193	68,343,182	690,121,520	509,571,741	92,035,008	68,309,424	533,297,325	23,940,454	23,940,454
Vehicles	51,388,889	16,806,873	16,855,486	51,340,276	30,059,797	12,163,931	14,823,906	27,399,822	226,763,369	226,763,369
Leasehold Improvements	700,181,670	1,479,874	-	701,661,544	393,898,905	80,999,270	-	474,898,175	590,566,995	590,566,995
<b>Total tangible assets</b>	<b>2,012,604,559</b>	<b>160,027,428</b>	<b>245,213,557</b>	<b>1,927,418,430</b>	<b>1,304,269,436</b>	<b>239,767,471</b>	<b>207,185,472</b>	<b>1,336,851,435</b>	<b>591,519,769</b>	<b>591,519,769</b>
<b>Grand total</b>	<b>2,012,604,559</b>	<b>161,561,863</b>	<b>245,213,557</b>	<b>1,928,952,865</b>	<b>1,304,269,436</b>	<b>240,349,132</b>	<b>207,185,472</b>	<b>1,337,433,096</b>		

Note : Net Adjustment with respect to building are on account of a premise being classified as asset held for sale in previous year Rs. 31,841,471. Refer note 18.



## 11. Investments

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>A. Non-current investments</b>		
<b>Trade investments</b>		
<b>(valued at cost unless stated otherwise)</b>		
<i>Unquoted equity investments</i>		
<b>Investment in Subsidiaries</b>		
<b>(Companies under same management)</b>		
49,999,970 (P.Y. 49,999,970) Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re. 1 each, fully paid up	49,999,970	49,999,970
5,514,100 (P.Y. 5,514,100) Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up	1,139,027,822	1,139,027,822
704,018 (P.Y.704,018) Equity Shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up	10,501,668	10,501,668
Nil (P.Y. 10,000) Equity Shares of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up (Refer note 39)	-	111,292,051
100% Investment in the capital (P.Y. 100% Investment) of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited	22,544,743	22,544,743
Nil (P.Y. 100,000) Equity Shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up (Refer note 39)	-	37,108,494
Nil (P.Y. 50,000) Equity Shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up (Refer note 39)	-	87,133,877
<b>Other Investments</b>		
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency of US\$1 each, fully paid up	13,642,500	13,642,500
Less: Provision for diminution in value of Investment	(13,642,499)	(13,642,499)
1,875,000 (P.Y. 1,875,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up	56,250,000	56,250,000
<b>Sub - total {A}</b>	<b>1,278,324,204</b>	<b>1,513,858,626</b>
<i>Quoted equity investments</i>		
<b>Other Investments</b>		
1 (P.Y. 1) Equity Share of Credit Analysis and Research Limited of Rs.10 each, fully paid up	812	812
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10 each, fully paid up	1,218	1,218
<b>Sub - total {B} *</b>	<b>2,030</b>	<b>2,030</b>
<b>Total Non-current investments (At cost) - {A + B}</b>	<b>1,278,326,234</b>	<b>1,513,860,656</b>
<b>B. Current investments</b>		
<b>Non-trade investments</b>		
<b>(valued at lower of cost or market value)</b>		
<i>Unquoted mutual funds</i>		
<b>Investments In Mutual Funds (Unquoted)</b>		
Nil (P.Y. 15,444,070.29 ) units of face value Rs.10.00 each Sundaram Money Fund - Direct Plan - Growth	-	480,500,000
Nil (P.Y. 163,297.31 ) units of face value Rs.1,000.00 each HDFC Liquid Fund - Direct Plan - Growth	-	475,000,000
Nil (P.Y. 236,798.71) units of face value Rs.1,000.00 each L&T Liquid Fund Direct Plan - Growth	-	465,672,022
Nil (P.Y. 2,191,978.00) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth	-	472,775,320

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
Nil (P.Y. 295,551.43) units of face value Rs.1,000.00 each Axis Liquid Fund - Direct Growth	-	457,599,311
Nil (P.Y. 267,080.10 ) units of face value Rs.1,000.00 each IDFC Cash Fund - Growth - Direct Plan	-	454,825,599
Nil (P.Y. 208,380.08 ) units of face value Rs.1,000.00 each SBI Premier Liquid Fund - Direct Plan - Growth	-	444,252,014
Nil (P.Y. 104,806.81) units of face value Rs.1,000.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	-	325,000,004
9,406,993.70 (P.Y. Nil) units of face value Rs.10.00 each ICICI Prudential Banking and PSU Debt Plan - Direct - Growth	175,541,994	-
23,908,344.97 (P.Y. Nil) units of face value Rs.10.00 each ICICI Prudential Long Term - Direct - Growth	491,990,704	-
22,922,423.31 (P.Y. Nil) units of face value Rs.10.00 each Axis Short Term Fund - Direct - Growth	407,287,907	-
259,704.23 (P.Y. Nil) units of face value Rs.1,000.00 each Axis Treasury Advantage Fund - Direct - Growth	470,001,237	-
8,362,615.20 (P.Y. Nil) units of face value Rs.10.00 each HDFC Medium Term Opportunities Fund - Direct - Growth	144,999,999	-
17,613,977.73 (P.Y. Nil) units of face value Rs.10.00 each HDFC Floating Rate Income Fund - Short Term Plan - Direct - Wholesale Option - Growth	489,851,774	-
2,602,687.64 (P.Y. Nil) units of face value Rs.100.00 each Birla Sun Life Floating Rate Fund-Long Term-Regular Plan-Growth	495,000,000	-
13,201,308.58 (P.Y. Nil) units of face value Rs.10.00 each Kotak Banking and PSU Debt Fund - Direct - Growth	476,927,284	-
43,066,267.49 (P.Y. Nil) units of face value Rs.10.00 each DSP BlackRock Ultra Short Term Fund - Direct - Growth	490,003,956	-
22,092,784.89 (P.Y. Nil) units of face value Rs.10.00 each Reliance Banking & PSU Debt Fund - Direct - Growth	254,999,999	-
12,203,790.46 (P.Y. Nil) units of face value Rs.10.00 each Reliance Dynamic Bond Fund - Direct - Growth	279,438,733	-
<b>Total Investments in Mutual Funds {C} **</b>	<b>4,176,043,587</b>	<b>3,575,624,270</b>
<b>Total Investments {A}+{B}+{C}</b>	<b>5,454,369,821</b>	<b>5,089,484,926</b>
Aggregate carrying value of investment in unquoted equity shares and mutual funds {A+C}	5,454,367,791	5,089,482,896
*Aggregate market value of Company's investment in quoted equity shares	5,310	5,721
**Aggregate Net Asset Value (NAV) of Company's investment in unquoted mutual funds	4,231,430,747	3,706,483,550

## 12. Deferred Tax Asset

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Deferred tax liability</b>		
On fixed assets	-	14,738,097
<b>Gross deferred tax liability</b>	-	<b>14,738,097</b>
<b>Deferred tax asset</b>		
On fixed assets	18,575,187	-
On lease rent amortisation	37,872,304	44,127,058
On provision for leave encashment	114,888,543	100,062,867
On provision for bonus and commission	44,634,515	29,373,305
On provision for gratuity	42,451,881	34,352,993
On provision for bad debts	47,289,166	42,592,727
On initial rating fees deferred	22,577,985	32,062,603
On disallowance under section 40(a) and others	9,174,161	12,600,048
<b>Gross deferred tax asset</b>	<b>337,463,742</b>	<b>295,171,601</b>
<b>Net deferred tax asset</b>	<b>337,463,742</b>	<b>280,433,504</b>

## 13. Loans and Advances

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non-current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Sundry deposits	402,975,795	258,688,986
Loan to subsidiary (Refer note 31)	704,774,173	1,175,043,783
<b>Other loans and advances;</b>		
Advance income-tax (net of provision for taxation)	48,307,586	1,878,789
Prepaid expenses	14,852,859	17,252,065
<b>Total</b>	<b>1,170,910,413</b>	<b>1,452,863,623</b>

## 14. Other Assets

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Non-current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Interest accrued on fixed deposits	-	315,077
<b>Other bank balances</b>		
– Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with banks Rs. Nil (P.Y. Rs.4,807,860) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24})	100,000	7,466,514
<b>Total</b>	<b>100,000</b>	<b>7,781,591</b>

## 15. Trade Receivables

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	64,285,179	97,854,025
Unsecured, considered doubtful	137,358,112	125,905,314
<b>Other receivables</b>		
Unsecured, considered good (Related party balances Refer note 30)	1,833,815,955	1,253,489,238
Less : Provision for doubtful receivables	(137,358,112)	(125,905,314)
<b>Total</b>	<b>1,898,101,134</b>	<b>1,351,343,263</b>

## 16. Cash and Bank Balances

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
– On current accounts	170,923,633	344,186,362
– Deposits with original maturity of less than three months	36,970,469	6,532,668
	<b>207,894,102</b>	<b>350,719,030</b>
<b>Other bank balances</b>		
– On unpaid dividend account	9,329,193	10,512,459
– Deposits with original maturity within 12 months (Deposit includes fixed deposits with Banks Rs. 8,050,643 (P.Y. Rs. 5,631,598) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24})	41,014,202	73,549,777
<b>Total</b>	<b>258,237,497</b>	<b>434,781,266</b>

## 17. Loans and Advances

Particulars	(Rupees)	
	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Sundry deposits	4,258,812	103,168,710
Application for investment in Mutual Fund	70,000,000	-
Loan to subsidiary (Refer note 31)	168,025,408	227,321,342
Advances recoverable in cash or kind (Related party balances Refer note 30)	100,231,932	81,378,088
<b>Other loans and advances;</b>		
Cenvat credit receivable	54,363,984	64,783,053
Prepaid expenses	139,127,735	45,748,711
Loans to employees	30,336,677	24,510,334
<b>Total</b>	<b>566,344,548</b>	<b>546,910,238</b>

## 18. Other Assets

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Current</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Interest accrued on fixed deposits	2,293,446	1,176,736
Forward contract receivable	187,756,984	41,945,657
Accrued revenue	178,188,553	84,406,134
Asset held for sale (Refer note 10)	31,841,471	31,841,471
Interest accrued on loan to subsidiary	8,662,980	16,274,878
<b>Total</b>	<b>408,743,434</b>	<b>175,644,876</b>

## 19. Income from Operations

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Income from rating services	4,676,868,774	4,341,198,795
Income from research services	6,619,027,247	5,219,770,466
<b>Total</b>	<b>11,295,896,021</b>	<b>9,560,969,261</b>

## 20. Other Income

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Interest on bank deposits	12,731,612	13,933,409
Interest on loan to subsidiary	55,338,718	76,329,277
Other interest income	-	448,048
Dividend on non-current investments	4,687,500	2,812,524
Profit on sale of current investments (Refer note 34)	378,252,020	181,660,656
Foreign exchange gain (Net)	-	147,831,752
Miscellaneous income	28,373,398	22,983,902
Profit on sale of fixed assets (Net)	12,585,945	-
<b>Total</b>	<b>491,969,193</b>	<b>445,999,568</b>

## 21. Personnel Expenses

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Salaries, wages and bonus	4,177,128,839	3,431,501,702
Contribution to provident and other funds	130,296,645	110,134,290
Contribution to gratuity fund (Refer note 33)	85,851,228	55,121,704
Staff training and welfare expenses	117,956,671	83,792,557
Less : Recoveries from subsidiaries towards overheads allocated	(43,298,857)	(53,725,273)
<b>Total</b>	<b>4,467,934,526</b>	<b>3,626,824,980</b>

## 22. Establishment Expenses

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Repairs and maintenance - Buildings	128,827,518	103,532,368
Repairs and maintenance - Others	78,346,369	75,742,317
Electricity	94,360,579	95,383,320
Communication expenses	76,836,433	66,641,140
Insurance	5,636,732	5,228,805
Rent (Refer note 32)	387,878,466	353,374,896
Rates and taxes	1,580,437	1,650,777
Less : Recoveries from subsidiaries towards overheads allocated	(5,985,911)	(8,468,494)
<b>Total</b>	<b>767,480,623</b>	<b>693,085,129</b>

## 23. Other Expenses

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Printing and stationery	27,198,712	33,539,028
Conveyance and travelling	237,840,186	213,410,500
Data subscription	53,995,003	53,287,549
Vehicle expenses	2,238,644	1,390,891
Remuneration to non-whole time directors	12,885,000	12,495,000
Business promotion and advertisement	13,750,021	3,970,761
Corporate social responsibility (CSR) expenses (Refer note 40)	60,410,823	41,402,075
Professional fees	1,289,831,273	1,345,043,501
Associate service fee	416,698,923	323,218,342
Software purchase expense	47,609,977	16,048,348
Donation	19,981,369	6,914,726
Provision for doubtful debts / bad debts	119,642,949	102,304,356
Software maintenance expenses	28,822,348	19,031,182
Auditors' remuneration (Refer note 28)	7,577,609	4,669,770
Recruitment expenses	38,287,657	25,033,951
Foreign exchange loss (Net)	39,810,532	-
Loss on sale of fixed assets (Net)	-	459,607
Miscellaneous expenses	13,747,184	12,474,134
Less : Recoveries from subsidiaries towards overheads allocated	(19,677,315)	(21,516,962)
<b>Total</b>	<b>2,410,650,895</b>	<b>2,193,176,759</b>

**24. Details of contingent liabilities and capital commitment are as under :**

(Rupees)

Particulars	As at December 31, 2016	As at December 31, 2015
<b>Contingent liabilities</b>		
1. Bank Guarantee in the normal course of business	35,130,258	190,142,458
2. <u>Disputed Income, Service &amp; Sales Tax Demand:</u>		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	411,270,815	227,477,488
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	118,469,910	35,179,640
The Company has given a bank guarantee of Rs. 219,003,000 in relation to the tax demands with regards Pipal India, for FY 2007-08 to FY 2011-12		
	564,870,983	452,799,586
<b>Capital commitment</b>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	53,903,482	38,974,214
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.		
<b>Total</b>	<b>618,774,465</b>	<b>491,773,800</b>

**25** The tax year of the Company being the year ending March 31, 2017, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2017 and the provision for the nine months upto December 31, 2016. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2016 to March 31, 2017.

**26** The Company has a process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.

**27. A) Expenditure in foreign currency**

(Rupees)

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Foreign travel	29,882,475	45,548,766
Professional fees	965,497,330	799,388,449
Other expenses	6,665,763	12,515,063
<b>Total</b>	<b>1,002,045,568</b>	<b>857,452,278</b>

**B) Amount remitted during the year in foreign currency, on account of dividends**

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Number of shareholders	3	3
Number of equity shares of Re. 1/- each held by them on which dividend was paid	47,832,539	47,832,539
Period to which dividend relates	2015 and 2016	2014 and 2015
Amount remitted (Rupees)	1,339,311,092	1,100,148,397

**C) EARNINGS IN FOREIGN CURRENCY**

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Exports of services	7,119,660,713	5,610,873,616

**28. Auditors' Remuneration includes :**

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Audit fees	5,720,000	3,200,000
<b>In any other matter:</b>		
Certification work	1,587,389	1,345,525
Out of pocket expenses	270,220	124,245
<b>Total</b>	<b>7,577,609</b>	<b>4,669,770</b>

**29 Segment Reporting**
**Business Segments:**

The Company has two major business segment: Ratings and Research. A description of the types of products and services provided by each reportable segment is as follows:

Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

**Segment Reporting for the year ended December 31, 2016**

Particulars	(Rupees)		Total
	Business segments		
	Ratings	Research	
Operating revenue	4,676,868,774	6,619,027,247	11,295,896,021
Segment results	1,480,588,414	2,266,472,677	3,747,061,091
Add / (Less) Unallocables:			
1. Unallocable Income			
Interest income			68,070,330
Profit on sale of current investments			378,252,020
Profit on sale of fixed assets			12,585,945
Others*			8,128,330
2. Unallocable expenditure			(72,298,546)
3. Depreciation/ Amortisation			(285,149,328)
Profit before tax			3,856,649,842
Tax expense			(1,300,115,755)
Profit after tax			2,556,534,087
Non-cash expenses other than depreciation and amortisation	182,111,059	67,310,724	249,421,783
Segment Assets	703,275,630	3,033,317,111	3,736,592,741
Unallocable Assets**			6,984,912,243
Segment Liabilities	1,237,923,618	1,049,316,079	2,287,239,697
Unallocable Liabilities**			1,285,117,447



## 29 Segment Reporting (Contd.)

### Revenue and Asset by Geographic Segments

	(Rupees)	
Geography	Revenue	Assets
India	4,162,689,571	6,726,496,110
Europe	3,231,482,161	2,718,723,566
North America	3,207,788,005	753,815,804
Rest of the world	693,936,284	136,698,176
<b>Total</b>	<b>11,295,896,021</b>	<b>10,335,733,656</b>

### Segment Reporting for the year ended December 31, 2015

	(Rupees)		
Particulars	Business segments		Total
	Ratings	Research	
Operating revenue	4,341,198,795	5,219,770,466	9,560,969,261
Segment results	1,470,134,285	1,759,839,394	3,229,973,679
Add / ( Less ) Unallocables :			
1. Unallocable income			
Interest income			90,710,734
Profit on sale of current investments			181,660,656
Profit on sale of fixed assets			-
Others*			90,320,829
2. Unallocable expenditure			(98,783,937)
3. Depreciation/ Amortisation			(240,349,132)
Profit before tax			3,253,532,829
Tax expense			(1,033,456,204)
Profit after tax			2,220,076,625
Non-cash expenses other than depreciation and amortisation	128,887,306	31,246,907	160,134,213
Segment Assets	566,195,604	2,909,410,100	3,475,605,704
Unallocable Assets**			6,456,428,969
Segment Liabilities	1,197,582,410	781,780,737	1,979,363,147
Unallocable Liabilities**			1,201,260,252

### Revenue and Assets by Geographic Segments

	(Rupees)	
Geography	Revenue	Assets
India	3,937,919,608	6,031,679,049
Europe	2,570,686,175	3,093,137,600
North America	2,655,466,350	425,115,079
Rest of the world	396,897,128	99,790,652
<b>Total</b>	<b>9,560,969,261</b>	<b>9,649,722,380</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 has been classified as unallocable. The Company believes that it is currently not practicable to allocate all assets and liabilities since a meaningful segregation of the available data is not feasible.

The Company recovered certain common expenses from subsidiaries based on management estimates and disclosed as recoveries in notes to the Statement of Profit and Loss.

**30. List of Related Parties (As per Accounting Standard 18)**

<b>Parties</b>	<b>Relationship</b>
<b>Related parties where control exists</b>	
S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary (Refer note 39)
Coalition Development Systems (India) Private Limited	Subsidiary (Refer note 39)
Mercator Info-Services India Private Limited	Subsidiary (Refer note 39)
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
<b>Other Related parties</b>	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	Fellow Subsidiary
S&P Global Canada Corp. (Formerly known as McGraw-Hill Companies Canada Corp.)	Fellow Subsidiary
S&P Global UK Limited (Formerly known as McGraw-Hill International (U.K) Limited)	Fellow Subsidiary
J.D. Power and Associates	Fellow Subsidiary (Up to September 8, 2016)
Standard & Poor's Credit Market Services Europe Limited	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poor's Ratings Japan K.K.	Fellow Subsidiary
S&P Global Market Intelligence LLC (Formerly known as S&P Capital IQ, LLC)	Fellow Subsidiary
Asia Index Private Limited	Fellow Subsidiary
S&P Global Market Intelligence Inc. (Formerly known as S&P Capital Inc.)	Fellow Subsidiary
CRISIL Foundation	Controlled Trust
JM Financial Asset Reconstruction Company Private Limited *	Common Director
Glocal Healthcare Systems Private Limited *	Common Director
Care India Solutions for Sustainable Development *	Common Director
Ravinder Singhania	Alternate Director

**30. List of Related Parties (As per Accounting Standard 18) (Contd.)**

<b>Parties</b>	<b>Relationship</b>
<b>Key Management Personnel</b>	
Roopa Kudva*	Managing Director and Chief Executive Officer (Up to April 30, 2015)
Ashu Suyash*	Managing Director and Chief Executive Officer (with effect from June 01, 2015)
Amish Mehta*	Chief Financial Officer
Neelabja Chakrabarty *	Company Secretary (Up to February 27, 2015)
Minal Bhosale *	Company Secretary (with effect from June 01, 2015)

\* Related parties as per Companies Act, 2013

**Transactions with related parties**

<b>Name of the related party</b>	<b>Nature of transaction</b>	<b>(Rupees)</b>	
		<b>Year Ended December 31, 2016</b>	<b>Year Ended December 31, 2015</b>
S&P Global UK Limited (Formerly known as McGraw-Hill International (U.K) Limited)	Professional services rendered	31,691,190	8,774,203
S&P Global Canada Corp. (Formerly known as McGraw-Hill Companies Canada Corp.)	Professional services rendered	10,628,085	7,545,433
Standard & Poor's Credit Market Services Europe Limited	Amount receivable	1,292,602	361,754
	Professional services rendered	405,600,489	359,565,472
Standard & Poor's Financial Services, LLC	Amount receivable	70,592,948	62,099,039
	Professional services rendered	1,132,841,549	980,393,157
	Reimbursement of expenses received	-	527,701
Standard & Poor's Singapore Pte. Ltd.	Subscription fees	549,641	1,863,395
	Professional services rendered	49,753,412	43,601,424
	Reimbursement of expenses received	-	190,343
Standard & Poor's Hong Kong Limited	Amount receivable	5,226,303	-
	Professional services rendered	19,474,519	17,930,407
Standard & Poor's (Australia) Pty. Ltd.	Amount receivable	2,005,968	1,532,013
	Professional services rendered	32,563,853	27,092,701
Standard & Pooers Ratings Japan K.K.	Amount receivable	3,166,886	1,514,031
	Professional services rendered	12,158,928	8,561,484
Standard & Poor's South Asia Services Private Limited	Amount receivable	1,469,246	590,604
	Reimbursement of expenses received	20,445,436	11,305,250
S&P Global Market Intelligence LLC. (Formerly known as S&P Capital IQ LLC.)	Amount receivable	3,564,873	2,438,343
	Subscription fees	1,708,782	-
S&P India, LLC	Dividend	842,655,960	717,818,040
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's International LLC	Dividend	162,000,000	138,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees & commission to nominee directors	-	80,000

**30. List of Related Parties (As per Accounting Standard 18) (Contd.)**

Name of the related party	Nature of transaction	(Rupees)		
		Year Ended December 31, 2016	Year Ended December 31, 2015	
S&P Global Asian Holdings Pte. Limited (Formerly known as McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.)	Dividend	286,822,593	244,330,357	
	Share capital outstanding	10,623,059	10,623,059	
S&P Global Inc. (Formerly known as McGraw Hill Financial, Inc.)	Reimbursement of expenses received	1,480,049	14,357,988	
	Amount receivable	225,879	-	
Asia Index Private Limited	Reimbursement of expenses	50,250	53,699	
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	508,200	3,020,450	
	Professional fees	447,500	476,000	
	Expenses recovered	48,602,774	37,220,411	
	Share of overhead expenses received	59,780,785	45,298,162	
	Reimbursement of expenses	7,268,196	7,309,423	
	Amount receivable	10,899,241	9,834,113	
	Investment outstanding	49,999,970	49,999,970	
	Amount payable	1,177,944	335,927	
	CRISIL Irevna UK Limited	Professional services rendered	2,404,751,098	1,867,624,947
		Amount payable	-	377,588
Reimbursement of expenses received		1,862,962	6,801,002	
Reimbursement of expenses		-	5,120,489	
Amount receivable		530,713,628	386,929,855	
Investment outstanding		1,139,027,822	1,139,027,822	
Loan outstanding		872,799,581	1,402,365,125	
Loan repaid		340,265,620	288,739,924	
Interest income		55,338,718	76,329,277	
Interest amount receivable		8,662,980	16,274,878	
CRISIL Irevna US LLC	Professional services rendered	1,967,757,218	1,574,247,700	
	Reimbursement of expenses received	546,307	-	
	Reimbursement of expenses	4,286,501	-	
	Amount receivable	741,721,676	396,842,169	
CRISIL Irevna Argentina, S.A.	Investment outstanding	10,501,668	10,501,668	
	Professional fees	479,279,103	505,543,061	
	Amount payable	41,269,983	30,618,395	
CRISIL Irevna Poland Sp.zo.o	Professional fees	199,385,200	40,969,382	
	Reimbursement of expenses received	706,440	3,162,891	
	Amount payable	16,186,362	-	
	Amount receivable	3,261,312	25,924,942	
Pipal Research Analytics and Information Services India Private Limited (Refer note 39)	Investment outstanding	-	111,292,051	
	Professional fees	65,242,467	265,059,622	
	Reimbursement of expenses received	278,704	2,343,904	
	Share of overhead expenses received	9,181,298	38,412,568	
	Rent recovered	4,558,791	17,965,604	

**30. List of Related Parties (As per Accounting Standard 18) (Contd.)**

Name of the related party	Nature of transaction	(Rupees)	
		Year Ended December 31, 2016	Year Ended December 31, 2015
	Guarantee provide to bankers	-	179,703,000
	Amount receivable	-	5,775,177
	Amount payable	-	22,551,015
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Investment outstanding	22,544,743	22,544,743
	Amount payable	17,082,018	13,536,622
	Professional fees	191,118,018	190,003,367
	Advance recoverable	1,158,946	1,213,260
Coalition Development Systems (India) Private Limited (Refer note 39)	Investment outstanding	-	87,133,877
	Reimbursement of expenses received	2,364,206	2,620,484
	Amount receivable	-	520,852
Coalition Development Limited	Professional services rendered	48,033,631	-
	Amount receivable	6,228,389	-
Mercator Info-Services India Private Limited (Refer note 39)	Investment outstanding	-	37,108,494
	Reimbursement of expenses received	4,421,828	12,223,153
	Amount receivable	-	4,765,090
Coalition Development Singapore Pte Limited	Professional services	1,718,286	4,728,612
	Amount payable	410,306	268,277
	Professional services rendered	245,626,845	-
	Amount receivable	27,780,933	-
JM Financial Asset Reconstruction Company Private Limited	Professional services rendered	5,747,137	1,433,661
	Amount receivable	-	586,416
Glocal Healthcare Systems Private Limited	Professional services rendered	-	686,930
	Amount receivable (net)	-	30,000
Care India Solutions for Sustainable Development	Donation	-	1,063,816
CRISIL Foundation	Donation	43,525,000	9,532,483
Roopa Kudva (up to April 30, 2015)*	Remuneration	-	18,594,106
	Dividend	-	220,000
	Perquisite on stock option (as per Income Tax Act, 1961)	-	109,344,031
Ashu Suyash (with effect from June 01, 2015)*	Remuneration	51,434,650	27,809,450
	Options granted	-	71,507
Amish Mehta*	Remuneration	29,704,908	24,904,484
Neelabja Chakrabarty (up to February 27, 2015)*	Remuneration	-	796,606
	Perquisite on stock option (as per Income Tax Act, 1961)	-	154,007
Minal Bhosale (with effect from June 01, 2015)*	Remuneration	8,653,350	4,364,075

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

### 31. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013:

Name of the entity	Relationship	Purpose for which the loan to be utilised	Particulars of loans	(Rupees)	
				Amount Outstanding as on December 31, 2016	Amount Outstanding as on December 31, 2015
CRISIL Irevna UK Limited	100% subsidiary	Acquisition	Loan given by CRISIL to CRISIL Irevna UK Limited for financing acquisition. The loan is repayable on demand. These loans carry interest @ 3 months Libor plus 425 bps.	872,799,581	1,402,365,125

For details of investments and advances provided to related parties. (Refer note 30)

### 32. Operating Lease

The Company has taken certain office premises on non-cancellable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Lease Payment recognised in the Statement of Profit and Loss	387,878,466	353,374,896
<b>Future Minimum Lease Payments :</b>		
Not later than One Year	400,225,890	375,024,572
Later than One Year & not later than Five Years	822,916,474	752,409,905
Later than Five Years	19,980,948	44,830,650
<b>Total</b>	<b>1,243,123,312</b>	<b>1,172,265,127</b>

### 33. Gratuity and other post-employment benefit 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 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.

#### Statement of Profit and Loss:

Net employee benefit expense (recognised in Personnel expenses)

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Current Service cost	42,601,048	38,667,855
Interest cost on defined benefit obligation	19,057,870	16,376,703
Expected return on plan assets	(10,226,859)	(8,987,500)
Net actuarial (gain)/ loss recognised in the year	34,419,169	9,064,646
<b>Net Gratuity benefit expense</b>	<b>85,851,228</b>	<b>55,121,704</b>

### 33. Gratuity and other post-employment benefit plans (Contd.)

#### Balance Sheet:

Details of Provision for Gratuity Benefit

	(Rupees)				
Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Present value of funded obligations	317,941,000	234,964,000	201,897,000	162,622,860	150,986,640
Less: Fair value of plan assets	(140,319,224)	(107,563,616)	(99,247,000)	(87,602,133)	(78,806,061)
<b>Net liability</b>	<b>177,621,776</b>	<b>127,400,384</b>	<b>102,650,000</b>	<b>75,020,727</b>	<b>72,180,579</b>

Changes in the present value of the defined benefit obligation are as follows:

	(Rupees)				
Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Opening defined benefit obligation	234,964,000	201,897,000	162,622,860	150,986,640	118,386,100
Current service cost	42,601,048	38,667,855	35,481,580	34,505,570	28,630,960
Interest cost	19,057,870	16,376,703	15,264,180	12,996,350	9,679,000
Liabilities assumed on amalgamation/acquisition	20,706,000	-	-	(271,450)	-
Actuarial (gain)/loss	34,335,104	10,026,823	16,186,560	(13,242,500)	3,316,830
Benefits paid	(33,723,022)	(32,004,381)	(27,658,180)	(22,351,750)	(9,026,250)
<b>Closing defined benefit obligation</b>	<b>317,941,000</b>	<b>234,964,000</b>	<b>201,897,000</b>	<b>162,622,860</b>	<b>150,986,640</b>

Changes in the fair value of plan assets are as follows:

	(Rupees)				
Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Opening fair value of plan assets	107,563,616	99,247,000	87,602,133	78,806,061	72,584,782
Expected return on plan assets	10,226,859	8,987,500	8,802,317	7,410,950	6,017,529
Actuarial gain/(loss)	(197,244)	962,177	(1,527,260)	1,041,330	(1,107,950)
Contribution by employer	40,236,859	30,371,320	32,027,990	22,979,812	10,337,950
Asset acquired on amalgamation/acquisition	16,212,156	-	-	(284,270)	-
Benefits paid	(33,723,022)	(32,004,381)	(27,658,180)	(22,351,750)	(9,026,250)
<b>Closing fair value of plan assets</b>	<b>140,319,224</b>	<b>107,563,616</b>	<b>99,247,000</b>	<b>87,602,133</b>	<b>78,806,061</b>

Details of experience adjustment on plan assets and liabilities are as follows :

	(Rupees)				
Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Experience adjustment on plan assets	(197,244)	962,177	1,527,260	1,041,330	(1,107,950)
Experience adjustment on plan liabilities	427,571	(898,823)	9,780,440	(1,566,020)	(396,720)

### 33. Gratuity and other post-employment benefit plans (Contd.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	(%)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2016/2015)	8.00	8.75

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 Company's plans is as below:

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
	Discount rate	6.50%
Estimated rate of return on plan assets	8.00%	8.50%
Expected employee turnover		
<b>Service years</b>	<b>Rates</b>	<b>Rates</b>
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Expected employer's contribution next year (Rupees)	42,350,000	38,500,000

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Broad category of plan assets as per percentage of total plan assets of the gratuity

Particulars	(%)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Government securities	56.05	52.24
Fixed deposit, debentures and bond	35.12	42.26
Others	8.83	5.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

34. Profit on sale of current investments are net of reduction in carrying value of current investment.

35. The Company, in accordance with its risk management policies and procedures, has a hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles "Guidance Note on Accounting for Derivative Contracts" issued by the Institute of Chartered Accountants of India (ICAI). Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedging reserve account. The counter party is generally a bank. These contracts are for a period between one day and one year.

Foreign currency risk is identified based on forecasted revenue in foreign currency. The management regularly monitors foreign currency risk based on periodic reports giving details on hedged/ unhedged positions, mark-to-market open contracts and available cash position. The use of derivative for hedging purpose is governed by Risk management policy of the Company. Hedge limits are governed by Risk Management Policy and are reviewed periodically.

Derivatives contracts are entered to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. Derivative financial instruments, which qualify for cash flow hedge accounting, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the Statement of Profit and Loss when the underlying transactions affect earnings. Any profit or loss arising on the cancellation or renewal of derivative contracts is recognised as income or as expense for the year. Derivative



contracts are structured in a way that they bear an opposite an offsetting impact with respect to foreign currency movement of underlying transactions. Derivative contracts are fair valued based on mark to market position sent by respective counterparty banks with whom such contracts are entered into.

Details of currency hedge entered for hedging highly probable future transactions are as under :

Particulars	As at December 31, 2016			As at December 31, 2015		
	Number of contracts	Amount in foreign currency	Fair Value (Amount in Rupees)	Number of contracts	Amount in foreign currency	Fair Value (Amount in Rupees)
USD	27	48,521,000	3,452,759,113	15	38,547,800	2,654,392,345
GBP	14	9,071,000	873,295,916	15	9,210,520	960,628,986
EUR	12	4,118,000	328,019,411	14	4,526,400	342,785,848

Details of unhedged foreign currency exposure

Particulars	As at December 31, 2016		As at December 31, 2016	
	Foreign Assets	Currency Liabilities	Rupees	
Currency	Assets	Liabilities	Assets	Liabilities
<b>Monetary</b>				
USD	13,329,832	134,766	905,298,258	9,152,685
GBP	16,887,320	-	1,418,404,585	-
EUR	1,187,326	10,299	84,050,680	729,030
Others	965,064	12,951,922	33,186,379	81,700,599
<b>Sub-total</b>	<b>32,369,542</b>	<b>13,096,987</b>	<b>2,440,939,902</b>	<b>91,582,314</b>
<b>Investment</b>				
USD	430,000	-	22,544,743	-
GBP	14,239,884	-	1,139,027,822	-
Others	795,780	-	10,501,668	-
<b>Sub-total</b>	<b>15,465,664</b>	<b>-</b>	<b>1,172,074,233</b>	<b>-</b>
<b>Total</b>	<b>47,835,206</b>	<b>13,096,987</b>	<b>3,613,014,135</b>	<b>91,582,314</b>

Particulars	As at December 31, 2016		As at December 31, 2016	
	Foreign Assets	Currency Liabilities	Rupees	
Currency	Assets	Liabilities	Assets	Liabilities
<b>Monetary</b>				
USD	8,175,980	49,668	542,496,697	3,295,573
GBP	18,477,820	3,820	1,826,262,094	377,599
EUR	1,317,175	3,151	95,040,803	221,647
Others	109,368	6,512,144	914,316	24,329,429
<b>Sub-total</b>	<b>28,080,343</b>	<b>6,568,783</b>	<b>2,464,713,910</b>	<b>28,224,248</b>
<b>Investment</b>				
USD	430,000	-	22,544,743	-
GBP	14,239,884	-	1,139,027,822	-
Others	795,780	-	10,501,668	-
<b>Sub-total</b>	<b>15,465,664</b>	<b>-</b>	<b>1,172,074,233</b>	<b>-</b>
<b>Total</b>	<b>43,546,007</b>	<b>6,568,783</b>	<b>3,636,788,143</b>	<b>28,224,248</b>

36. In accordance with provisions of the Companies Act, 2013 and pursuant to the public announcement for buy back made by the Company, during the previous year, the Company bought back and extinguished shares as under:

Particulars	Year Ended December 31, 2016	Year Ended December 31, 2015
Date of public announcement	-	23-Jun-15
Number of shares purchased	-	511,932
Face value of shares purchased (Rupee)	-	1
Consideration paid towards buy back (Rupees)	-	1,019,780,638
Share capital reduction (Rupees)	-	(511,932)
Share premium utilised (Rupees)	-	982,795,506
General reserve utilised (Rupees)	-	36,985,132
Amount transferred to capital redemption reserve on extinguishment of share capital (Rupees)	-	511,932
	-	<b>1,019,780,638</b>

### 37. Employee Stock Option Scheme (“ESOS”)

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	03-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46

\* At the end of 3rd, 4th & 5th year in equal tranches

\*\*Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

The company had three schemes under which options have been granted in the past.

Under ESOS 2011 and ESOS 2012 option vest over three years at each of the anniversaries. All options are exercisable within three years from the date of vesting and are settled in equity on exercise.

### 37. Employee Stock Option Scheme (“ESOS”) (Contd.)

Under ESOS 2014 options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	66,100	1,762.90	204,940	1,083.38	2,195,807	1,245.98
Granted during the period	194,200	2,180.85	47,800	2,180.85	82,100	2,180.85
Forfeited during the period	1,200	579.88	4,685	1,060.00	382,300	1,217.20
Exercised during the period	6,400	579.88	116,265	1,060.00	-	N.A.
Expired during the period	-	N.A.	-	N.A.	-	N.A.
Outstanding at the end of the period	252,700	2,119.67	131,790	1,502.86	1,895,607	1,292.28
Exercisable at the end of the period	23,300	1,774.74	51,990	1,115.26	-	N.A.

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	April 19, 2016	1,810.85
	October 14, 2016	2,097.11

Particulars	Range of exercise prices (Rupees)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	579.88 to 1060.00	271 days
	1119.85 to 1985.95	1545 days
	2025.20 to 2180.85	2178 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	Grant dates		
	ESOS 2014	ESOS 2012	ESOS 2011
Date of Grant	16-Dec-16	16-Dec-16	16-Dec-16
Stock Price (Rupees)	2,180.85	2,180.85	2,180.85
Volatility	27.90%	28.31%	28.31%
Riskfree Rate	6.58%	6.45%	6.45%
Exercise Price (Rupees)	2,180.85	2,180.85	2,180.85
Expected Life (Time to Maturity)	5.01	3.02	3.02
Dividend yield	1.05%	1.05%	1.05%
Fair value per option (Rupees)	734.46	621.74	621.74

We 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. We have considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

### 37. 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. We have calculated expected life as the average of the minimum and maximum life of the options.

**Dividend yield:** Expected dividend yield has been calculated as an total of Interim and final dividend declared in last year preceding date of Grant.

There were no modification made to the share based payment arrangement during the period.

The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS . The Company has not recorded any compensation cost as the grant has been given at 100% of the closing market price immediately prior to the date of grant on the stock exchange which recorded highest trading volume.

Had the Company recorded the compensation cost on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by Rs. 239,837,183 (P.Y. Rs. 360,854,250) and EPS would have been as under :

Earnings per share : Nominal value of Re.1 per share :	Year Ended December 31, 2016	Year Ended December 31, 2015
Basic (Rupees)	32.51	26.10
Diluted (Rupees)	32.16	25.76

Cash inflow on exercise of options.

Particulars	Year Ended December 31, 2016		Year Ended December 31, 2015	
	(Nos.)	Amount in Rupees	(Nos.)	Amount in Rupees
Exercised during the year	122,665	129,441,892	338,770	357,225,448
Exercised during the previous year	3,590	3,075,618	25,210	18,728,602
<b>Total</b>	<b>126,255</b>	<b>132,517,510</b>	<b>363,980</b>	<b>375,954,050</b>

There are no cash settled plans implemented by the company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	Year Ended December 31, 2016		Year Ended December 31, 2015	
	(Nos.)	Amount in Rupees	(Nos.)	Amount in Rupees
Not later than two years	1,461,007	1,971,616,642	931,129	1,138,037,385
Later than two years & not later than five years	819,090	1,211,740,331	1,535,588	1,936,317,951
<b>Total</b>	<b>2,280,097</b>	<b>3,183,356,973</b>	<b>2,466,717</b>	<b>3,074,355,336</b>

### 38. Earning Per Share

The following reflects the profit and share data used in the basic and diluted Earning per share (EPS) computations:

Particulars	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Net profit for calculation of basic/diluted EPS	2,556,534,087	2,220,076,625

Particulars	(Nos.)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Weighted average number of equity shares in calculating basic EPS	71,269,219	71,239,290
<b>Effect of dilution:</b>		
Add: weighted average stock options granted under ESOS	757,032	930,975
Weighted average number of equity shares in calculating diluted EPS	72,026,251	72,170,265

Earnings per share : Nominal value of Re.1	(Rupees)	
	Year Ended December 31, 2016	Year Ended December 31, 2015
Basic	35.87	31.16
Diluted (On account of ESOS, refer note 37)	35.49	30.76

### 39. Amalgamation

#### a) Nature of business

Pipal Research Analytics and Information Services India Private Limited (Pipal) is engaged in providing low risk IT Enabled Services in the area of corporate research. Coalition Development Systems (India) Private Limited (Coalition India) and Mercator info-Services India Private Limited (Mercator) is engaged in the business of providing Researched Data Processing Services. The Company held 100% voting power of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator info-Services India Private Limited.

- b) Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1, 2016.

Pursuant to the scheme coming into effect, all the equity shares held by the Company in Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited stand automatically cancelled.

- c) The amalgamation has been accounted for under the 'pooling of interest' method as prescribed under Accounting Standard - 14 (AS-14) notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly the assets, liabilities and reserves of Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited have been accounted at their carrying values.

### 39. Amalgamation (Contd.)

The difference between the carrying value of investments in the books of the Company and the amount of the share capital of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator info-Services India Private Limited have been adjusted in Capital Reserve / General Reserve.

Accordingly the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the following summarised values :

Particulars	(Rupees)		
	Pipal Research Analytics and Information Services India Private Limited	Coalition Development Systems (India) Private Limited	Mercator info-Services India Private Limited
<b>Assets</b>			
Fixed Assets	49,988,783	15,327,725	49,446,463
Current investments	27,315,052	-	-
Deferred Tax Assets	12,599,495	4,655,924	-
Cash and bank balances	35,353,379	43,016,008	18,407,424
Loans and advances	45,102,401	29,888,368	63,827,960
Other Current Assets	220,894	49,827	-
<b>Total Assets</b>	<b>170,580,004</b>	<b>92,937,852</b>	<b>131,681,847</b>
<b>Less : Liabilities</b>			
Trade payables	22,103,522	6,825,314	27,248,637
Other liabilities	10,767,202	4,418,187	6,439,976
Provisions	14,780,140	(323,618)	3,936,172
<b>Total Liabilities</b>	<b>47,650,864</b>	<b>10,919,883</b>	<b>37,624,785</b>
Net Assets	122,929,140	82,017,969	94,057,062
Less : Transfer of reserves of Pipal, Coalition India and Mercator	122,829,140	81,517,969	93,057,062
Redemption of Share Capital	100,000	500,000	1,000,000
Less : Cancellation of Company's investment in Pipal, Coalition India and Mercator	111,292,051	87,133,877	37,108,494
Balance adjustment on account of amalgamation as at appointed date from :			
<b>Reduction in Reserves:</b>			
Capital reserve	111,192,051	11,040,060	-
General reserve	-	75,593,817	36,108,494

40. Corporate Social Responsibility (CSR) expenses for the year ending 2016 includes Rs. 60,410,823 (P.Y. Rs. 41,402,075) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rs. 61,860,000 (P.Y. Rs. 58,258,000). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.

**41.** Personnel expenses to the extent of Rs.4,728,115 (P.Y. Rs. Nil) is considered for capitalisation as Intangible assets.

**42.** CRISIL Standalone financial figures for the year ended December 31, 2015 do not include the figures of erstwhile Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited which is amalgamated with the Company with effect from April 1, 2016. Consequently, the figures for the year ended December 31, 2016 are not comparable with previous period ended December 31, 2015.

### 43. Previous Year Comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

For **S.R. BATLIBOI & CO. LLP**  
ICAI Firm Registration No.: 301003E / E300005  
Chartered Accountants

per **Jayesh Gandhi**  
Partner  
Membership No.: 037924

Date: February 11, 2017  
Place: Mumbai

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

**M. Damodaran**  
Director

**H.N. Sinor**  
Director

**Vinita Bali**  
Director

**John L Berisford**  
Director

**Douglas L. Peterson**  
Chairman

**Ashu Suyash**  
Managing Director  
and Chief Executive Officer

**Martina Cheung**  
Director

**Minal Bhosale**  
Company Secretary

**Amish Mehta**  
Chief Financial Officer

Date: February 11, 2017  
Place: Mumbai

# Notice

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Thursday, April 20, 2017 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 to transact the following business:

## Ordinary Business:

### 1. Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Financial Statements of the Company for the year ended December 31, 2016, 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, 2016, together with the Report of the Auditors thereon.

### 2. Declaration of Dividend

To declare final dividend on Equity Shares of Rs. 9/- per equity share and, to approve and confirm the declaration and payment of three interim dividends aggregating Rs. 18/- per equity share for the year ended December 31, 2016.

### 3. Re-appointment of Mr. Douglas L. Peterson

To appoint a Director in place of Mr. Douglas L. Peterson (DIN 05102955), who retires by rotation and being eligible, seeks re-appointment.

### 4. Appointment of Statutory Auditors

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. S. R. Batliboi & Associates LLP, Chartered Accountants

(Firm Registration No. 301003E/E300005), to hold office from the conclusion of this 30th Annual General Meeting (AGM) until the conclusion of the 35th AGM and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorised to fix their remuneration for the said period and permit reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

## Special Business:

### 5. Appointment of Ms. Martina Cheung 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 Ms. Martina Cheung (DIN 07551069), who was appointed as an Additional Director of the Company with effect from July 19, 2016 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### 6. Appointment of Mr. John L. Berisford 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. John L. Berisford (DIN 07554902), who was appointed as an Additional Director of the Company with effect from July 19, 2016 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.”

### 7. Remuneration to Directors other than the Managing /Whole-Time Directors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:



“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Company, for payment of remuneration by way of commission to its Directors (whether existing or future) other than the Managing/Whole-time Directors, collectively up to 1% of the net profits of the Company every year, computed in the manner referred to in Section 198 of the Companies Act, 2013, in such proportion/ manner and to such extent as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT such remuneration paid to its Directors (whether existing or future) other than the Managing/ Whole-time Directors will be in addition to the payment of sitting fees and reimbursement of expenses, if any, to the Directors for attending the meetings of the Board of Directors or Committees thereof.”

#### **8. Amendments in CRISIL Employee Stock Option Scheme 2014**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of earlier special resolution at agenda item number 1 passed by the members of the Company by way of postal ballot on April 03, 2014 approving CRISIL Employee Stock Option Scheme 2014 (“ESOS - 2014” or “Scheme”), pursuant to the provisions of Regulation 7 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), applicable provisions, if any, of the Companies Act, 2013, and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed

or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the CRISIL Employee Stock Option Scheme 2014 (ESOS - 2014/ “Scheme”) being amended with the variation of the exercise price per option from ‘market price per share’ to ‘either face value or market price per share’ as determined by the Nomination and Remuneration Committee of the Board of Directors of the Company along with other variations in the nature of alignment with the current provisions of SEBI SBEB Regulations, and the same may be applied for granting options to all classes of employees entitled to participate in the Scheme;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee, by whatever name called, which the Board has constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised on behalf of the Company to make any / further modifications, changes, variations, alterations or revisions in the Scheme from time to time as permitted under and in due compliance with provisions of the Companies Act, 2013 and the SEBI SBEB Regulations to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid amendments in ESOS - 2014 and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

By order of the Board  
For CRISIL Limited

**Minal Bhosale**  
Company Secretary

Mumbai, February 11, 2017

ACS 12999

## 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 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.
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 Thursday, March 23, 2017 to Friday, March 24, 2017 (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 Thursday, May, 04, 2017:
  - (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 Wednesday, March 22, 2017; and,
  - (ii) In respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Wednesday, March 22, 2017.
7. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends. Members desirous of availing ECS facility for payment of dividend may download the required ECS mandate form from the website of the Company, [www.crisil.com](http://www.crisil.com).
8. The Company has transferred the unclaimed or un-encashed dividends for financial years up to 2009 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 and due dates for transfer to IEPF are available on website of the Company, [www.crisil.com](http://www.crisil.com) and is also published in this Annual Report under the section titled, 'Report on Corporate Governance'.

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 since 2010, 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 (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the 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 2016, 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.
12. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and 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 from the date hereof up to the date of the Meeting.
14. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready for responding at the Annual General Meeting.
15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members of the Company so as to facilitate them to cast their vote on all resolutions set forth in this Notice electronically, through e-voting services provided by Karvy Computershare Private Limited. The instructions for e-voting are as under:
 

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.

- 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) mentioned on the Postal Ballot Form. Your folio / DP ID - Client ID will be your User - ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form : Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Form / forwarded via email through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) The e-voting period shall commence on Sunday, April 16, 2017 at 10:00 a.m. and end on Wednesday, April 19, 2017 at 5:00 p.m. Members, holding shares either in dematerialised form or physical form as on Cut-Off date, Thursday, April 13, 2017, may cast their vote electronically during this period. The remote e-voting module shall be disabled at 5.00 p.m. on April 19, 2017. 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 on "LOGIN".
- v) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited (KCPL) e-voting platform. System will prompt you to change your password and update any contact

details like mobile number, email ID etc. on 1st 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, 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 on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
- xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii) Corporate / Institutional Members (Corporate/ FIs / FIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to krchandratreoffice@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- xiii) If you are already registered with KCPL for e-voting then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- xiv) Please contact KCPL's toll free No. 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 Thursday, April 13, 2017 ("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 April 13, 2017, may obtain login ID and password by sending a request to [evoting@karvy.com](mailto:evoting@karvy.com) with a copy to [investors@crisil.com](mailto:investors@crisil.com) by mentioning her / his Folio No. or DP Id and Client Id. However, if you are already registered with Karvy for e-voting, you can use your existing User Id and password for casting your vote.
  17. The Members who have not cast their vote by remote e-voting can exercise their voting rights at the Annual General Meeting. The Company will make arrangements for voting at the venue of the Annual General Meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  18. Dr. K. R. Chandratre, Practicing Company Secretary has been appointed as 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](http://www.crisil.com) and on the website of Karvy within forty eight hours of 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 land mark near the venue is Mantralaya.

**22. Pursuant to 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. Douglas L. Peterson:**

Mr. Peterson (age 58 years) was elected President and CEO of S&P Global effective November 2013. He joined S&P Global in September 2011 as President of Standard & Poor's Ratings Services.

Previously, Mr. Peterson was the Chief Operating Officer of Citibank, N.A., Citigroup's principal banking entity that operates in more than 100 countries. Mr. Peterson was with Citigroup for 26 years, during which time he transformed businesses and drove performance in investment and corporate banking, brokerage, asset management, private equity, and retail banking. Mr. Peterson is a Steward of the World Economic Forum's Shaping the Future of Long-Term Investing, Infrastructure and Development System, and co-chair of their Financial Services Governors Community. He also co-chairs the Bipartisan Policy Center's Executive Council on Infrastructure. He serves on the Boards of Directors of S&P Global, the Federal Deposit Insurance Corporation's Systemic Resolution Advisory Committee, the US-China Business Council, the Partnership for New York City and the Kravis Leadership Institute, and the Boards of Trustees of Claremont McKenna College and the Paul Taylor Dance Company.

Mr. Peterson received an MBA from the Wharton School at the University of Pennsylvania and an undergraduate degree in mathematics and history at Claremont McKenna College.

Mr. Douglas Peterson is also a member of the Nomination and Remuneration Committee of CRISIL. He is not director in any other Indian Company. 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. Douglas Peterson 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/Chairman or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. The details of Mr. Peterson's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

## 2. Ms. Martina Cheung:

Ms. Martina L. Cheung (age 41 years) is Executive Managing Director and Head of Risk Services of S&P Global Inc. She is responsible for leveraging S&P Global's significant risk intellectual property (research, content, models, data, analytics and solutions) to serve clients in managing complex risk challenges.

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

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

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

Ms. Cheung is also a director of the Company's wholly owned subsidiary, CRISIL Risk and Infrastructure Solutions Limited. Ms. Cheung has been inducted as a member of Investment Committee of the Board of Directors of CRISIL Limited with effect from July 19, 2016 and is a member of the Corporate Social Responsibility Committee of CRISIL Risk and Infrastructure Solutions Limited.

Ms. Cheung will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. She does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Ms. Cheung's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

## 3. Mr. John L. Berisford:

Mr. John L. Berisford (age 53 years) was appointed on the Board of CRISIL Limited as an additional director on July 19, 2016. John L. Berisford is President of S&P Global Ratings.

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

Before joining S&P Global Ratings in January 2011, Mr. Berisford spent 22 successful years at PepsiCo where he led 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. He serves on a variety of boards, and is currently chairman of the S&P Global Ratings U.S. and NRSRO Boards and executive chairman of the S&P Global Ratings European Board.

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

Mr. Berisford has been inducted as a member of the Audit Committee and Stakeholders' Relationship Committee of the Board of Directors of CRISIL Limited with effect from July 19, 2016. He is not director in any other Indian Company. He is a director in Standard & Poor's Financial Services LLC, S&P Global Real Estate Inc., S&P Global International LLC, Standard & Poor's Credit Market Services Europe Limited and S & P Global Ratings.

Mr. Berisford will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/Chairman or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Mr. Berisford's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

## Explanatory statement under Section 102 of the Companies Act, 2013:

### Item No. 4

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants were first appointed as auditors at the 20th Annual General Meeting (AGM) held on April 27, 2007. In terms of Section 139(2) of the Companies Act, 2013 ('the Act'), the maximum tenure of an audit firm is restricted to 10 years. M/s. S. R. Batliboi & Co. LLP, Chartered Accountants complete their term of 10 years at the conclusion of the ensuing 30th AGM of the Company and cannot be re-appointed for a fresh term. Accordingly, as per the said requirements of the Act, M/s. Walker Chandiook & Co LLP, Chartered Accountants (an affiliate of Grant Thornton India LLP) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of 30th AGM till the conclusion of the 35th AGM, subject to ratification by members every year, as may be applicable. M/s. Walker Chandiook & Co LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also furnished a declaration in term of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under Companies Act 2013. Their brief profile is as under :

M/s. Walker Chandiook & Co LLP is an affiliate of Grant Thornton India LLP ('GT India LLP'). GT India LLP is fully integrated Assurance, Tax and Advisory firm in India. It has presence in 13 cities of India with 3000+ partners and staff. GT India LLP is a member firm of Grant Thornton International. Globally Grant Thornton has presence in 130 countries and employs over 42,000 people. GT India LLP has been ranked as the top 5th audit firm according to the survey report of Prime Database for FY2014-15.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice. The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

### Item No. 5:

Ms. Martina Cheung who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective July 19, 2016 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 her intention to propose the candidature of Ms. Martina Cheung for the office of Director. A brief resume of Ms. Martina Cheung 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.

Ms. Cheung is also a director of the Company's wholly owned subsidiary, CRISIL Risk and Infrastructure Solutions Limited. Ms. Cheung has been inducted as a member of Investment Committee of the Board of Directors of CRISIL Limited with effect from July 19, 2016 and is a member of the Corporate Social Responsibility Committee of CRISIL Risk and Infrastructure Solutions Limited.

The Board of Directors considers it in the interest of the Company to appoint Ms. Martina Cheung as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms. Martina Cheung, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 5 of the notice for approval of the members.

### Item No. 6:

Mr. John L. Berisford who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective July 19, 2016 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 her intention to propose the candidature of Mr. John Berisford for the office of Director. A brief resume of Mr. John Berisford 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. John Berisford is not a director of any other company in India. He is a member of the Audit Committee and the Stakeholders' Relationship Committee of CRISIL. 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. John Berisford as a Director. None

of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. John Berisford, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 6 of the notice for approval of the members.

**Item No. 7:**

With the objective of attracting and retaining professionals with expertise and high competence on the Board and its various Committees and in the context of the increasing demand over the time of the independent and professional Directors for various matters relating to the Company, it is necessary to adequately compensate the Board members for their contributions.

In terms of the approval of the members of the Company at their 26th AGM held on April 18, 2013 and the subsequent Central Government approval thereon, the Company has been paying remuneration by way of commission to the Directors other than the Managing/Whole-time Directors, for each of the financial years starting from financial year 2013, of a sum not exceeding 1% of the net profits of the Company in any year. The said approval was valid for five years, ending with financial year 2017.

The resolution at item No. 7 seeks to renew the shareholder approval for payment of commission to Directors (whether existing or future) other than Managing/Whole-time Directors. The commission would not exceed collectively, 1% of the net profits of the Company every year, computed in the manner referred to in Section 198 of the Companies Act, 2013. This would be in addition to the payment of sitting fees and reimbursement of expenses, if any, for attending the meetings of the Board of Directors or Committees thereof. The actual payment each year, would be to such an extent as may be determined by the Board of Directors of the Company.

Except for the Non-Executive and Independent Directors and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the notice. The Board recommends the resolution set forth in item No. 7 of the notice for approval of the members.

**Item No. 8:**

The Company had implemented the CRISIL Employee Stock Option Scheme 2014 (ESOS - 2014/"Scheme"), with a view to attract and retain key talent by way of rewarding their

performance and to motivate them to contribute to the overall corporate growth and profitability. The Scheme was approved by the members of the Company by way of a Postal Ballot special resolution on April 03, 2014 with a stock option pool of 36 Lac options, for grant from time to time, with the exercise price being the market price of equity shares as on the date of the grant. With the growth in the number of employees over the years and that estimated in future, and also considering the increasing trend of compensation for the human resources, the current stock option pool may not be adequate given the current exercise price. Thus, it is thought expedient to rationalise the Scheme in terms of revising the exercise price; so that the current pool may be used more effectively to achieve objectives of the Scheme.

Further, the Scheme was approved in due compliance with the then prevailing SEBI (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines, 1999. On October 28, 2014, these Guidelines were repealed with the introduction of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"). Although the Scheme is compliant with the SEBI SBEB Regulations as on today, the Scheme refers to the erstwhile Guidelines and provisions therein. Thus, it is also thought expedient to update the Scheme in line with the current regulations along with miscellaneous updations in the routine clauses of the Scheme.

As per SEBI SBEB Regulations, a company may vary terms of any employee stock option or Scheme provided such variation is not prejudicial to the interests of the employees and that the proposal is approved by the members by way of a special resolution. The proposed variation/ amendment of exercise price as aforesaid, is not detrimental to the interests of the employees. The beneficiaries of the variation/ amendment are eligible employees of the Company.

Subject to your approval, the Nomination and Remuneration Committee and the Board of the Company have approved the amended ESOS – 2014 vide their respective resolutions dated February 10, 2017 and February 11, 2017.

Given the details of variation/ amendment, rationale thereof and beneficiaries of such variation, as per SEBI SBEB Regulations, your approval is sought for the variation/amendment to the Scheme in the lines stated above.

Features of Scheme remain the same as originally approved except as stated above. However, the features are reproduced in terms of SEBI SBEB Regulations, as under:



**a. Brief description of the Scheme**

The Scheme is being implemented with a view to attract, retain, incentivise and motivate, key talent of the Company and its subsidiaries that would lead to higher corporate growth and shareholders' value. Options granted shall vest only after satisfaction of vesting conditions. After vesting of options, the vested options can be exercised by the employees. Company shall issue shares upon exercise and the concerned employee may like to hold the shares till a time period at his/ her discretion and sell the shares to earn incentives. Nomination and Remuneration Committee ("Committee") of the Board of Directors supervises and administers the Scheme and shall act as Compensation Committee within the meaning of SEBI SBEB Regulations.

**b. Total number of Options to be granted**

The Scheme as originally approved contemplated not exceeding 3,600,000 options exercisable into not exceeding 3,600,000 equity shares of the Company of face value of Re. 1/- each fully paid up. However, the amended Scheme contemplates 1,625,293 number of options representing un-granted options out of 3,600,000 options and such options that would be available for grant on being lapsed or cancelled.

**c. Identification of classes of employees entitled to participate in the Scheme**

All the permanent employees (including a whole-time director) of the Company and/or of its subsidiary (Indian or Overseas) are eligible to participate in the Scheme. Provided however that the following persons shall not be eligible to participate in the Scheme

- (i) an employee who is a Promoter or belongs to the Promoter Group as defined in the SEBI Regulations; or
- (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- (iii) Independent Directors.

The Company has already taken member's prior approval for grant of options under the Scheme vide special resolutions 1 and 2 passed through postal ballot dated April 03, 2014 and the amended provisions of the Scheme shall henceforth apply to such eligible employees.

**d. Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 5 (five) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee.

**e. Maximum period within which the options shall be vested**

All the options granted on any date shall vest not later than a maximum of 5 (five) years from the date of grant of options as may be determined by the Committee.

**f. Exercise price or pricing formula**

Exercise price per option shall be either at face value or Market Price per share as determined by the Committee in relation to each Grant. Market Price shall have meaning as defined in the SEBI SBEB Regulations.

**g. Exercise period and the process of Exercise**

The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The options shall lapse if not exercised within the specified exercise period.

**h. Appraisal process for determining the eligibility of employees under the Scheme**

The Committee shall determine the eligibility criteria for the employees and whole-time directors of the Company and the subsidiary companies under the Scheme. The eligibility criteria shall, inter alia, include company performance parameters as well as individual performance parameters as may be deemed appropriate by the Committee. Committee shall in accordance with this Scheme and Applicable Laws, in its absolute discretion, determine lapsing of options granted to an employee on account of his/her performance being no longer commensurate with the highest standard expected from critical employees. In the event the Committee determines that the performance and/or conduct of

the employee do not conform to the highest standards expected from the beneficiaries under the Scheme, the options that are granted, but not vested, would lapse.

**i. Maximum number of Options to be issued per employee and in aggregate**

Not more than 1% of the issued and paid-up equity share capital of the Company is proposed to be offered and allotted under the Scheme to any single eligible employee per year, and the aggregate number of options granted shall not exceed 36,00,000 number of equity shares of the Company.

**j. Maximum quantum of benefits to be provided per employee under the Scheme**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options/ sell of shares.

**k. Route of Scheme implementation**

The Scheme shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l. Source of acquisition of shares under the Scheme**

The Scheme as originally contemplated and as amended envisages fresh/new issue of shares by the Company.

**m. Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.**

This is not applicable.

**n. Maximum percentage of secondary acquisition**

This is not applicable.

**o. Accounting and Disclosure Policies**

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed

by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p. Method of option valuation**

In view of the applicability of Indian Accounting Standard, going forward, the Company will adopt the fair value method for valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

**q. Declaration**

Going forward, since the Company will adopt fair value method for expensing of the benefits of the Plan, there is no requirement of giving statement here or a Disclosure in Director's Report with respect to the difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if it had used the fair value of the options.

A draft copy each of original and amended version of ESOS – 2014 are available for inspection at the Company's Registered Office between 11.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the Meeting.

Non-Independent Directors and Key Managerial Personnel of the Company and their relatives, are deemed to be concerned or interested in the resolution to the extent of options granted or which would be granted to them under ESOS-2014. Save as aforesaid, none of the Directors or any of their relatives, are concert or interested, financially or otherwise in the resolution set out at item No. 8 of the notice. The Board recommends the resolution set forth in item No. 8 of the notice for approval of the members.

By order of the Board  
For CRISIL Limited

**Minal Bhosale**  
Company Secretary

Mumbai, February 11, 2017

ACS 12999



# CRISIL Limited

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076  
Corporate Identification Number (CIN) : L67120MH1987PLC042363  
Tel.: 022-33423000 Fax: 022-33423810  
Website: www.crisil.com ; e-mail: investors@crisil.com

## Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

### Form of Proxy

Name of Member(s) : .....  
Registered address : .....  
Email ID : .....  
Folio No. / DP ID - Client ID : .....

I / We, being the Member(s) holding ..... shares of CRISIL Limited, hereby appoint :

1. Name : .....  
Address : .....  
Email ID : .....

Signature : ....., or failing him / her

2. Name : .....  
Address : .....  
Email ID : .....

Signature : ....., or failing him / her

3. Name : .....  
Address : .....  
Email ID : .....

Signature : .....,

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Thursday, April 20, 2017 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

#### ORDINARY BUSINESS:

1. Adoption of Financial Statements
2. Declaration of Dividend
3. Re-appointment of Mr. Douglas Peterson
4. Appointment of Statutory Auditors

#### SPECIAL BUSINESS:

5. Appointment of Ms. Martina Cheung as a Non-Executive Director, liable to retire by rotation
6. Appointment of Mr. John L. Berisford as a Non-Executive Director, liable to retire by rotation
7. Remuneration to Directors other than the Managing /Whole-time Directors.
8. Amendments in CRISIL Employee Stock Option Scheme 2014

Signed this ..... day of ....., 2017

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....

Affix  
Re. 1  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. The proxy holder may vote through e-poll made available at the venue of the meeting either for or against each resolution, in case the member has not voted through the remote e-voting facility.

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# Office Locations

## Registered Office

CRISIL House,  
Central Avenue,  
Hiranandani Business Park,  
Powai,  
Mumbai 400 076, India  
Phone : +91 22 3342 3000  
Fax : +91 22 3342 3001

## Asia Pacific

### India

#### Ahmedabad

Unit No. 706, 7th Floor,  
Venus Atlantis, Prahladnagar, Satellite,  
Ahmedabad 380 015  
Phone : +91 79 4024 4500  
Fax : +91 79 4024 4520

#### Bengaluru

W - 101, 1st floor, Sunrise Chambers,  
22, Ulsoor Road,  
Bengaluru 560 042  
Phone : +91 80 4244 5399  
Fax : +91 80 4244 5300

#### Chennai

Thapar House, Mezzanine Floor,  
No. 37 Montieth Road, Egmore,  
Chennai 600 008  
Phone : +91 44 6656 3100 / +91 44 4905 3100  
Fax : +91 44 2854 7531/ +91 44 6656 3160

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  
Fax : +91 44 4226 3520

#### Kolkata

3rd floor, Convergence Building,  
Sector 5, Saltlake City,  
Kolkata 700 071  
Phone : +91 33 4011 8200

#### Pune

Flagship Infrastructure Pvt. Ltd.  
Building No. IT 3, 1st Floor,  
NTPL SEZ, Survey No. 154/6,  
Rajiv Gandhi Infotech Park,  
Phase - I, Hinjewadi,  
Pune 411 057  
Phone : +91 20 4200 8000  
Fax : +91 20 4200 8010

1187/17, Ghole Road,  
Shivaji Nagar,  
Pune 411 005  
Phone : +91 20 4018 1900  
Fax : +91 20 4018 1930

#### Gurgaon

Plot No. 46, Sector 44,  
Opp PF Office,  
Gurgaon 122 003, Haryana  
Phone : +91 0124 672 2000

#### Hyderabad

Uma Chambers, 3rd Floor,  
Plot No. 9 & 10, Nagarjuna Hills,  
Near Punjagutta Cross Road,  
Hyderabad 500 082  
Phone : +91 40 2335 8103 - 05  
Fax : +91 40 2335 7507

#### 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

#### Mumbai SEZ

Unit no. 104 & 201,  
Kensington, A wing, IT/ITES-SEZ,  
Hiranandani Business Park, Powai,  
Mumbai 400 076  
Phone : +91 22 4047 2100  
Fax : +91 22 4047 2045

#### China

##### Hangzhou

CRISIL Irevna Information Technology  
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Hangzhou 310052  
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Hangzhou 310052

##### Singapore

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60 Robinson Road, # 11-01, BEA Building,  
Singapore 068892  
Phone: +65 6222 1845 / 6227 6123 /  
6227 7180  
Fax: +65 6227 5010 / 6227 2061

##### Hong Kong

Level 19, Two International Finance Centre,  
8 Finance Street, Central,  
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Phone : +852 3101 7306  
Fax : +852 2251 1618

## Europe

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Coalition Development Limited  
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### Poland

CRISIL Irevna Poland Sp. z.o.o  
Renaissance Business Centre,  
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## North America

### New York

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## South America

### Argentina

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