

April 26, 2016

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

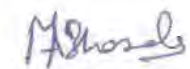
Dear Sirs,

Sub.: CRISIL Limited – Annual Report for financial year ended December 31, 2015

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for financial year 2015, comprising the Balance Sheet as at December 31, 2015, the Profit & Loss A/c. for year ended on that date, the notes appended thereto and the Reports of the Board of Directors and the Auditors thereon.

Kindly take the same on record.

Yours faithfully,
For CRISIL Limited



Minal Bhosale
Company Secretary
ACS 12999




Encl.:

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363



DIVERSITY **AT ITS BEST**



At CRISIL, we believe that **our strength lies in the diversity of our businesses, people and operations.**

Our diverse range of services offerings – credit ratings, data and research, analytics, advisory and risk management – is a testimony to this fact, as is the wide range of clients that we work with – from small enterprises to large corporations and financial institutions including global organisations, governments and policymakers.

Diversity at CRISIL is also reflected in our thoughts and opinions. This allows us to deliver independent analyses and actionable insights across the Indian economy and 86 industries.

And at the core of it all lies our diverse 3,700+ strong workforce across 8 countries, which brings distinctive skills, perspectives and experiences to the Company.

Together, we are well integrated and singularly committed to our mission of making markets function better.

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CHAIRMAN'S MESSAGE



CRISIL'S RELENTLESS FOCUS ON EXCELLENCE, INNOVATION, CUSTOMER CENTRICITY AND AGILITY GUIDES THE ORGANISATION TOWARDS REALISING ITS VISION.

I am delighted to report that 2015 was a significant year for CRISIL, marked by progress on many fronts. The company strengthened its leadership position across markets in India and globally. Though business conditions have been challenging, CRISIL has been successful in uncovering new growth opportunities.

CRISIL's strength lies in the diversity of its businesses, people, global reach and the synergies that it enjoys with McGraw Hill Financial's portfolio of leading brands, including Standard & Poor's Ratings Services, S&P Capital IQ and SNL Financial, S&P Dow Jones Indices and Platts.

CRISIL's Global Research & Analytics business had an excellent year, as India businesses continued to grow and reinforce their premier position in the market. This year, the Company also furthered its franchise and thought leadership agenda, enabling discussions among regulators and policy makers, especially in banking and financial services and in the infrastructure sector.

CRISIL's relentless focus on excellence, innovation, customer centricity and agility guides the organisation towards realising its vision of being the foremost provider of ratings, research, data and analytics and solutions to our clients, investors, policy makers and market participants.

I am confident that the progress CRISIL made last year will act as a springboard for it to scale greater heights and fulfil its mission of making markets function better by providing independent opinions, actionable insights and efficient solutions.



Douglas L. Peterson



ABOUT CRISIL

MAKING MARKETS FUNCTION BETTER

CRISIL is a global analytical company driven by its mission of making markets function better. It is India's foremost provider of ratings, data and research, analytics and solutions, with a strong track record of growth and innovation. CRISIL delivers independent opinions, actionable insights, policy advisory and efficient solutions.

It is majority owned by Standard and Poor's (S&P), the world's leading provider of independent credit risk research and benchmarks, and a part of McGraw Hill Financial (formerly The McGraw-Hill Companies).



VISION

To be the foremost provider of ratings, data and research, analytics and solutions to our clients, investors, policy makers and other market participants.

MISSION

To make markets function better by providing independent opinions, actionable insights and efficient solutions.

CRISIL'S BUSINESSES



CRISIL RATINGS

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

Our clients include over 91,000 Micro, Small and Medium Enterprises (MSMEs) and more than 20,800 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 the computation of capital adequacy in the banking sector and to determine the eligible investment pool for insurance companies, pension funds and provident funds. Through our Global Analytical Centre (GAC), we provide analytical, research and data services to McGraw Hill Financial globally. GAC partners with Standard & Poor's Ratings Services (S&P) to process information, improve workflow efficiency, support research and analysis, and execute modelling assignments.

CRISIL has rated over

91,000

MSMEs and 20,800 large and mid-scale corporates and financial institutions in India.



CRISIL GLOBAL RESEARCH & ANALYTICS

Financial Research
Risk & Analytics
Corporate Research
Coalition

Our research support enables coverage of over 3,300 stocks globally. Our team of quantitative, regulatory, risk and actuarial specialists deals with over 30 banks globally and reviews 20% of outstanding exotic equity derivatives. Our team at Coalition provides business intelligence and high-end analytics to more than 20 investment banks including all the top 15. We operate from 7 research centres across Argentina, China, India and Poland; and serve the world's leading commercial and investment banks, insurance companies, corporations, consulting firms, private equity players and asset management firms.

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 new path breaking strategies. Our well-nurtured specialists in derivatives, quantitative, 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.

CRISIL Global Research and Analytics enables coverage of over

3,300

stocks globally, reviews 20% of outstanding exotic equity derivatives and provides business intelligence to leading global investment banks.



CRISIL RESEARCH

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

We help our clients make informed lending, investment and strategic decisions, thereby mitigating and managing risk. We work with 1,200 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, all Indian mutual fund (MF) and life insurance companies and 6 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 USD 1,307 billion of Indian debt securities. We rank Indian MF schemes, covering 77% of assets under management and worth USD 155 billion. We are also the sole provider of debt and hybrid indices to India's MF and life insurance companies.

CRISIL Research works with over

1,200

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

CRISIL RISK & INFRASTRUCTURE SOLUTIONS LIMITED (CRIS)

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



CRISIL Infrastructure Advisory: CRISIL Infrastructure Advisory is a leading advisor to governments and regulators, multilateral agencies, investors and large corporates.

We help shape public policy and enable infrastructure development. We work in the areas of policy formulation, regulation, project advisory and design and implementation of public private partnership frameworks and infrastructure financing mechanisms. 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.

CRISIL provides advisory services in urban development, energy and natural resources, transport and logistics, and infrastructure financing in 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 65 banks and financial institutions adopt best practices in risk management, undertaken risk management assignments in 20 countries and provided risk management solutions to 9 of the top 10 banks in India.

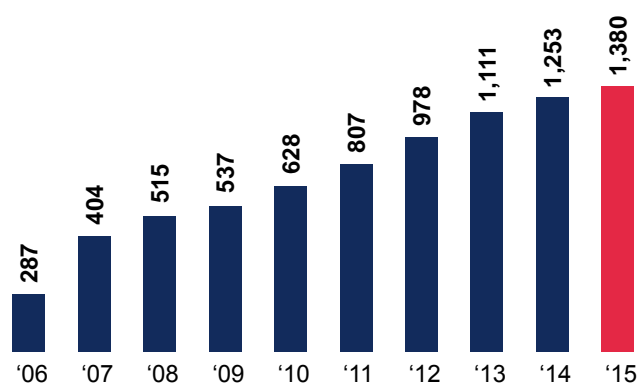
CRISIL Risk Solutions has helped over

65

banks and financial institutions in India and select emerging markets to adopt best practices in risk management.

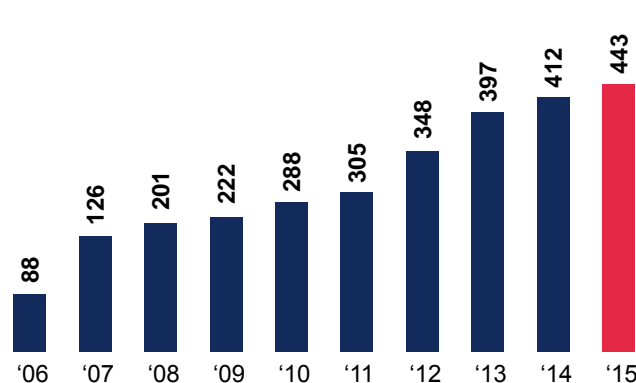
FINANCIAL HIGHLIGHTS

Rs. in Crore CAGR 19%



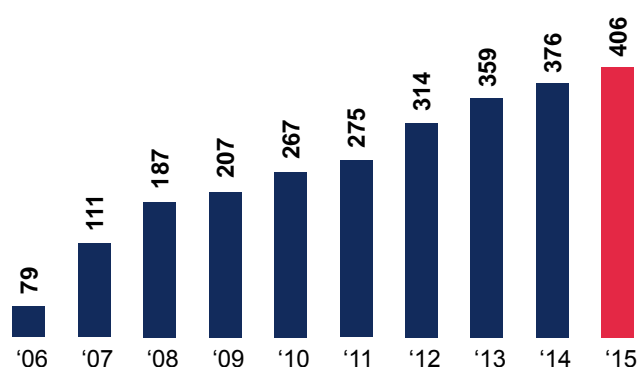
Income from operations

Rs. in Crore CAGR 20%



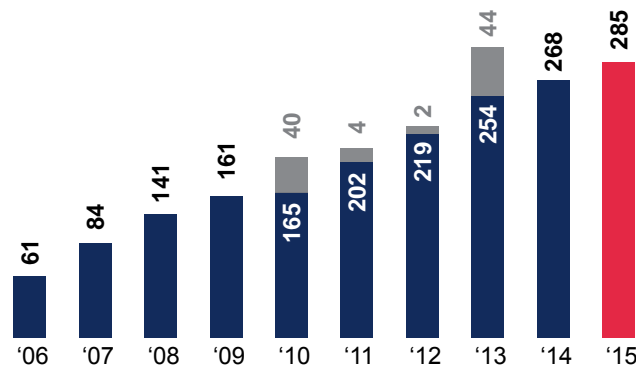
EBITDA

Rs. in Crore CAGR 20%



Profit before tax

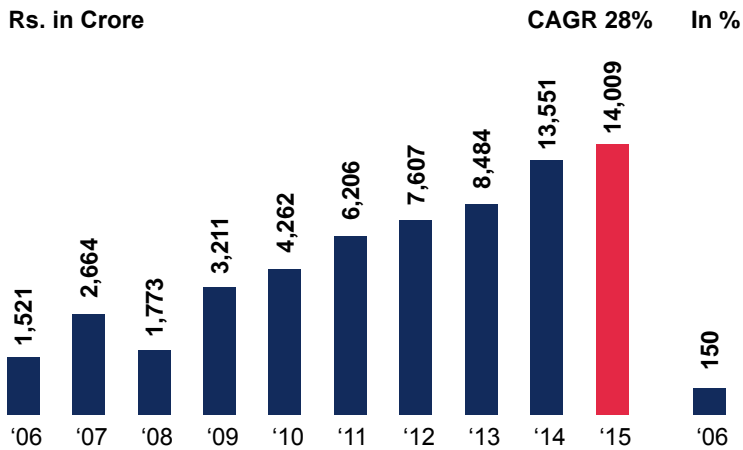
Rs. in Crore CAGR 19%



Profit after tax

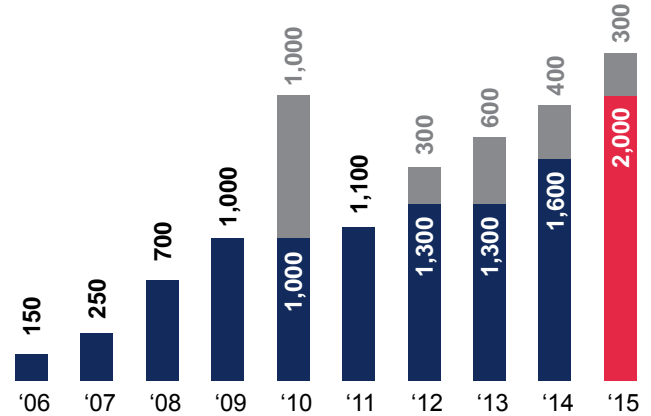
■ One-Time Impact

Rs. in Crore



Market capitalisation

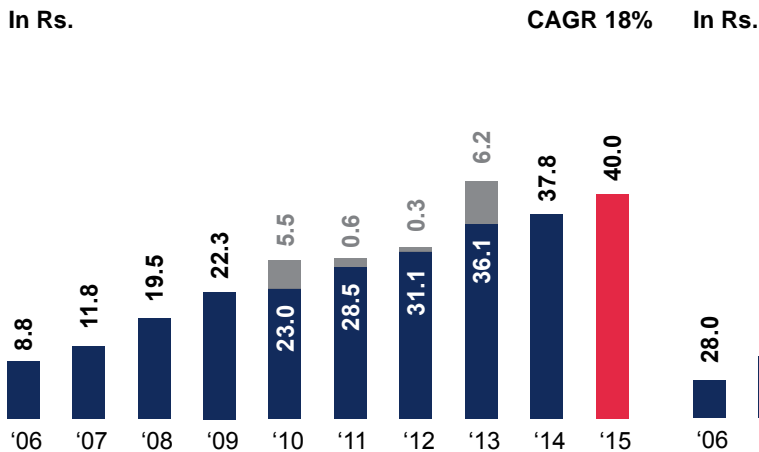
In %



Dividend

■ Special Dividend

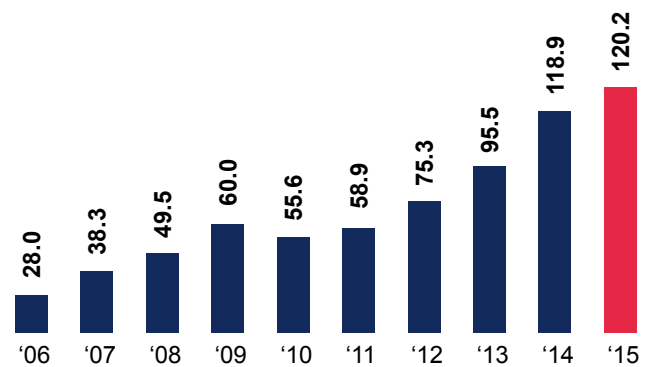
In Rs.



EPS

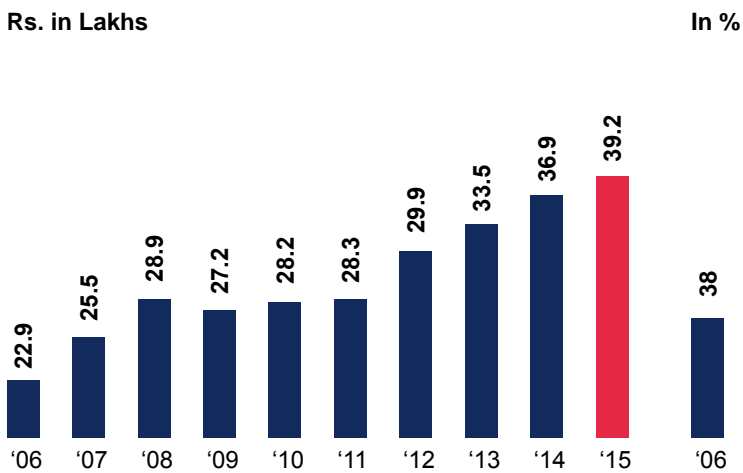
■ One-Time Impact

In Rs.



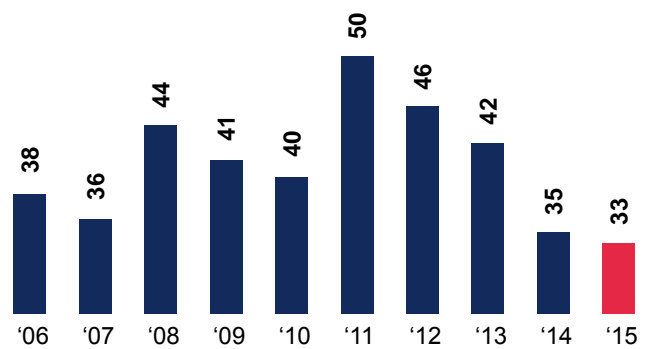
Net worth per share

Rs. in Lakhs



Income per employee

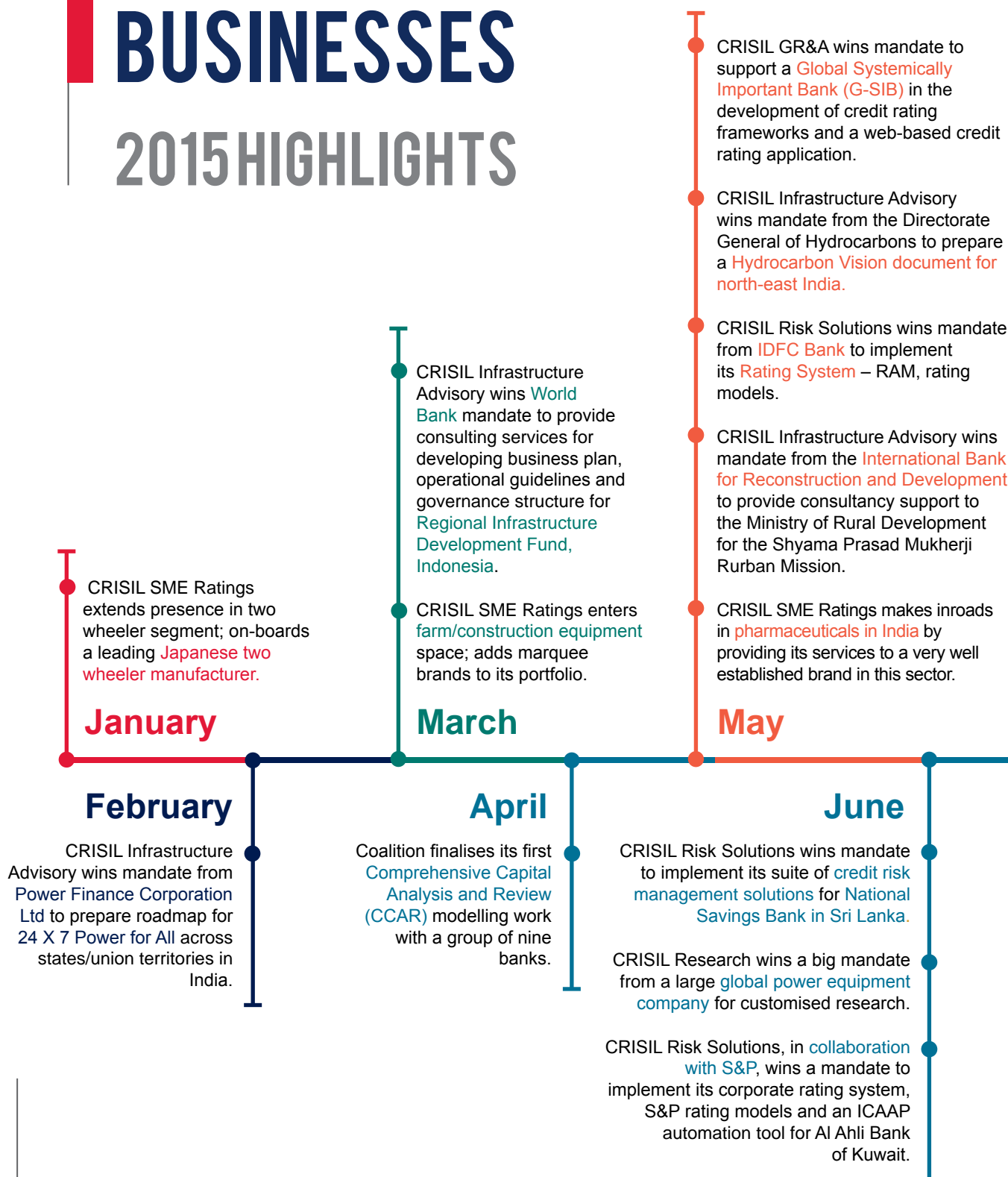
In %

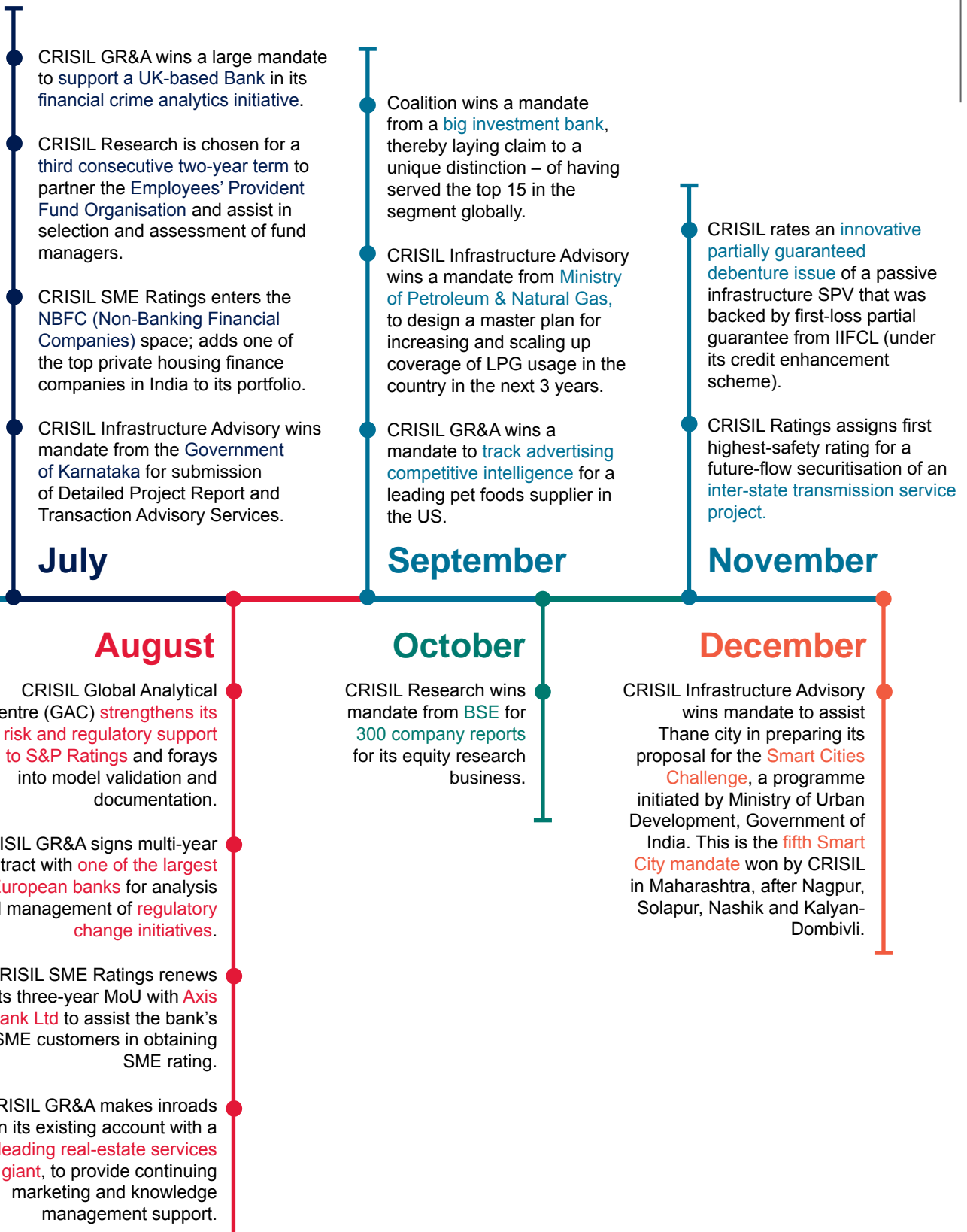


Return on average net worth

DIVERSIFIED BUSINESSES

2015 HIGHLIGHTS

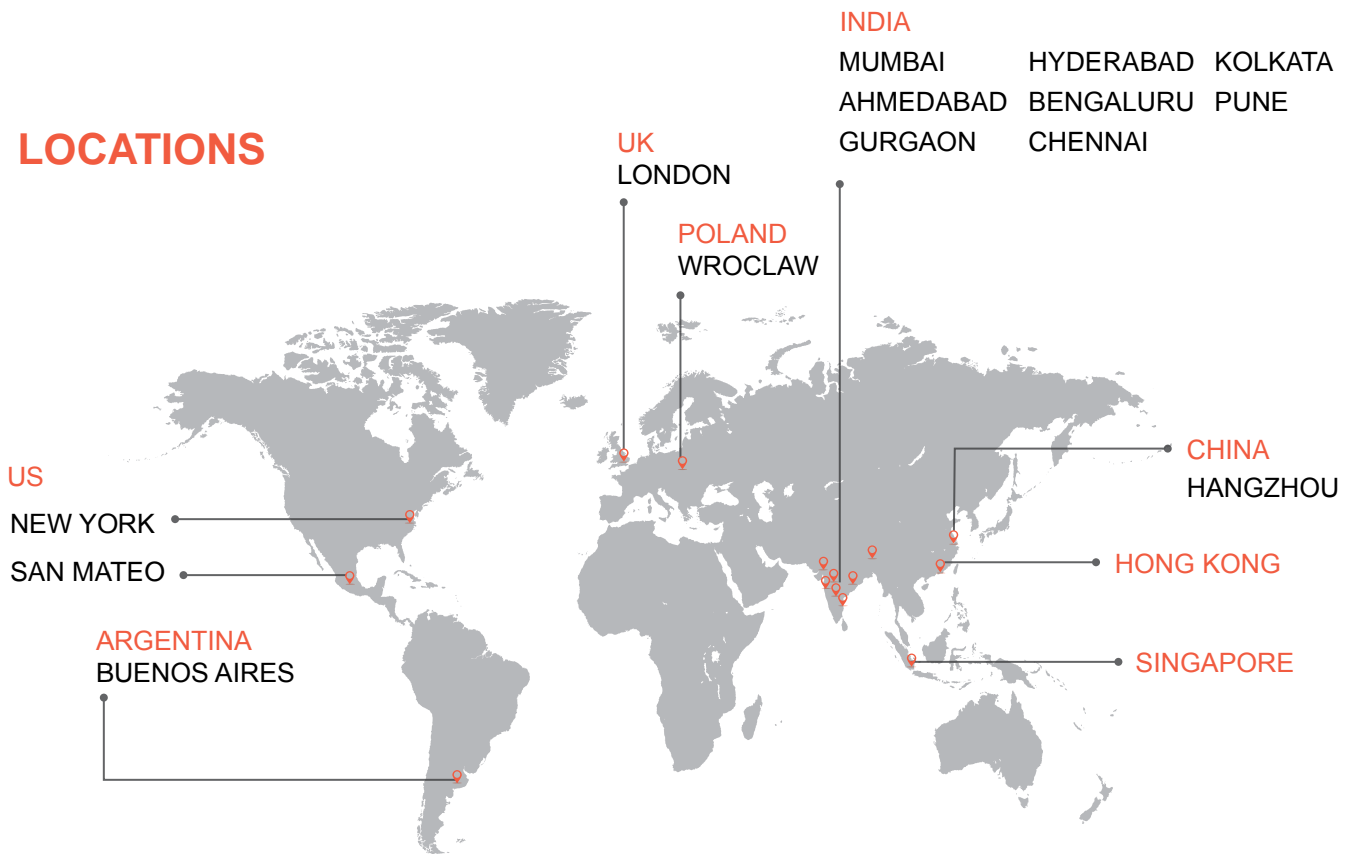




100,000+ customers.
Multiple stakeholders.
Across 86 industries.

Our diversified businesses spread across the globe...

LOCATIONS



BUSINESSES



RATINGS



RESEARCH



GLOBAL RESEARCH &
ANALYTICS



RISK
SOLUTIONS



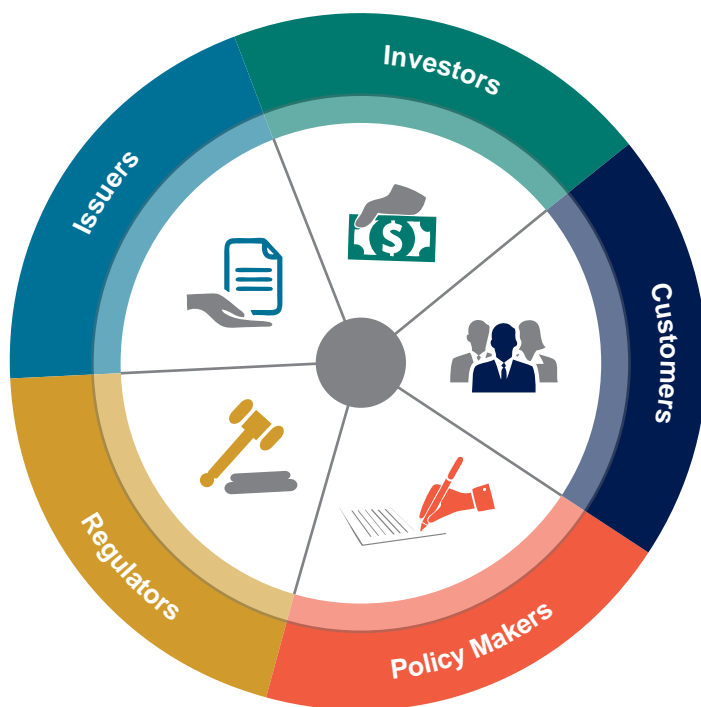
INFRASTRUCTURE
ADVISORY



Enabling sounder financial decision-making over the years.

...enable us to engage with multiple stakeholders...

...and deliver analysis, insights and solutions to our customers.



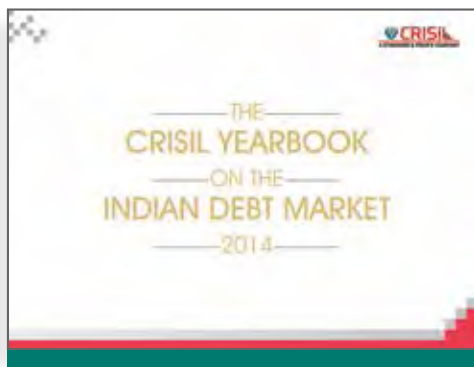
- CORPORATES
 -
 - LARGE | MEDIUM | SMALL
- FINANCIAL INSTITUTIONS
 -
 - BANKS
 - NBFCs (Non-Banking Financial Companies)
 - HFCs (Housing Finance Companies)
 - MFs (Mutual Funds)
 - MFIs (Micro Finance Institutions)
 - INSURANCE
 - PEs (Private Equity)
- CENTRAL GOVERNMENT, STATE GOVERNMENT & URBAN LOCAL BODIES
 -
- STOCK EXCHANGES
- SHGs (Self-Help Groups)

*As of December 31, 2015

DIVERSITY OF THOUGHT

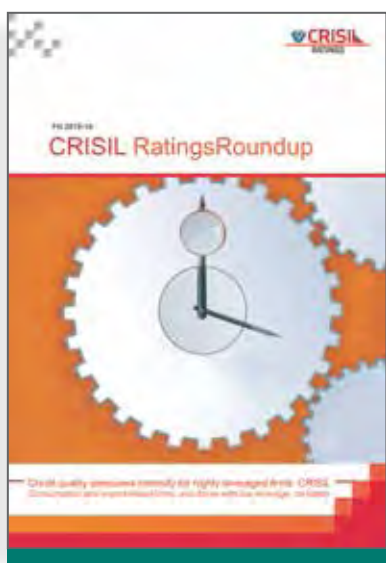
CRISIL PUBLICATIONS

Insights on Corporate India



CRISIL's Yearbook on the Indian Debt Market

CRISIL's comprehensive analysis of the Indian debt market



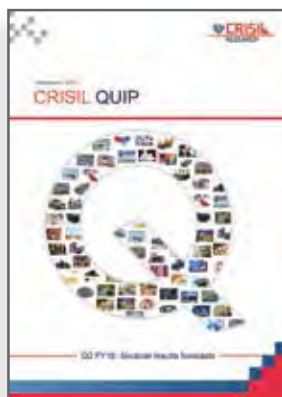
CRISIL Ratings Roundup

Bi-annual analysis of CRISIL's rating actions with the underlying economic trends and business factors driving them



CRISIL Credit Conversations

Monthly bulletin on recent developments in the credit space



CRISIL QUIP

Quarterly update on performance of India Inc.

CRISIL Credit Conversations

Volume 5: March - April 2015



Here we are with the fifth volume which talks about the improvement in credit quality of mid-sized firms and downward trend seen in credit profiles of banks. In addition to other recent credit developments, this volume also discusses the credit implications of the recently concluded coal and spectrum auctions.

To their credit, midsizers show quality

CRISIL's analysis of rating actions during the second half of 2014-15 shows credit quality of mid-sized firms (operating income Rs. 100-500 crore) improved the most followed by large firms (operating income > Rs.500 crore) and small firms (operating income < Rs.100 crore) (see CRISIL release, 'Mid-sized firms see biggest gain in credit quality', dated April 6, 2015). Greater bargaining power helped many midsizers to improve business profiles, maintain profitability and manage working capital better. They also had healthier leverage metrics.

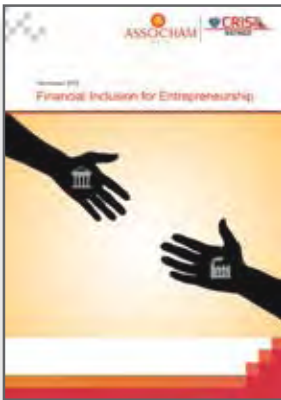
| Credit quality trends - second half of 2014-15 | | |
|--|-------|-----------------------------|
| | Count | Debt-to-earnings (DE) ratio |
| Upgraded companies | 816 | 42.06 |
| Downgraded companies | 465 | 59.08 |
| Overall credit ratio | 1.75 | 0.72 |
| Credit ratio (mid-size firms) | 2.26 | 2.09 |
| Credit ratio (large firms) | 2.00 | 0.45 |
| Credit ratio (small firms) | 1.55 | 1.10 |

During the second half, India Inc's credit ratio improved to 1.75, driven by mid-sized companies which had the best ratio of 2.26 followed by large-sized firms with 2.00 and small ones with 1.55. Mid-sized companies also outshone their counterparts in the ratio of debt to firms upgraded to that of firms downgraded.

Some mid-sized companies moved to the 'A' category because of expected improvement in revenue growth and sustained operating margins. These include Monard Technologies (manufacturer of paper corrugated boxes and plates), Imperial Hospital (a tertiary care facility) and Asian Fabrics (manufacturer of home furnishings textile products).

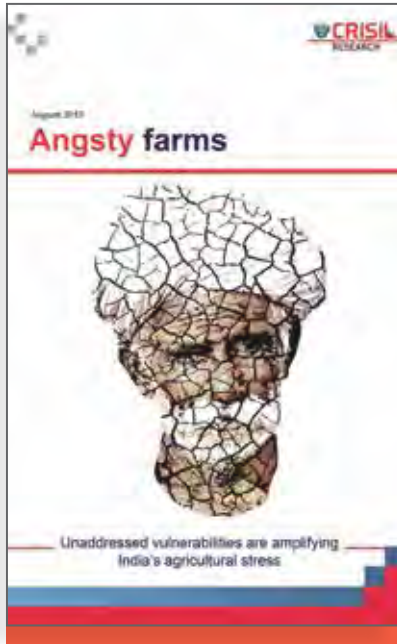
While overall credit quality is improving and credit ratio is expected to remain above 1 in the medium term, enormous debt on the balance sheets of large companies continues to curb significant improvement in their credit profiles. We believe recovery will be based on improvement in investment demand, government's ability to push through economic reforms, deleveraging of balance sheets, inflation trends and monsoon pattern.

Economy Insights



Financial Inclusion for Entrepreneurship

Joint report with ASSOCHAM on overview of the financial inclusion for MSME sector



CRISIL Insight: Angsty farms

Insight on the unaddressed vulnerabilities that are amplifying India's agricultural stress



CRISIL Insight: When India ages, whither pension for all

The need for increased pension coverage for India's private sector workforce



Modified Expectations

Analysis on India Inc's performance in the first nine months of fiscal 2015



CRISIL Inclusix Vol 3

Comprehensive index measuring progress of financial inclusion in India

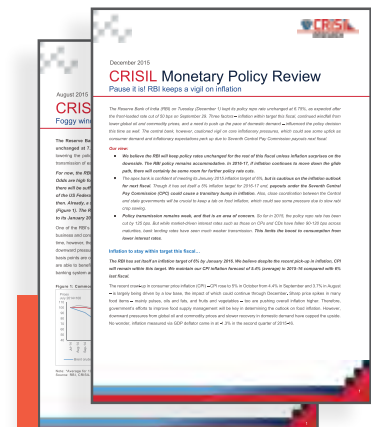
CRISIL Insights – Global Economy

Monthly series on global and Indian macroeconomic trends.



CRISIL Monetary Policy Review:

Key trends and outlook on India's monetary policy.

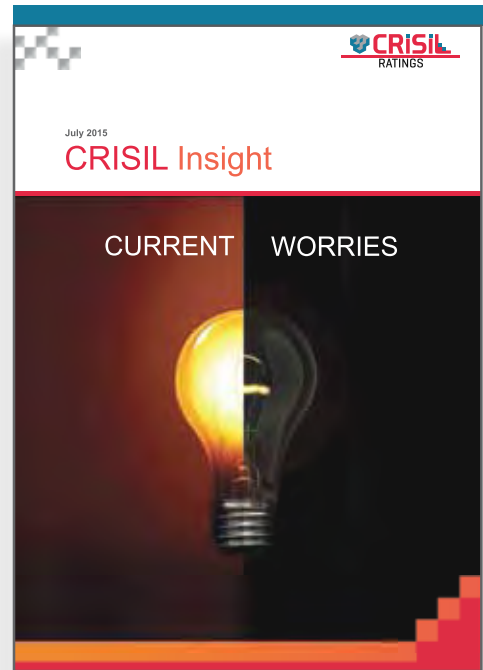


Industry Insights



The Realty Reality
 Analysis of India's top 25 Real Estate developers and the refinance risk in the sector

India Power Sector: Caution Lights On
 Insights into the ebbing performance of India's Power Sector



Coalition League Table

Quarterly publication reviewing key trends and aggregate performance of the 10 leading global Investment Banks

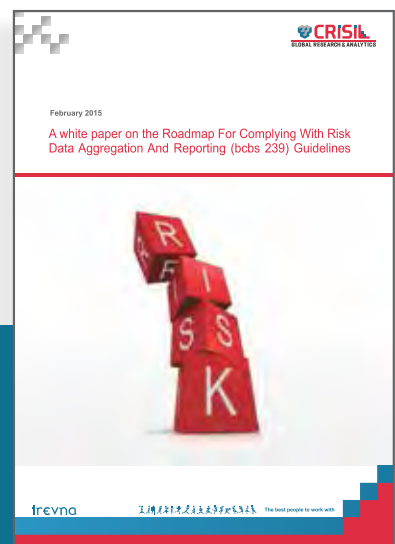


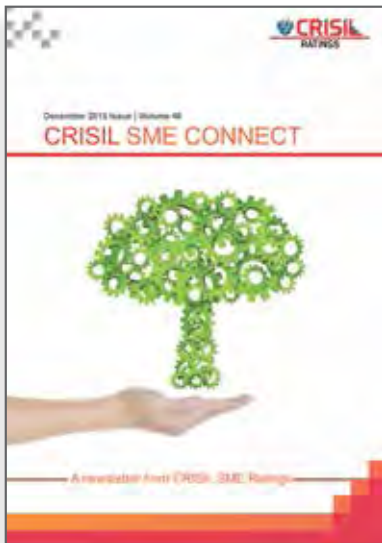
CRISIL Fund Insights

Monthly funds newsletter from CRISIL Research

Whitepaper On Risk Data Aggregation and Reporting Guidelines (BCBS 239)

Insight on risk data aggregation and reporting guidelines (BCBS 239)





CRISIL SME Connect

Quarterly update of issues and initiatives in India's MSME sector



CRISIL Insight:

R.I.P. brick and mortar retail? Not so fast – An analysis of the fate of the Indian Retail sector



CRISIL PHD Knowledge Report: National Roads & Highways Summit - 2015

Joint report on challenges & way forward for the Roads & Highway sector in India



Provident funds in equity: Emulating global trends, A CRISIL - ASSOCHAM Report

Joint report on Government of India measure to boost Provident Fund (PF) investments in equities

CRISIL Opinion:

Views on key developments in the Indian economy and sectors



REACHING OUT

2015 FRANCHISE HIGHLIGHTS

January

The third edition of CRISIL's annual seminar '**Expanding India's Corporate Bond Market**' brings together 350 participants, including important stakeholders from key regulatory bodies and industry, to discuss topical regulatory initiatives to **widen the bond market in India**. The second edition of 'The CRISIL Yearbook on the Indian Debt Market' is also released.



Shri U K Sinha, Chairman of Securities and Exchange Board of India (SEBI) delivers the keynote address at the Bond Market Seminar

CRISIL Research releases 'Future Tense: Time to Build Pension Net for Millions.' Given the population aged over 60 is set to triple to 300 million by 2050, the study **analyses India's pension landscape**.

Rohit Chaturvedi, Director, Transport and Logistics, CRISIL Infrastructure Advisory, moderates a panel discussion on the issues faced by **India's shipbuilding industry** at the India Maritime Conference 2015, organised by Federation of Indian Chambers of Commerce and Industry (FICCI).

Manish Jaiswal, Business Head, CRISIL Risk Solutions, presents a case study on 'Problem Loan Management' at a workshop on **Credit Risk and Problem Loan Management for SME Bankers** in Goa. The event is organised by CRISIL Risk Solutions, in association with the Small Business Banking Network, an initiative of Capital Plus Exchange and a global network for financial institutions that serves small and growing businesses in emerging economies.



CRISIL SME Ratings is the knowledge partner in a seminar titled '**Decoding Union Budget 2015-16**' organised by FICCI in Chandigarh.

Gautam Narayan, Associate Director, CRISIL Infrastructure Advisory, participates as a panelist in the Confederation of Indian Industry (CII) hosted Conference on **Smart Urbanisation** in Gurgaon.

Dipti Deshpande, Senior Economist, CRISIL, speaks at the FICCI event

March

(5th from right) Sameer Bhatia, President, CRISIL Infrastructure Advisory, along with key dignitaries from the Government of Tanzania during the study tour

CRISIL Infrastructure Advisory organises study tour on '**Planning and Designing of Intermodal Transportation Systems in Urban Areas**' for a 15-member delegation comprising key functionaries of the Government of Tanzania.

James Lu, Director, Risk & Analytics, CRISIL GR&A, makes a presentation on '**Operational Risk Loss Forecasting for Stress Testing – A Case Study**' at the CRISIL GR&A co-sponsored 17th annual OpRisk North America conference hosted by Operational Risk & Regulation in New York.

CRISIL and S&P organise a seminar titled '**India Inc. Through The Lens of Global Financial Markets**' for industry stakeholders, including representatives of leading corporates, investors, bankers and regulators in Mumbai.



CRISIL and S&P Ratings jointly host the **Global Investor Web-Conference on Union Budget 2015-16**, which is attended by over 300 market participants from across 10 countries.

CREST (CRISIL Real Estate Star Ratings) participates at the second edition of the **CREDAI Bengal Realty Awards** as its knowledge partner.

V. Srinivasan, Business Head, CRISIL Ratings, SME, participates in the '**CAFRAL-IPA SME Initiative Conference on Young Firm Financing**' jointly organised by the Centre for Advanced Financial Research and Learning (CAFRAL) and Innovations for Poverty Action (IPA) in Mumbai.

James Lu, Director, Risk & Analytics, CRISIL GR&A makes a presentation at the OpRisk North America Conference

REACHING OUT 2015 FRANCHISE HIGHLIGHTS

April



Abhay Kantak, Director, CRISIL Infrastructure Advisory addresses the audience at ASSOCHAM's National Conference

CRISIL and S&P Ratings jointly host briefing sessions on **US Fed rate hike and its implications for Asia** with Beth Ann Bovino, US Chief Economist, and Paul Gruenwald, Chief Economist, Asia Pacific, S&P. The two sessions are attended by senior economists and industry participants.

Dharmakirti Joshi, Chief Economist, CRISIL, participates as keynote speaker for the session on the **outlook for the Indian economy** at the 3rd ICIS Indian Base Oils & Lubricants Conference.

Abhay Kantak, Director, CRISIL Infrastructure Advisory, speaks on 'Policy Perspective, PPP and Capacity Building for Sustainable City Development' at Associated Chamber of Commerce and Industry's (ASSOCHAM) National Conference on **Innovations to make cities financially sustainable**.

May



The CRISIL GR&A team at the exhibition booth at the Credit Risk Management Forum

CRISIL GR&A conducts webinar on Basel Committee on Banking Supervision (BCBS) 239 **guidelines**; 30 external stakeholders attend the session, including nine prominent senior management delegates from leading investment banks.

CRISIL Ratings conducts a webinar on **Banking Sector: Will 2015-16 be a year of change for Indian banks?** which is attended by over 500 external stakeholders, including banking and capital market participants.

CRISIL Real Estate Star Ratings participates as the knowledge partner for the **Realty Plus Real Estate Conclave** at Ahmedabad.

Suprabha Dikshatha, Senior Director, Global Head of Financial Research, makes a presentation at the CRISIL GR&A-sponsored 11th **Annual Credit Risk Management Forum** in Amsterdam.

CRISIL Research conducts a webinar on one year of the Narendra Modi government. The webinar is titled **One Year On - It's not policy, weak consumption is the main problem!**

June

CRISIL Infrastructure Advisory organises a seminar on **Developing the Bond Guarantee Fund for India** as part of an ongoing engagement with Asian Development Bank aimed at developing a third-party guarantee facility for projects in need of long-term finance in India.

(3rd from left) Raman Uberoi, Business Head - Large Corporates, CRISIL Ratings moderates the panel discussion at the seminar

CRISIL Ratings organises **CRISIL Banking Forum**, a knowledge-sharing initiative for bankers across public and private sectors.

CRISIL Research is the knowledge partner at the **Retirement Benefits Summit 2015** and FIAI Conference on Indian financial distribution industry.



Brijgopal Ladda, Director, CRISIL Infrastructure Advisory, makes a presentation on Elements of Smart CDP (City Development Plan) for Smart Infrastructure Planning at the **Smart India – Smart Solutions for Smart Cities** conference organised by CII in association with Andhra Pradesh Technology Development and Promotion Centre.

July

CRISIL Ratings organises an investor discussion forum titled **Current Undercurrents - Indian Power Sector's Achievements and Challenges** to address some of the crucial issues in the power sector, their repercussions, and the road ahead.

CRISIL SME Ratings participates as the knowledge partner at the 6th Annual National Conference on **SME Finance and Investment Summit** organised by SME Chamber of India in Mumbai.

Manish Jaiswal, Business Head, CRISIL Research, delivers the keynote address at ASSOCHAM's national conference on **Provident Fund in Equity Market - The Role of Fund Manager**. As the knowledge partner, CRISIL Research also publishes a joint report titled 'Giving provident funds the equity boost'.



Sudip Sural, Senior Director, CRISIL Ratings, makes a presentation at the Power forum



Manish Jaiswal, Business Head, CRISIL Research, addresses delegates at the ASSOCHAM event

CRISIL Infrastructure Advisory participates in the 2nd Annual **East Africa Transport & Infrastructure 2015** event held in Kenya, attended by about 200 delegates.

CRISIL launches an all-new video blog called **CRISIL TV** that features analysis of trends and issues in the domestic and global economy, industry and markets by CRISIL's experts.

CRISIL Ratings hosts a web conference on **Loan Against Property**, with an interactive panel discussion featuring eminent industry experts. The webinar witnesses positive response from nearly 600 external stakeholders.

REACHING OUT 2015 FRANCHISE HIGHLIGHTS

August

Rajat Bahl, Director, CRISIL Ratings, participates in a panel discussion on **Liquidity Standards and Implication for Growth and Profitability** at the National Conference on 'Basel III Implementation: Challenges for Indian Banking System' organised by ASSOCHAM.



(5th from left) Rajat Bahl, Director, CRISIL Ratings as one of the panelists at the Basel III implementation conference

Traj Sekhar, Director, SME Ratings, participates in a panel discussion on **Credit Scoring and Rating for MSMEs** at the National Seminar on Capacity Building in Banks for MSME Financing organised by the College of Agriculture Banking (CAB) and the Reserve Bank of India (RBI) in Pune.

September



Raman Uberoi addresses the audience on financing needs for India

Rahul Prithiani, Director, CRISIL Research, participates in a panel discussion on 'Solar rooftop: Achieving 40 gw by 2022' at UBM's **Renewable Energy India Expo 2015** in New Delhi.

Raman Uberoi, Business Head - Large Corporates, CRISIL Ratings, inaugurates the knowledge report and makes a presentation on the topic 'India Needs Rs. 2,600 Crore a Day for Financing of Growth' at the **Financing India's Growth: Way Forward Summit** organised by the PHD Chamber of Commerce and Industry in New Delhi.



(2nd from left) Saurabh Kamdar, Director, CRISIL Infrastructure Advisory with other panelists at the CII conference

Vivek Sharma, Director, CRISIL Infrastructure Advisory, delivers a presentation on 'Energy mix that will fuel India's growth story – The role of oil' at the **31st Asia-Pacific Petroleum Conference** in Singapore.

Saurabh Kamdar, Director, CRISIL Infrastructure Advisory, participates in a panel discussion on 'Shaping a robust infrastructure financing agenda' at the **Conference on Financing Infrastructure** organised by CII in Ahmedabad.

October



T Raj Sekhar, Director, CRISIL Ratings, SME addresses the audience at the MSME Summit

T Raj Sekhar, participates as a panelist in the session 'Making Finance Available to Catalyse Growth' at the **MSME Summit 2015 – The Backbone of Growth** organised by CII.

D harmakirti Joshi, Chief Economist, CRISIL shares his views and **insights on the Indian Economy** and the country's prospects given the current global environment at an exclusive briefing session for existing as well as potential clients in New York organised by CRISIL GR&A.



CRISIL releases a report titled 'Giving Provident Funds the Equity Boost'

C RISIL Research is the knowledge partner at the ASSOCHAM National conference on **Provident Fund in Equity Market**.

C RISIL Research is the knowledge partner for the **8th Global Insurance Summit** hosted by ASSOCHAM at Mumbai and releases a report, titled 'Inclusion + Intermediation + Technology = Inflection'.

T he Risk & Analytics team of GR&A hosts a web-conference on **Scenario Expansion for Stress Testing** attended by delegates from various banks, financial institutions and capital markets.



(4th from right) Sudhir Nair, Director, CRISIL Ratings, SME, poses with the other panel members

C REST (CRISIL Real Estate Star Ratings) in association with Magicbricks, convenes the **Real Estate Dialogues (RED)** series on 'Triggering a Buy – Building Consumer Confidence' in five major cities of India. These series brought together key stakeholders of the Real Estate sector to discuss issues pertinent to the industry.

REACHING OUT 2015 FRANCHISE HIGHLIGHTS

November

CRISIL Ratings and CRISIL Research jointly host a webinar titled **The Realty Reality** that witnesses overwhelming participation from banks, NBFCs and capital market institutions along with real estate and housing finance organisations.

Ashu Suyash, MD & CEO, CRISIL, and Dharmakirti Joshi, Chief Economist, CRISIL participate at **India – Truly Emerging**, an annual thought leadership seminar organised by S&P and BSE Indices in Mumbai.

Rupali Shanker, Director, CRISIL Ratings, participates in a round table conference on **Funding Opportunities and Challenges for Small MFIs** hosted by the Ministry of Finance, Government of India.

(Left to right) Nilesh Shah, MD, Kotak Mahindra Asset Management, Nitin Jain, President & CEO Global Asset and Wealth Management, and Ashu Suyash, MD & CEO, CRISIL, in the panel discussion



Abhishek Singh, Director, CRISIL Ratings, SME makes a presentation on **Building Sustainable Enterprises and Importance of Credit Ratings** at the 'Make in India - Promoting Entrepreneurship & Innovation' Summit organised by ASSOCHAM with the support of Government of Maharashtra in Mumbai.

Abhishek Singh, Director, CRISIL Ratings, SME makes a presentation at the Make in India summit

December



Ashu Suyash addresses the gathering at the media conference



(Extreme right) Salil Chaturvedi, Director, CRISIL Ratings, SME, releases the report at the ASSOCHAM event

Ashu Suyash makes a presentation on **CRISIL's Outlook on India for 2016** at a roundtable attended by editors and chief of bureaux of leading media houses.

V. Srinivasan signs an MoU with N.M.P. Jayesh, Director, CII for its **Finance Facilitation Centre (FFC)** to assist MSMEs that are either existing or potential MSME members of CII to obtain SME rating from CRISIL.

C RISIL SME Ratings partners ASSOCHAM in presenting the knowledge paper at the seminar on **Financial inclusion for Entrepreneurship & Innovation** in New Delhi.



(2nd from left) V. Srinivasan, Business Head, CRISIL Ratings, SME, discusses the agenda at the CII event



(Left - right) Pawan Agrawal, Chief Analytical Officer, CRISIL Ratings and Dharmakirti Joshi, Chief Economist, CRISIL, at the Investor seminar

V. Srinivasan, Business Head, CRISIL Ratings, SME, participates in a panel discussion on **Financial Inclusion for MSMEs** in the 'Global SME Business Summit 2015' organised by CII in partnership with the Ministry of Micro, Small and Medium Enterprises, Government of India.

Ashu Suyash participates in a panel discussion on **Women on Board: Connecting Corporate Performance and Gender Diversity** at the 10th international 'Corporate Governance Summit' organised by CII.

Dharmakirti Joshi, Chief Economist, and Pawan Agrawal, Chief Analytical Officer, CRISIL Ratings, discuss macroeconomic indicators, prospects for the future in the global environment and the credit trends of Indian corporate and financial institutions, at the **CRISIL - S&P investor discussion forums** in Hong Kong and Singapore.

SUSTAINABILITY INITIATIVES

CRISIL FOUNDATION DRIVES CRISIL'S CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE, AND HAS TWO KEY GOALS:



Empowering socially and economically weaker sections by strengthening their financial capabilities



Conserving the environment through employee volunteering activities



Financial empowerment through Mein Pragati



Environment conservation through CRISIL RE

Mein Pragati

Our maiden programme, Mein Pragati, focuses on empowering rural women by strengthening their financial knowledge capabilities.

CRISIL Foundation has trained front line staff, known as **CRISIL Mitras**, to facilitate financial learning among rural women. These community level workers encourage discussion, reflection and financial discipline through three interventions:

1. **Game-based financial literacy workshops** to help participants reflect on their spending habits, sources of income and funds. The workshops also help create awareness about savings, self-help groups, bank accounts, insurance, pension, and loans.
2. **Advanced modules and linkages with the financial services sector** to help participants recall learning points, create awareness about prevalent savings schemes and financial products, and enable linkages with financial service providers.
3. **Financial health cards and counselling** to help women confidently manage their family finances.

Rashida Bibi, Kamrup

When Rashida Bibi's husband died in 2014, the family lost its sole bread earner. Thankfully, the couple had participated in Mein Pragati's financial literacy workshop and, with the help of a CRISIL Mitra, opened a bank account and also invested in Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana. The CRISIL Mitra helped her deposit documents for the insurance claim and three months later, she received Rs. 2 lakh as death benefit. Wiser today, Rashida has invested the money well – around Rs. 50,000 in her late husband's clothes business, now looked after by her eldest son, a lease of 1 bigha land for cultivation, and a fixed deposit of Rs. 60,000, leaving Rs. 70,000 in her bank account.



Ms. Rashida Bibi

Impact And Outreach



PARTICIPATION

25,763 women from
2,514 self-help groups (SHGs)



LINKAGES

5,351 bank accounts opened,
5,804 insurance policies purchased,
654 pension plans,
6,564 loan/credit schemes



LIVELIHOOD

A few participants have also availed of livelihood schemes, and bank facilities.

By 2017, Mein Pragati is set to reach out to over **1,00,000** rural women across **6** districts of Assam, namely, Barpeta, Nalbari, Goalpara, Morigaon, Kamrup, and Darrang. CRISIL Mitras, dedicated exclusively to this project, deliver programme content at the doorsteps of the targeted participants. Rashtriya Gramin Vikas Nidhi (RGVN), a Guwahati-based non-governmental organisation, is our execution partner. In 2016, we are substantially scaling up to increase our outreach, starting with an expansion to Rajasthan (categorised as below-average for financial inclusion according to CRISIL Inclusix).

SUSTAINABILITY INITIATIVES

CRISIL RE

CRISIL RE was launched in February 2015, to significantly scale up volunteering efforts at CRISIL. Under the programme, employees along with their friends and family members are encouraged to volunteer to help create 'Clean neighbourhoods, Green neighbourhoods.'

Used as a suffix, 'RE' is a simple but powerful idea that conveys the potential to alter the status quo. CRISIL RE's central theme, 'Change what you don't like', is designed to motivate employees to become agents of positive change and spread the culture of volunteering across the larger organisation. CRISIL collaborates with non-governmental organisations in Chennai, Gurgaon, Mumbai and Pune to achieve its objectives.

Impact And Outreach

CRISIL RE planted



10,050

trees across Chennai, Gurgaon, Mumbai and Pune.

CRISIL RE has conducted door-to-door awareness and clean-up drives in communities and beaches, with



51,600

kgs of garbage being cleaned across the 4 cities.

CRISIL RE also strives to a) constructively engage employees through workshops on upcycling to create home gardens, and (b) teach children/young relatives of employees to value the environment. The programme thrives on wholehearted participation of CRISIL employees along with their families, friends and relatives.



CRISIL senior leaders volunteer for CRISIL RE

Employees engaged



1,361

Family and friends engaged



378

Total hours volunteered



6,810

Good Corporate Practices

The CRISIL Foundation believes in following good corporate practices to sustain and drive the programme. Hence, Mein Pragati is customer oriented. An independent third-party impact assessment, a tab-based application to support CRISIL Mitras while they conduct workshops and collect data, and Voice of Customer have been key to successful implementation of the programme.

Technology-based project management: The Foundation has developed an android-based mobile application (app), Mein Pragati, for project management. CRISIL Mitras currently use the app to record socio-economic information on individual participants. The application processes this data to generate individual financial health cards.

Independent third-party impact assessment: The Foundation believes that impact assessment is paramount to project evaluation. Hence, after a rigorous selection process, KPMG has been appointed to perform independent impact assessments over a three-year period. This exercise will be completed in three phases – Phase I includes baseline assessment (2015), Phase II will have midline assessment in (2016) and Phase III an end-line assessment (2017).

Disaster Response

Nepal Earthquake Relief, May 2015

In May 2015, employees opened their hearts and wallets to support rehabilitation to victims of the earthquake in Nepal and north India. Employees donated one day's salary, contributing Rs. 12,45,979. CRISIL matched this donation, making a total contribution of Rs. 25,00,000 to CARE India, in support of relief efforts.

Chennai Flood Relief, December 2015

In December 2015, CRISIL Foundation made a second appeal to CRISILites, this time to support disaster recovery in Chennai, following the floods. Employees donated Rs. 17.86 lakhs through voluntary payroll deductions. CRISIL contributed twice the amount, donating Rs. 33 lakhs and making a total contribution of Rs. 50 lakhs to Hope Foundation, which is working at ground zero, to support rehabilitation in the city. CRISILites in Chennai also supported Hope Foundation in distributing relief kits to 251 families whose houses had been damaged beyond repair.

Joy of Giving

Through the Joy of Giving initiative in October 2015, CRISILites raised Rs. 462,980 in monetary donations to fulfil wishes of the marginalised communities; Rs. 1,76,144 by patronising NGO product stalls; and made several donations in kind at the onset of the festive season.

Partnerships

Having established Mein Pragati, we now want to share our knowledge, scale up our community outreach, develop capability building programmes for multiple target segments, and evangelise the cause of financial capability building among our peers. In addition to running Mein Pragati in its existing form in Assam, we are exploring collaborations either as implementation or knowledge partners. Through these partnerships, we will adapt our existing modules to positively impact project affected people, urban poor and youth from economically weaker sections.

Partnership with Reliance Foundation

CRISIL Foundation entered into a knowledge partnership with Reliance Foundation to develop an urban financial literacy programme, 'Seekhate Hum, Badhate Hum'. We conducted extensive field visits and preliminary research with Reliance Foundation within pockets categorised as economically weaker sections, in Mumbai. With insights into informal structures within the social fabric, we adapted our existing facilitation modules to help participants assess risks related to sources of debt (especially those traditionally considered reliable) and investments; understand the power of compounding and monthly saving deposits; and emphasise timely premium payments. After extensive pre-testing, CRISIL Foundation developed a participatory training toolkit, and trained Master Trainers from among marginalised communities. The project is set to empower more than 500,000 women from such communities in Mumbai, making them financially literate by 2017.



CRISIL RE volunteers in action at Chennai

DIVERSITY OF PEOPLE AND CULTURE

2015 AT A GLANCE

FALCONS win the SME Case Study Contest



SME Ratings organises a contest titled **Mergers and Acquisitions (M&A) – Case Study Analysis**. Teams of analysts scrutinise recently concluded M&A deals and exhibit their analytical skills by discussing various aspects of the deals, including the pre-merger scenario, synergy benefits from the merger, and post-merger performance of the organisation. 'Falcons' win the contest; 'Phoenixes' come in second.

Feiya Zhao, Research Analyst, CRISIL GR&A addresses the gathering



Taking a break from financial models and data analysis, the CRISIL GR&A team in China **celebrates Chinese New Year** with gusto and fun.

Employees showcase their talent at the GAC annual awards night



The CRISIL Global Analytical Centre (GAC) team celebrates the Annual Awards night themed **GAC's Got Talent**. The award categories spread across Analytical and Data verticals of GAC and cover multiple areas such as client delight, productivity, quality among others breakthrough initiatives and a special management category.

January

The CRISIL team ready for Powai Run



130 CRISILites participate in the **4th edition of Run Powai Run**, the annual marathon organised by The Rotary Club.

February

Maya Vengurlekar, COO, CRISIL Foundation at the CRISIL RE launch



CRISIL Foundation **launches CRISIL RE**, its employee volunteering programme that focuses on environment conservation.

March

Women power @ China



CRISIL GR&A Team in China celebrates **Women's Day**, in honour of its women employees, who constitute more than 60% of the employee strength in China.

PUMA Girls win the CCL 2015



Nearly 400 CRISILites participate in The **CRISIL Cricket League (CCL) 2015**. GAC Whacks (boys' team) and PUMA Girls (girls' team) emerge as winners.

April

Team FC Porto wins Advisory Super League



CRISIL Infrastructure Advisory kicks off the first season of the quarterly **Advisory Super League football tournament** with a unique shortlisting method of retaining one player in each team from the earlier season and selecting the rest of the team through a lottery system. FC Porto takes home the winner's trophy.

Satish Ramchandani, Director, Corporate Finance, CRISIL, (3rd from left) receives the award



Satish Ramchandani, Director, Corporate Finance, CRISIL, wins the prestigious **Institute of Chartered Accountants of India (ICAI) Award (2014)**, for 'Chartered Accountant Chief Financial Officer (CA CFO) – Financial Sector' category.

CRISIL's China office receives **ISO 27001:2013** certification (an information security standard).

CRISIL GR&A China team organises a surprise study-break party for all CRISILites appearing for the Certified Financial Analyst (CFA) examinations.

May

V. Srinivasan, Business Head, CRISIL Ratings, SME (on right) felicitates the 2014 Gold Ace award winners



CRISIL organises **felicitation ceremony** for the employee who won the **Gold Ace**, a highly prestigious award instituted by Standard & Poor's.

(3rd from left) Ashu Suyash and Raj Kaza (4th from left), President, HR with the Seventh CCAP Batch



CRISIL convenes the **Convocation Ceremony for the Seventh Batch of the CRISIL Certified Analyst Programme (CCAP)** in Mumbai; 33 CCAPians graduate.

June

Nadir Bhalwani, Director, CRISIL (on right) receives the award from Devanshu Desai, VP and Chief Information Security Officer, Angel Broking



Nadir Bhalwani, Director, Corporate Technology, CRISIL receives the prestigious **Top 100 CISO Award** from Devanshu Desai, VP and Chief Information Security Officer, Angel Broking.

CRISIL GR&A's flagship competitive intelligence product CI360 wins the prestigious CI: PHER Award 2015 for the **'Most Innovative Tool/Software'** at the CiMi.CON Evolution 2015 conference in Berlin.

DIVERSITY OF PEOPLE AND CULTURE 2015 AT A GLANCE

CRISIL leadership team kicks-off the Strategy initiative



CRISIL launches **Strategy Jam**, an organisation-wide initiative encouraging employees to contribute ideas that can help define the organisation's future strategic direction.

Employees participate in various interactive activities



The GAC team organises **compliance awareness training** by incorporating various innovative activities such as crossword puzzles, quizzes, wheel-of-fortune game etc. Even while boosting compliance awareness, the sessions are interactive and enjoyable.

The winning team, Victorious Secret at the inter-CCAPian Football Premier League



CRISIL organises the first season of the CCAPian (CRISIL Certified Analyst Programme) **Football premier league**. About 70 CCAPians across batches participated in the tournament.

July

CRISILites get ready for the badminton game



CRISIL organises a **badminton tournament** for employees and their spouses, at the Wedoo Sports Centre in Hangzhou, China.

Priti Arora, Business Head, GAC launches **Way We Work (W W W) programme** at GAC's town hall. W W W is a lean management system to bring in a culture of empowerment at all levels, better communication and efficiency.

August

Coalition team at Mumbai proudly gathers for a group photo



CRISILites proudly **celebrate India's 69th Independence Day** across locations in India and globally.

September

The Polish team after the football tournament



CRISIL GR&A participates in an electrifying interteam football tournament in Wroclaw, Poland.

Halloween celebration in CRISIL China Office



CRISIL China team celebrates Halloween with great enthusiasm and fun.

The elated HR team after winning CRISIL's Got Talent



CRISIL organises 'CRISIL's Got Talent', a unique organisation-wide competition, to give CRISILites an opportunity to showcase their talent and creativity in drama, comedy, musical recital or poetry recital.

(2nd from left) Ramraj Pai, President, CRISIL Foundation with Ashu Suyash and V. Srinivasan at the tree plantation drive



Ashu Suyash joins CRISIL senior leaders to volunteer for a tree plantation drive organised by the CRISIL Foundation in Bhiwandi, Thane.

Employees enjoy year-end party in Argentina



CRISILites in Buenos Aires (Argentina) along with their families get together for a year-end party.

October

Employees pick a wish and pledge to fulfil it



CRISIL Foundation launches the two week long Joy of Giving initiative encouraging donations from CRISILites for the underprivileged.

November

Divya Chandran, Manager, CRISIL Ratings (right), receives the Best Analyst award from Ashu Suyash



CRISIL Ratings hosts the second season of the Best Analyst contest to test analytical prowess of its analysts.

December

(Left – right) Dr. Nachiket Mor (CRISIL Board Member) and Ashu Suyash with Mein Pragati participants



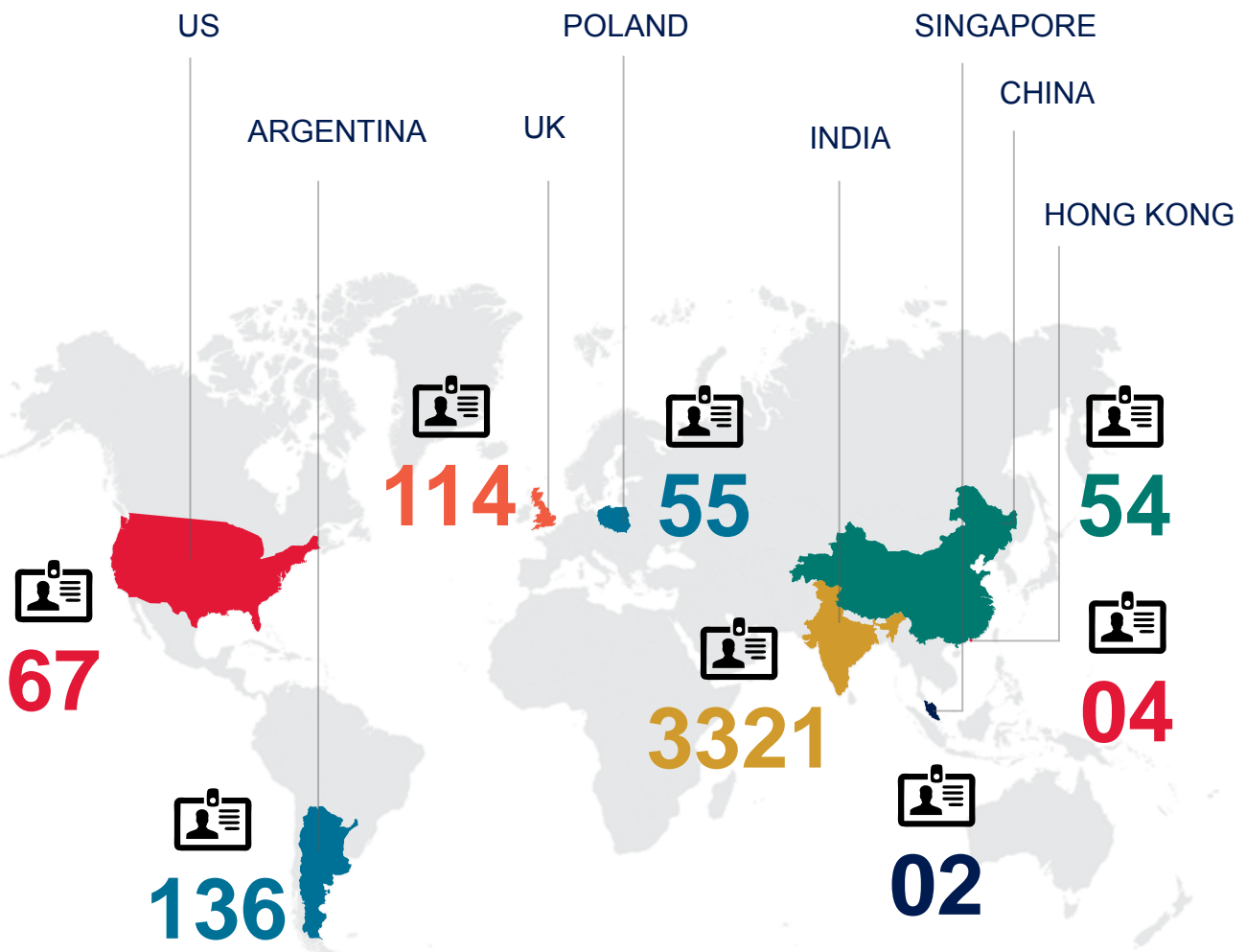
CRISIL Board member Dr. Nachiket Mor and Ashu Suyash visit the Morigaon and Nolbari districts in Assam, to get an on-ground experience of the CRISIL Foundation's Mein Pragati initiative.


3700+ employees.

8 countries.

Deep expertise.

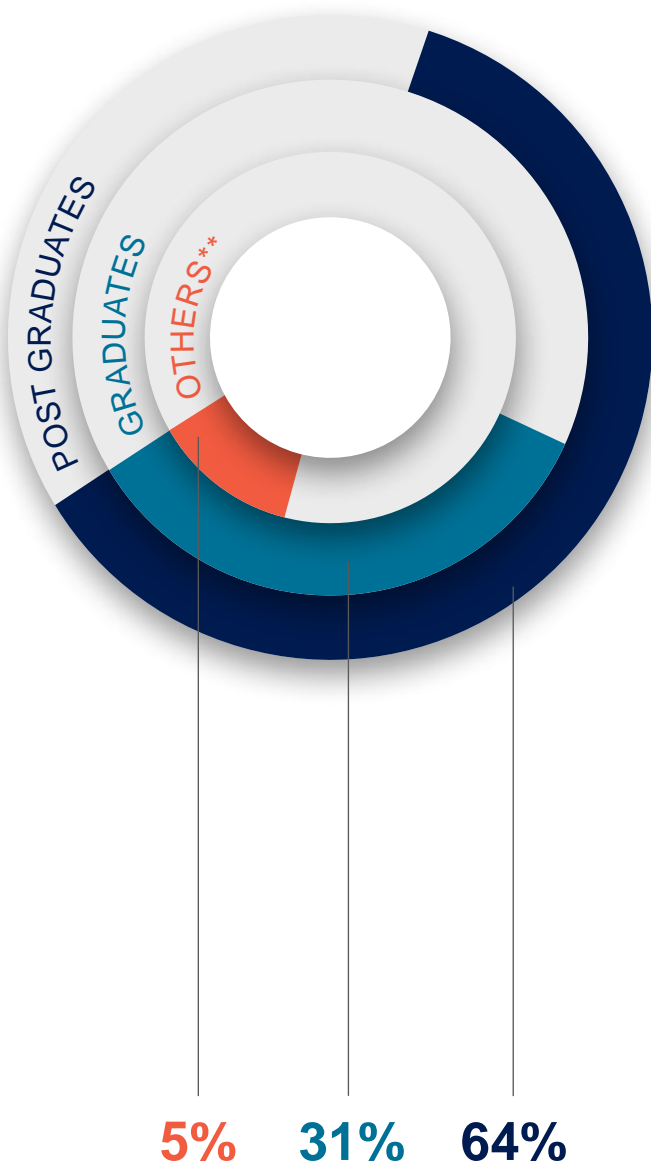
Operating from 8 countries across 4 continents, CRISIL's strong and inclusive workforce is a confluence of 28 different nationalities...



 Employees per country

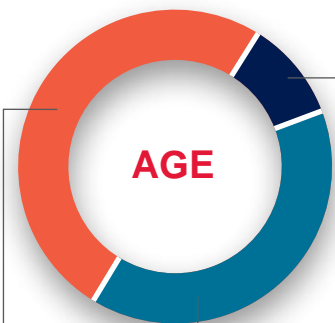
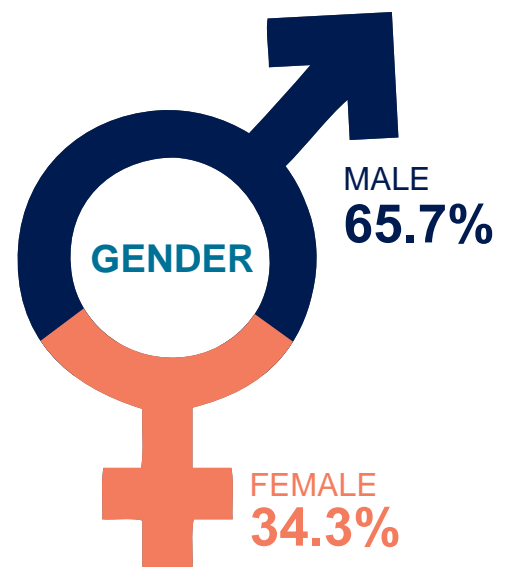
Powering diversity of thought and ideas.

...with diverse educational background...



** Others includes (CAs, CFAs, PHDs)

...across gender and age groups.



<30 yrs 57.5% 30-40 yrs 37.5% >40 yrs 5%

*As of December 31, 2015

BOARD OF DIRECTORS



Mr. Ravinder
Singhania

Dr. Nachiket
Mor

Mr. M.
Damodaran

Ms. Vinita
Bali

Mr. Douglas L.
Peterson

Ms. Ashu
Suyash

Mr. John
Francis
Callahan Jr.

Mr. H. N.
Sinor

Mr. Yann
Le Pallec

1. Mr. Douglas L. Peterson (Chairman)

Mr. Peterson is the President and Chief Executive Officer of McGraw Hill Financial since November 2013. He joined the Company in September 2011 as President of Standard & Poor's Ratings Services. Prior to joining McGraw Hill Financial, Mr. Peterson was with the Citigroup for 26 years.

Mr. Peterson is co-chairman of the World Economic Forum's Global Strategic Infrastructure Initiative and co-chairs the Bipartisan Policy Centre's CEO Council on Infrastructure. He serves on the Boards of Directors of McGraw Hill Financial, the Federal Deposit Insurance Corporation's Systemic Resolution Advisory Committee, the Institute of International Finance's Market Monitoring Group, the Boards of Advisors of Wharton Financial Institutions Centre, 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.

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

2. Mr. H. N. Sinor (Director)

Mr. Sinor has spent over four decades in banking. Starting his career in 1965, he has worked in the Central Bank of India, the Union Bank of India and the 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.

3. Dr. Nachiket Mor (Director)

Dr. Mor is a Yale World Fellow and a Fellow at Oxford University. He has a doctorate in Economics from University of Pennsylvania, and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is the India Country Director for the Bill and Melinda Gates Foundation and a member of the Boards of Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Micro Units Development and Refinance Agency (MUDRA), and CRISIL. He is a member of the Health Commission for Himachal Pradesh; the Government of India's Task Force on Primary Healthcare Delivery; and the Task Force on Global Health at the National Academy of Medicine in Washington DC. He worked in 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. He has also served on the Boards of Wipro, the Azim Premji Foundation, and the Fixed Income Money Market and Derivatives Association of India in the past.

4. 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 and Chief Representative 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 Private Limited, a Corporate Governance Advisory firm that focuses 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.

5. 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 such as The Coca-Cola Company and Cadbury Schweppes Plc in a variety of marketing and general management roles in the UK, Nigeria, South Africa, Chile and the US, 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 – CRISIL Ltd., Titan Industries Ltd., and Kasturi & Sons Ltd; and is a Member of the Board of Governors of Indian Institute of Management - Bangalore.

Vinita 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 national and international fora and has won several awards for her various contributions to business.

6. Mr. Yann Le Pallec (Director)

Mr. Pallec is Global Practice Leader for Corporates and Infrastructure and Executive Managing Director, Standard & Poor's Ratings Services in EMEA. Based in Paris, Yann is responsible for Standard & Poor's market-leading credit ratings business in EMEA, which covers more than 1,000 companies, financial institutions, insurers, public sector entities and sovereigns in the region, as well as some 800 structured transactions. He is also a member of the Standard & Poor's Executive Committee.

Yann leads a team of over 500 ratings analysts and support staff operating from 12 offices: Paris, London, Frankfurt, Madrid, Milan, Moscow, Stockholm, Dubai, Johannesburg, Tel Aviv, Istanbul and Warsaw.

Yann has occupied various managerial and analytical positions in the insurance, sovereign & public sector groups and was Head of EMEA Corporate and Government Ratings before his current role. Prior to joining S&P in 1999, he was a Senior Manager with Paris-based audit firm Salustro Reydel.

Yann holds a master's degree in Business from Ecole Supérieure des Sciences Economique et Commerciales in France.

7. Mr. John Francis Callahan (Director)

Mr. Callahan is Executive Vice President and Chief Financial Officer for McGraw Hill Financial since December 2010. In addition, he is responsible for managing investor relations, strategy and corporate development.

Mr Callahan was the Executive Vice President and Chief Financial Officer of Dean Foods Company from 2006 to 2010. He had earlier spent a decade with PepsiCo as the Senior Vice President of Corporate Strategy and Development for PepsiCo, Chief Financial Officer for Frito Lay International, and Senior Vice President of Strategy and Planning at Frito Lay North America. Before joining PepsiCo, he held various positions at The General Electric Company and McKinsey & Company. He served as a member of the Board of Directors of Metro PCS from 2008 – 2013 until its merger with T-Mobile US. He was a member of the Audit Committee.

Mr. Callahan holds an undergraduate degree from Yale University and an MBA from The Amos Tuck School at Dartmouth College.

8. Mr. Ravinder Singhania (Alternate Director to Mr. Douglas L. Peterson)

Mr. Singhania is the Managing Partner of Singhania & Partners, Advocates & Solicitors with an experience of more than 20 years in legal field. 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, American Bureau of Shipping, etc. 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 consultant to the World Bank and the Organisation for Economic Co-Operation and Development. He is a governing body member of Indian Council of Arbitration, a Co-Chairman of Law & Justice Committee of PHD Chamber of Commerce and also a Board member of TerraLex, Inc, a global network of law firms with more than 17,000 attorneys in 100 countries. He is the former

Vice Chairman of the Asia Pacific Committee of the American Bar Association.

He holds a Bachelors' degree in Commerce and Law from Sri Ram College of Commerce and Campus Law Centre, Delhi University, respectively. He is admitted to practice law in India as an Advocate and as a Solicitor of the Supreme Court of England and Wales.

9. Ms. Ashu Suyash (Managing Director & Chief Executive Officer, CRISIL)

Ms. Suyash is responsible for CRISIL's domestic and global businesses, leading its efforts to deliver high-quality analyses, opinions and solutions to a rich and diversified client base including large corporations, small enterprises, investors, financial institutions, governments and policymakers.

She has over 28 years of experience in the financial services sector. Prior to joining CRISIL, she served as the Chief Executive Officer of L&T Investment Management Ltd. and L&T Capital Markets Ltd. Earlier, Ms. Suyash was the Managing Director & Country Head of Fidelity's Indian asset management business. She has also worked with Citibank India for 15 years holding several key positions across the Consumer, Corporate and Investment Bank. Over the years, Ms. Suyash has been recognised among the Top 50 Women in business in India and in Asia by various publications.

She is on the Advisory board of Chartered Institute for Securities & Investment and PFRDA's Pension Advisory Committee. Ms. Suyash has a keen interest in the education sector and is associated with the Board of Studies at NMIMS, with N M College and is on the advisory board of Aseema Charitable Trust, an NGO with a mission to provide education to the underprivileged children.

SENIOR MANAGEMENT:

| | |
|-----------------------|---|
| Ms. Ashu Suyash | Managing Director & Chief Executive Officer, CRISIL |
| Mr. Raman Uberoi | Business Head - CRISIL Ratings, Large Corporates and President, Corporate Affairs |
| Mr. Subodh Rai | Business Head - CRISIL Ratings, Mid-Corporates |
| Mr. V. Srinivasan | Chief Strategy Officer and Business Head - CRISIL Ratings, SME |
| Mr. Pawan Agrawal | Chief Analytical Officer - CRISIL Ratings |
| Mr. Gurpreet Chhatwal | Global Head of Risk and Analytics - CRISIL GR&A |
| Ms. Suprabha A. D. | Global Head of Research - CRISIL GR&A |
| Mr. Pankaj Jain | Global Head of Sales - CRISIL GR&A |
| Mr. Stephane Besson | Chief Executive Officer, Coalition |
| Mr. Manish Jaiswal | Business Head - CRISIL Research and CRISIL Risk Solutions |
| Mr. Sameer Bhatia | President - CRISIL Infrastructure Advisory |
| Ms. Priti Arora | Business Head - CRISIL Global Analytical Centre |
| Mr. Ramraj Pai | President - CRISIL Foundation |
| Mr. Rajasekhar Kaza | President - Human Resources |
| Ms. Paras Nayyar | Senior Director - Corporate Strategy & New Initiatives |
| Mr. Amish Mehta | Chief Financial Officer |

COMMITTEES OF THE BOARD:

| | | |
|---|--|--|
| <p>1) Audit Committee</p> <p>Mr. M. Damodaran, Chairman</p> <p>Mr. H. N. Sinor</p> <p>Dr. Nachiket Mor</p> <p>Mr. John F. Callahan Jr.</p> | <p>2) Nomination and Remuneration Committee</p> <p>Mr. H. N. Sinor, Chairman</p> <p>Ms. Vinita Bali</p> <p>Mr. Douglas L. Peterson</p> | <p>3) Stakeholders' Relationship Committee</p> <p>Mr. M. Damodaran, Chairman</p> <p>Mr. Yann Le Pallec</p> <p>Ms. Ashu Suyash</p> |
| <p>4) Corporate Social Responsibility Committee</p> <p>Dr. Nachiket Mor, Chairman</p> <p>Ms. Vinita Bali</p> <p>Ms. Ashu Suyash</p> | <p>5) Investment Committee</p> <p>Ms. Vinita Bali, Chairperson</p> <p>Mr. M. Damodaran</p> <p>Mr. John F. Callahan Jr.</p> <p>Ms. Ashu Suyash</p> | |

Company Secretary

Ms. Minal Bhosale

Statutory Auditors

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

Solicitors

Wadia Ghandy & Co.

Bankers

ICICI Bank Limited
Andhra Bank
Citibank N.A.
HDFC Bank Limited
Deutsche Bank

Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Unit : CRISIL Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad 500 032
Email : einward.ris@karvy.com
Phone No.: +91 40 6716 1500
Toll Free No.: 1 800 34 54 001
Fax No.: +91 40 6716 1567

Registered Office

CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400 076
Phone No.: 022 3342 3000
Fax. No.: 022 3342 3810



DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Member,

The Directors are pleased to present to you the 29th Annual Report of CRISIL Limited, along with the audited accounts, for the year ended December 31, 2015.

FINANCIAL PERFORMANCE

A summary of the Company's financial performance in 2015:

(Rs. in Crore)

| Particulars | Consolidated | | Standalone | |
|--|--------------|----------|------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| Total income for the year was | 1,423.16 | 1,277.07 | 1000.70 | 935.41 |
| Profit before depreciation, exceptional item and taxes was | 442.82 | 412.17 | 349.38 | 331.31 |
| Deducting depreciation of | 37.12 | 36.12 | 24.03 | 23.92 |
| Profit before tax was | 405.70 | 376.05 | 325.35 | 307.39 |
| Deducting taxes of | 120.55 | 107.62 | 103.35 | 91.88 |
| Profit after tax was | 285.15 | 268.43 | 222.00 | 215.51 |
| The proposed appropriations are: | | | | |
| Dividend | 163.77 | 142.48 | 163.77 | 142.48 |
| Corporate dividend tax | 33.60 | 27.21 | 33.60 | 27.21 |
| General reserve | 22.20 | 21.55 | 22.20 | 21.55 |
| Balance carried forward is | 65.58 | 77.19 | 2.43 | 24.27 |

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 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of applicable rules of The Companies (Indian Accounting Standards) Rules, 2015) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). 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 of which standalone results are subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis.

a) Consolidated operations

Revenue from the consolidated operations of your Company for the year was Rs. 1,423.16 crore, 11% higher than Rs. 1,277.07 crore in the previous year. Overall operational expenses for the year were Rs. 1,017.46 crore, against Rs. 901.01 crore in the previous year. Operating Profit (EBITDA) improved to Rs. 442.82 crore, against Rs. 412.17 crore, in the previous year. Profit after Tax for the year at Rs. 285.15 crore, 20% of revenue, was higher by 6% over Rs. 268.43 crore, 21% of revenue, in the previous year.

b) Standalone operations

Revenue from the standalone operations of your Company for the year was Rs. 1,000.70 crore, 7% higher than Rs. 935.41 crore in the previous year. Overall operational expenses for the year were Rs. 675.35 crore, against Rs. 628.02 crore in the previous year. Operating Profit (EBITDA) improved to Rs. 349.38 crore, against Rs. 331.31 crore, in the previous year. Profit after Tax for the year at Rs. 222.00 crore or 22% of revenue, was 3% higher than Rs. 215.51 crore or 23% of revenue, 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 19, 2016, payment of Final Dividend of Rs. 7 per equity share and Special Dividend of Rs. 3 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 two interim dividends of Rs. 4 each and the third interim dividend of Rs. 5 per equity share of face value of Re. 1 each. The total dividend for the year works out to Rs. 23 per share (including a Special Dividend of Rs. 3 per share) on a face value of Re. 1 per share in 2015 as against Rs. 20 per share (including a Special Dividend of Rs. 4 per share) on a face value of Re. 1 per share in the previous year.

TRANSFER TO RESERVES

The appropriations for the year are:

(Rs. in Crore)

| Particulars | Year Ended | |
|-------------------------|-------------------|------------|
| | Consolidated | Standalone |
| | December 31, 2015 | |
| Net profit for the year | 285.15 | 222.00 |

| | | |
|--|---------------|---------------|
| Balance of Reserve at the beginning of the year | 113.37 | 113.37 |
| Transfer to General Reserve | 22.20 | 22.20 |
| Transfer to Capital Redemption Reserve | (0.05) | (0.05) |
| Used towards buy back of equity shares | (3.65) | (3.65) |
| Balance of Reserve at the end of the year | 131.87 | 131.87 |

BUYBACK OF SHARES

During year, the Company had sought the approval of shareholders to buy-back its own fully paid equity shares of Re. 1/- each ("Equity Share"), through the stock exchange mechanism prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 ("Buy-back Regulations") and the Companies Act, 2013 ("Act"), for an amount not exceeding Rs. 102 crore (Rupees One Hundred and two crore only) (hereinafter referred to as the "Maximum Offer Size"), (being less than 15% of the total paid-up equity capital and free reserves of the Company as per last standalone audited balance sheet as on December 31, 2014), at a price not exceeding Rs. 2,310/- (Rupees Two Thousand Three Hundred and Ten only) per Equity Share (hereinafter referred to as the "Buy-back") from the open market through BSE Limited and the National Stock Exchange of India Limited in accordance and consonance with the provisions contained in the Act and the provisions contained in the Buy-back Regulations.

The Company conducted a postal ballot seeking the approval of the shareholders for buy-back of shares. The result of the postal ballot was declared on June 15, 2015. The votes cast in favour of the resolution for the buy-back were 99.98% of the total valid votes polled and the special resolution for buy-back was thus passed with requisite majority.

The Buy-back commenced from July 2, 2015. The Company bought back 5,11,932 equity shares for a total consideration of Rs. 101.98 crore at an average price of Rs. 1,992.02 per share. In terms of the Buy-back Regulations, after expending 99.98% of the total approved amount of Rs. 102 crore towards the Buy-back, the Buy-back was closed on July 14, 2015.

The equity share capital of the Company before the Buy-back was 7,14,50,520 equity shares of Re. 1 each and after

extinguishment of 5,11,932 equity shares, the equity share capital of the Company was 7,09,38,588 equity shares of Re. 1 each.

INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL

During the year, the Company issued and allotted 3,63,980 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 at the end of the year was 7,12,09,103 equity shares of Re. 1 each.

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

| Particulars | No. of shares allotted / (extinguished) | Cumulative outstanding capital (No. of shares of FV Re. 1 each) |
|---|---|---|
| Capital at the beginning of the year i.e. as on January 1, 2015 | - | 7,13,57,055 |
| 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 |
| Extinguishment of shares consequent to buy back | (5,11,932) | 7,09,38,588 |
| 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 |
| Capital at the end of the year i.e. as on December 31, 2015 | - | 7,12,09,103 |

REVIEW OF OPERATIONS 2015

A. RATINGS

Highlights

- Announced 3,312 new Bank Loan Ratings (BLRs) during the year; total BLRs outstanding exceed 13,776 Assigned over 16,000 SME ratings 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
- Provided enhanced support through Global Analytical Centre (GAC) to Standard & Poor's Ratings Services by expanding Risk and Regulatory support; further engaged with other MHFI businesses that included deepening support for Platts

Business environment

India's economic and business environment remained subdued during 2015 due to weak investment demand and delay in decision-making by corporates. However, growth has picked up pace on the back of a modest recovery in consumption and increased government spending. We expect GDP growth to be ~7.4% in FY16 on account of moderate improvement in capacity utilisation rates. However, revival of private investments is expected only by the second half of next fiscal. Also, the Seventh Central Pay Commission pay-outs could be an additional booster for consumption and growth in the next fiscal.

Credit growth of India's banking sector remained muted at 11.1% year-on-year (y-o-y) as of December 2015. Poor monsoon, muted investments, weak working capital demand, rising risk aversion owing to deteriorating asset quality of public sector banks, and an increase in cheaper funds raised via commercial papers slowed credit offtake. We expect a gradual pick-up in banks' credit towards the end of FY16, driven by a rise in retail loans, public sector investments and finance requirements of small scale enterprises. Overall,

SME RATINGS FOCUSED ON NEWER GEOGRAPHIES SUCH AS THE NORTH-EAST REGION AND ALSO ADDED NEW CLIENTS FROM THE INTERIORS OF NORTH AND SOUTH INDIA

banking sector credit growth is projected to increase to 11-12% by March 2016 vis-à-vis ~10% in FY15.

The capital market witnessed an increase in activity in the third quarter of the year due to falling interest rates in line with easing policy rates. However, base rates of banks saw much weaker transmission; issuances were primarily driven by refinancing of debt and not by the need for capital investment. Hence the bond market which saw a big leg up in quarter three was again subdued in the last quarter. We believe the Reserve Bank of India (RBI) will keep policy rates unchanged for the rest of this fiscal unless inflation surprises on the downside. Additionally, the RBI is addressing the issue of weak transmission of its repo rate cuts in to lending rates of banks by fixing banks' base rate determination methodology on marginal cost of funds from April 2016. We believe that growth in capital market issuances will be linked to the pace of change in lending rates of banks and investment demand pick-up.

In 2015, CRISIL's BLR business witnessed a muted growth due to weak credit offtake in the manufacturing sector and intensified competition. These factors adversely impacted average realisations. While pricing pressures are likely to continue, expectation of a pick-up in credit growth in 2016 could result in an improvement in the BLR market.

SME Ratings were impacted due to reduced budgetary support by Government of India under the NSIC – Performance & Credit Rating Scheme. However, CRISIL continues to serve small and medium enterprises (SMEs) without subsidy from the government and there has been an uptick in volumes in second half of 2015 due to enhanced efforts taken to scale the business. The outlook for the SME sector remains positive, supported by favourable policy changes and initiatives such as MUDRA Bank, Make in India, Digital India and Smart Cities. Furthermore, CRISIL

is carrying out extensive outreach initiatives to enhance awareness about the benefits of ratings, and to increase banks' acceptance of CRISIL's SME ratings. We believe these efforts will positively impact the business.

Operations

CRISIL Ratings maintained its market leadership in 2015 backed by strong performance in its bond ratings, bank loan ratings and SME ratings businesses. CRISIL announced 3,312 new BLRs and 16,000 SME ratings during the year. It has, to date, assigned more than 13,776 BLRs and over 91,000 SME ratings/assessments. This year, SME ratings/assessments were focused on newer geographies such as the northeast region of the country. The SME business added new clients from the interiors of north and south India.

In 2015, CRISIL Ratings rated various innovative instruments in the corporate bond and securitisation market. We rated a partially-guaranteed debenture issue of a passive infrastructure special purpose vehicle (SPV). We assigned the first highest-safety rating for a future-flow securitisation of an interstate transmission service project. We also assigned rating on the borrowings of chit funds for the first time. In another unique example, CRISIL rated pass-through certificates that were backed by receivables from both retail as well as corporate loans, instead of them being usually backed only by securitised retail loans. All the above innovations were well received by the market, and are seen as significant milestones in deepening of 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 RATED VARIOUS INNOVATIVE INSTRUMENTS IN THE CORPORATE BOND AND THE SECURITISATION MARKETS, INCLUDING A PARTIALLY GUARANTEED DEBENTURE ISSUE OF A PASSIVE INFRASTRUCTURE SPV, A FUTURE-FLOW SECURITISATION OF AN INTERSTATE TRANSMISSION SERVICE PROJECT, AMONG OTHERS

CRISIL Ratings held the 3rd edition of its annual bond market seminar titled 'New Templates to Fund Growth', which focused on innovation in India's corporate bond market. We organised an investor discussion forum on the power sector to address some of the crucial industry issues faced by both corporates and lenders. Our analysis was well received by all stakeholders including regulators and policy makers.

Some high-impact franchise activities during 2015 included web-conferences on loan against property market, road sector, real estate market, apart from press releases on banking sector, telecom sector, etc. We also launched Credit Conversations, a bi-monthly newsletter that highlights noteworthy developments in the credit space. This publication received appreciation from our key stakeholders including clients and investors.

GAC continued to work closely with S&P, growing in new areas such as risk management and regulatory support, including model validation and documentation support while increasing the level of integration with S&P teams globally. With the evolving global regulatory requirements, GAC continued its focus on strengthening its internal controls framework, in collaboration with S&P's control functions. GAC's culture of continuous improvement has created ongoing efficiency gains for S&P through lean management tools, work standardisation and process reengineering.

GAC also expanded its support to the larger MHFI family, including increased support to Platts, a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets. The focus this year was to grow beyond traditional credit skills and enhance new and niche areas including quantitative skills for S&P and product support for Platts.

B. RESEARCH

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

Highlights

- Financial Research and Risk & Analytics built a strong base across business segments driven by new opportunities arising out of the changing regulatory environment
- Risk & Analytics vertical registered strong business growth with addition of new customers and substantial expansion with existing clients
- In Corporate Research, the twin focus of new analytics solutions and strengthening our relationship with existing client accounts helped drive new business
- Coalition continued its tradition of product innovation, and has entered the Transaction Banking and Security Services industries to complete its offering to Corporate & Investment Banks

Business environment

2015 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 products at the same level as in 2005. Banks are also actively transforming their front, middle and back-office activities to provide differentiated services, achieving cost efficiencies and increasing productivity. This has resulted in a large portion of the derivatives business being shifted to captives and other cheaper (cost-friendly) offshoring entities. On the brighter side, increasing regulatory changes have opened up newer opportunities for CRISIL GR&A, especially in the Risk & Analytics vertical as well as Coalition. The Coalition Index, which tracks the performance of the top 10 global investment banks, is expected to decrease by

**GLOBAL ANALYTICAL CENTRE
EXPANDED ITS SUPPORT TO THE
MHFI GROUP OF COMPANIES,
INCLUDING PLATTS, A LEADING
GLOBAL PROVIDER OF ENERGY,
PETROCHEMICALS, METALS AND
AGRICULTURE INFORMATION**

2%. It is a telling barometer of the performance of the global investment banking industry. In 2015, Fixed Income Currency and Commodities (FICC) revenues declined by 6% (following a 4% decrease in 2014). Revenues from equity products provided some relative relief with an increase of 12% (following a decrease of 5% in 2014), while investment banking revenues from mergers & acquisitions, and debt and equity markets decreased by 4% (following a growth of 11% in 2014).

In Financial Research, we have added clients across business segments of buy-side, sell-side and credit risk. The majority of the incremental business has come from new areas and/or clients. There was excellent demand for our services from buy-side, especially from traditional managers, insurance companies and hedge funds. Our sell-side business witnessed increasing demand from our existing clients on change mandates driven by a tougher regulatory environment. Our Credit Risk business gained from new opportunities related to risk management from financial institutions due to increased regulatory oversight globally.

The Risk & Analytics vertical continued to see good demand from banks in areas such as stress testing, model validation and regulatory change initiatives. New regulations such as the Fundamental Review of the Trading Book (FRTB) as well as increased demand for our services with banks and financial institutions in the areas of operational risk, credit risk, market risk, compliance analytics and risk infrastructure support have been growth drivers. Specific opportunities such as the US DFAST/CCAR requirements continue to drive banks to make investments in risk modeling and model validation.

In Corporate Research, we were faced with a challenging business environment. Due to shrinking client budgets and restricted spend, making inroads into new client accounts was a challenge. This necessitated increased on-ground presence with frequent outreach across regions – showcasing our CI (Competitive Intelligence) and DA (Data Analytics) capabilities. Further, we have

shifted our focus from supporting Strategy and Marketing functions, where client spends are discretionary, to core functions of clients such as Operations and Sales. With this objective in mind, we have launched multiple new services, where we expect to see traction in coming years.

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 targeting traditional active asset managers, insurance companies, hedge funds, investment banks and regulators across continents, which received excellent response and reinforced our position as an industry leader. Our global research centres continue to scale up, with Poland 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 in previous years have put us on an ideal footing to capitalise on the new requirements coming up in areas such as compliance analytics, counterparty credit risk and IFRS9 modelling etc. In the past year, we have been able to expand our business in all geographies including Poland and Argentina with several key new project additions or expansion of existing client teams. We continue to invest in our human capital with several training and other learning & development initiatives to keep up pace with the ever-changing global regulatory requirements and client mandates.

In Corporate Research, we introduced new analytics solutions and ensured consistent outreach that helped us win multiple mandates from both existing and new clients. Analytics has recorded strong pick-up in the areas of customer, marketing, operations – HR in particular and

**OUR GLOBAL RESEARCH CENTRES
CONTINUE TO SCALE UP, GAINING
FROM OPPORTUNITIES ARISING OUT
OF THE EMERGING REGULATORY
LANDSCAPE**

sales analytics, and we are accordingly ramping-up team strength to meet the increased demand.

In 2015, Coalition added several clients among the top 25 global corporate and investment banks and is now working with all of the top 15 investment banks and more than 20 corporate & investment banks. Coalition delivered a strong performance, driven by its core Competitor and Client Analytics, which reported solid growth. Newer analytics such as Cost/Operating Margin and RWA/Exposure have performed well. Clients are increasingly looking at comprehensive return on equity analysis of their performance across Revenue, Cost and Capital. Coalition has also launched its first analysis of the Transaction Banking and Security Services industries to offer a comprehensive view for Corporate and Investment Banks. Its media strategy has delivered very good results, leading to an estimated media market share of over 40%.

B.2. India Research

Highlights

- Maintained its dominant and premium position in its flagship Industry Research business. Introduced our pioneering Security Level Valuations to insurance companies and won mandates.
- Our assessments of coal block bidding and potential impact of GST shaped thinking on the issues. We sensitised the industry on importance of better investment planning amid new provident fund investment reforms.
- Stepped up engagement with regulators and industry associations significantly.

Business environment

The depressed investment cycle and weak banking sector performance, on the back of poor credit growth, high NPAs and squeezed profitability, impacted research

budgets. Consequently, the growth of the Industry Research business remained modest. The Customised Research business was impacted due to decline in private sector investments for the third year in a row. CRISIL Research maintained its high quality independent research and won repeat business from existing and large global clients.

Economic revival is expected in the latter half of 2016 and CRISIL Research is well positioned to assist banking, financial services and corporates through its proprietary research and training products.

The assets under management of mutual funds grew 23% over last year and the Research business was at the forefront, providing qualitative research on investments. Changing market dynamics open up new opportunities with corporate treasuries, exempt trusts and offshore investors and these will be our focus for 2016. The business will also focus on building new products around investment research and investment risk management.

Therefore, we will continue to focus on enhancing our existing offerings, launching new products with more granular and action-oriented research, and increasing our client engagement initiatives, keeping a sharp tab on our franchise activities that showcase our differentiated positioning in the market.

Operations

During the year CRISIL Research launched many new, enhanced products. The new version of 'Ratings Analytics' (CRISIL's unique web-based platform providing information on ratings) was launched with enhanced features and received positive customer response. We also rolled out new products focused on corporate clients in Automobiles and Logistics sectors. With continued rising interest in SME lending, we have increased our focus on this space by enhancing our offerings.

COALITION LAUNCHED ITS FIRST ANALYSIS OF THE TRANSACTION BANKING AND SECURITY SERVICES INDUSTRIES, THEREBY PROVIDING A COMPREHENSIVE VIEW FOR CORPORATE AND INVESTMENT BANKS

We increased outreach and traction in the offshore category for valuations and customised indices. Continued focus on increasing outreach with corporates (treasuries and exempted trusts) helped gather considerable momentum in the same.

CRISIL Research released a co-branded report with Financial Intermediaries Association of India on distribution industry titled 'Indian Financial Distribution Industry at the Cusp - Vision 2020'. We also released a report on the provident funds sector titled 'Whither Safety Net When India Ages'. Driving its thought leadership agenda further, CRISIL Research was a knowledge partner at many industry events including ASSOCHAM (Associated Chambers of Commerce and Industry) conferences on provident funds where we released reports titled 'Provident Funds in Equity: Emulating Global Trends' and 'Giving Provident Funds the Equity Boost'; the Economic Times Pension and Retirement Benefit Summit where we released a White Paper on retirement industry.

We were also chosen to represent and become members of various sub committees under the Securities and Exchange Board of India (SEBI) and Pension Fund Regulatory and Development Authority (PFRDA).

We conducted more than 100 open programmes in 2015, compared with 80 in 2014 for the Executive Training business. By launching more programmes per month with new focus areas across locations, the total number of training days increased from 455 days in 2014 to 675 in 2015.

The CRISIL Centre for Economic Research (C-CER) continued to focus on conducting distinctive research on macroeconomic issues and published several landmark reports during the year. There were seven special reports in its series Economy Insight covering contemporary macroeconomic issues such as the pension challenge, impact of deficient rains and farm stress, inflation dynamics, external trade, rupee volatility, India's ability to face global

shocks, consumption and investment dynamics and direct benefit transfer scheme of the government.

C-CER published a study on the need for pension reforms in India. The report envisaged that India's aged population would treble to 300 million by 2050 and fiscal drag on the central government on providing for this segment could increase by 120 basis points times to 3.4% of GDP, while leaving large segment of the retired population financially insecure if corrective steps are not taken now. The emphasis on social security and adequate pension resonated in the Union Budget presented in Parliament in February 2015.

CRISIL released 'Modified Expectations', a report evaluating the economy-related performance of the Narendra Modi-led government as it completed one year in office. The report integrated the views of Research and Ratings with a macroeconomic assessment to come out with a 360-degree view of the economy. The report received excellent response from media, clients and other stakeholders

C-CER released 'Angsty farms', a report evaluating the impact of rising weather-related shocks on India's agriculture, which remains highly vulnerable. The report received very good response from various stakeholders. We also hosted a successful webinar and a twitter chat on the report.

These reports helped build CRISIL Research's franchise among investors and policymakers, reaffirming its position as a thought leader in the macro economy and policy space.

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).

CHANGING MARKET DYNAMICS OPENED UP NEW OPPORTUNITIES WITH **CORPORATE TREASURIES, EXEMPT TRUSTS AND OFFSHORE INVESTORS**. THESE WILL CONTINUE TO BE OUR FOCUS AREAS FOR 2016

C.1. CRISIL Infrastructure Advisory

Highlights

- Supported the Indian government on some of their flagship programmes such as Smart Cities Mission, Power for All, Rurbanisation, and Indian Railways
- Successfully built a strong order book with several large mandate wins
- Deepened penetration in select international markets in Africa and Southeast Asia

Business environment

India's infrastructure sector faces several challenges. Even though several new infrastructure programmes and policy initiatives have been launched by the government, the investment climate has not yet picked up. Infrastructure financing remains a key challenge, and the government is working on a few structural changes in regards to funding of infrastructure development. The private sector, which was expected to play a key role in infrastructure development, is still extremely wary of investments in the sector. Meanwhile, the government has been working to create a more conducive business environment and has been undertaking various reforms for sustainable economic growth. Outside India, Africa and Southeast Asia have begun to show positive progress.

It is expected that the Government of India will take up the lion's share of infrastructure investments over the next couple of years. The government has launched quite a few large and visionary programmes, and the focus is likely to shift to their implementation and sustainability. This has created several hotspot opportunities in the infrastructure advisory space, and the business is looking at supporting the Indian government on several of these programmes. The key is how quickly the government is able to rollout various reforms and implement them on the ground.

In the international markets, Africa continues to show progress, albeit at a very slow pace. The business is involved closely with infrastructure development in key African

markets, especially east Africa. Some emerging markets in south-east Asia and the SAARC countries show promise in the near future.

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 the international markets as well. This has helped the business to build up a robust order book, which is significantly larger than previous years. We have maintained steady revenue growth with improved margins.

Our focus on government, and multilateral agencies as clients has paid off. The infrastructure advisory business is proud to support several flagship programmes of the Indian government, viz., Smart Cities Mission, Power for All, Rurbanisation, National Solar Mission, Northeast regional development, and funding of Railways' investments.

We worked closely with the Ministry of Power in preparing the roadmap for 24 x 7 Power for All by 2019 for 11 states and union territories. CRISIL Infrastructure Advisory was the first consultant appointed for this programme. In the energy sector, we also supported Ministry of Petroleum & Natural Gas (MoPNG) and Directorate General of Hydrocarbons (DGH) in preparing the hydrocarbon vision document for the Northeast. Another prestigious mandate with the Petroleum Planning and Analysis Cell involved preparing a comprehensive master plan for increasing and scaling up the coverage of LPG usage in the country.

CRISIL Infrastructure Advisory won an important mandate with the World Bank to support the Ministry of Rural Development in rolling out the Shyama Prasad Mukherjee Rurban Mission. On the Smart Cities Mission programme, the business won mandates with five cities in Maharashtra, to assist them in preparing proposals for the Smart Cities Challenge. The business has also got the mandate from World Bank on proposing a Railways Development Fund to support the investment plan of

**CRISIL INFRASTRUCTURE
ADVISORY SUPPORTED FIVE
CITIES IN MAHARASHTRA
PREPARING PROPOSALS FOR THE
SMART CITIES CHALLENGE**

Indian Railways. The business is also supporting the Karnataka government on its state highways improvement programme.

CRISIL Infrastructure Advisory had a higher share of international business in the year, as compared to the previous year. The business won several large mandates in Africa and Southeast Asia, including an Urban Water Supply and Sanitation management project, energy improvement programs in Africa, and a Regional infrastructure development fund project in a leading south-east Asian country.

C.2. CRISIL Risk Solutions (CRS)

Highlights

- Focused on consolidation through investments in products.
- Witnessed good traction for model development and credit risk management services with several mandates from banking and non-banking clients.
- Continued to expand footprint in South-Asia, Middle-East and other new geographies.

Business environment

The business environment continued to witness improved traction during the year in India. With increasing focus on strengthening credit risk management and monitoring, demand from banks for both our Early Warning System (EWS) and Credit Processing System (CPS) continues. Momentum in CRS's rating solution and models business continued in India and other emerging markets. The overall business pipeline and visibility for 2016 is good.

Operations

2015 was a year of consolidation with investments in various products. These investments made to strengthen the product base are expected to play a key role in the expansion and growth of the business and significantly contribute to revenues over the next 3 years.

The new channels of business through partnerships began to yield good results with significant mandate wins in the Middle East and Sri Lanka. These partnerships and plans for increased collaboration within MHFI should help growth and deepen business penetration in the international markets.

Apart from new products, investments are being planned to upgrade our old stack of products to newer technology platforms and also develop mobile-based applications for them. We anticipate faster proliferation of mobile-based applications in financial services and have, therefore, taken measures to enter this space early. Also, there were several process initiatives undertaken during the year to standardise the implementation of projects to improve quality, and reduce implementation costs and timelines.

The business development team continued to build CRS's franchise. We were knowledge partners for the Small Business Banking Network workshop in Goa in January where the Deputy Governor of the Reserve Bank of India was the chief guest. We spoke at several banking forums such as the ASSOCHAM conference on SME financing, and a financial services round table. We organised a webinar on effective credit monitoring and undertook a training session on effective credit risk management for the senior management of a leading government financing entity. We will continue to invest time and money in building our franchise in the coming years.

CRS expects to maintain its growth momentum in 2016 and anticipates revenue to be driven by newer products. The investments made in products and structure should provide much needed impetus to drive the business growth in India and international markets.

D. COLLABORATION WITH S&P

In 2015, we deepened our engagement with Standard & Poor's for outreach initiatives in different geographies. An S&P - CRISIL joint seminar, 'India – Grinding up amidst challenges', was organised for investors in Hong Kong and Singapore. The discussions at the seminar revolved

**CRISIL RISK SOLUTIONS' FOCUS
WAS ON INVESTMENT IN PRODUCT
CONSOLIDATION TO PROPEL
BUSINESS GROWTH**

around India's macro-economic overview and outlook, the road ahead for India's sovereign rating, views on the credit quality of Indian companies and the outlook for key sectors. We also collaborated with S&P this year on their flagship event 'India through the lens of global financial markets' in Mumbai. The speakers made presentations on major credit trends and outlook for India Inc. from a global perspective, and the event was appreciated by investors and issuers alike.

As part of our joint outreach initiatives, we also organised a breakfast meeting for S&P Asia-Pacific Chief Economist Paul Gruenwald and S&P US Chief Economist Beth Ann Bovino to exchange notes on the Indian and global economy. CRISIL Chief Economist Dharmakirti Joshi participated as a panellist in the Global Economic Outlook Conference in New York sponsored by the McGraw Hill Financial Global Institute. He was also the keynote speaker at S&P Dow Jones Indices' annual thought leadership seminar 'India: Truly emerging' held in Mumbai.

S&P hosted our special report 'Modified Expectations' on the S&P Global Credit Portal. In addition, C-CER continued to provide an outlook on the Indian economy to S&P and contributed two articles on India in S&P's bi-annual publication 'Global Economic Outlook'. CRISIL and S&P jointly hosted the post-budget webinar.

Following their success in the Middle East, S&P Capital IQ and CRISIL Risk Solutions continue to collaborate successfully in other regions to expand their global footprint. In 2015, they also tasted our first joint success in Kazakhstan. The two companies commenced their relationship in 2011-12 with one project in Saudi Arabia; it has since progressed to over eight projects over the last three years across six countries. In 2015, they are currently delivering two key projects in Kuwait and Kazakhstan that, we believe, will provide the required impetus in these new markets for future growth. The success in the Middle East needs to be translated in other regions and the focus of 2016 will be to create synergies on products and markets to create value globally.

E. HUMAN RESOURCES

CRISIL's Human Resources team successfully ran its talent acquisition, retention and development agendas during the year. As on December 31, 2015, CRISIL's headcount was 3,753 including all its wholly owned subsidiaries.

Highlights

- CRISIL's senior management team was strengthened through hiring of leaders in strategic roles. CRISIL also continued to strengthen its campus programme, which has been a key source of talent.
- Business HR partners helped drive employee engagement and people agenda across businesses and regions. Key areas involved assimilation of new talent, performance management process, rewards and recognition and employee connect. The team was also instrumental in driving and executing various employee engagement and fun activities through the year.
- This year, the function focussed hugely on training need identification. CRISIL conducted 116 training programmes throughout the year, covering 2,041 man-days.
- We had a rigor in implementation performance management by early closure of individual goals, higher objectivity in goal setting, mid-year review and leadership surveys.

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, (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 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.

CEO SUCCESSION AND DIRECTORSHIP CHANGES

During the year, Ms. Roopa Kudva took early retirement as the Managing Director & Chief Executive Officer of the Company on April 30, 2015. Your Directors place on record their sincere appreciation of the valuable contribution made by her to CRISIL.

Ms. Ashu Suyash took over as the Managing Director & Chief Executive Officer of CRISIL. The Board approved her appointment as Additional Director and Managing Director & Chief Executive Officer with effect from June 1, 2015. The appointment of Ms. Ashu Suyash as director liable to retire by rotation and the terms and conditions of appointment were put up to the shareholders for their approval by way of postal ballot, results of which were announced on June 15, 2015. The shareholders approved the said resolution.

Mr. Neeraj Sahai resigned as Director of the Company on October 17, 2015. Your Directors place on record their sincere appreciation of the valuable contribution made by him to CRISIL.

The Board of Directors appointed Mr. John Francis Callahan Jr. as an Additional Director of the Company with effect from October 18, 2015. Mr. John Callahan holds office as Additional Director until the ensuing 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 Callahan for the office of Director. A brief profile of Mr. John Callahan 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. Yann Le Pallec 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) Mr. M. Damodaran

- c) Dr. Nachiket Mor
- 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 facilitate them to 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 a week prior to 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 five times in financial year 2015 viz., on February 14, April 17, April 28, July 17 and October 17. 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, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, 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 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 certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors.

CHANGES TO KEY MANAGERIAL PERSONNEL

During the year, Ms. Roopa Kudva took early retirement as a Managing Director & Chief Executive Officer of the Company on April 30, 2015. Ms. Ashu Suyash took over as the Managing Director & Chief Executive Officer of CRISIL with effect from June 1, 2015.

Mr. Neelabja Chakrabarty resigned as the Company Secretary on February 27, 2015 and Ms. Minal Bhosale was appointed as the Company Secretary with effect from June 1, 2015.

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 directly to the Audit Committee. Both Internal and Statutory Auditors have exclusive executive sessions with the Audit Committee on a regular basis. In addition, during the year, the Management performed a review of key financial controls, 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 external consultants and the reviews performed by Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015.

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, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the 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. Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

However, in order to protect and conserve precious natural resources, following design aspects have been factored while designing CRISIL's office building in Mumbai.

- a) Maximum day light in the office area to avoid artificial illumination.

- b) Optimum usage of Air-conditioning.
- c) Roof Top covering by adequate natural landscaping which acts as a thermal insulation to minimize the air-condition load on the floor beneath.
- d) Usage of recycled water through sewerage treatment for flushing and gardening purpose.

The daily steps taken to reduce energy consumption are as follows.

- a) Operating the air-conditioning equipment through the Building Monitoring system (BMS) which ensures that the A.C. units are switched on based on occupancy only.
- b) In order to save energy and cost of recycling water, the key valve system has been set up for waterless sanitation systems.

Similar design aspects have been factored for Gurgaon office also. The Pune SEZ (Hinjewadi) office, which is of about 42,500 sq. ft., is designed with LED lighting. This gives higher savings in energy consumption as compared with the CFL lighting.

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, 2015, the Company had four Indian and seven overseas wholly owned subsidiaries. There has been no change in the number of subsidiaries or

in the nature of business of the subsidiaries, during the year under review. 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. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.crisil.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA regulations with respect to the 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 subject to necessary approvals of the Stock Exchanges and sanction of the Hon'ble High Court of Judicature at Mumbai.

The Company has received, in terms of Clause 24(f) of the erstwhile Listing Agreement, observation letters, dated December 31, 2015 from NSE (National Stock Exchange of India Limited) and December 30, 2015

from BSE (BSE Limited), the Stock Exchanges where the equity shares of the Company are listed, to the draft Scheme of Amalgamation conveying their No Objection for filing the Scheme with the Hon'ble High Court.

The petition seeking sanction of the proposed Scheme by Hon'ble High Court has already been filed and will come up for hearing in due course in 2016.

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 McGraw Hill Financial Inc. (MHFI) 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 2015 were in the ordinary course of business and at an arms' 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 last Annual General Meeting of the Company, the Statutory Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed for a term of two years until the conclusion of the 30th Annual General Meeting, subject to ratification by the shareholders at the intermittent 29th Annual General Meeting.

The Company has received letter from them to the effect that their appointment, if ratified, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

The Board recommends ratification of their appointment from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting of the Company.

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. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforementioned Listing Regulations is also published elsewhere in this Annual Report.

PARTICULARS OF REMUNERATION

During the year, 78 employees received remuneration of Rs. 6 million or more per annum. 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 employees 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 on request. Such details are also available on your Company's website, <http://www.crisil.com/investor/financial-reports.html>.

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.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 9, 2016 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.

The summary information on ESOS 2011, ESOS 2012 and ESOS 2014 is provided as Annexure VI to this Report.

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 VII.

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 applications made by CRISIL and all its Indian subsidiary companies for seeking exemption from applicability of section 2(41) of the Act were approved by the Hon'ble Company Law Board during the year and accordingly, the Company and all its subsidiary companies, in India and across the world, would follow the calendar year as the financial year.

CEO & 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 9, 2016.

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 Standard and Poor's 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 Ltd.

Douglas L. Peterson
 Chairman
 (DIN: 05102955)

Mumbai, February 9, 2016

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' 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 the 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 wholetime 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 the 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.
- 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 programmes 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

- (a) 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;
- (c) 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

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

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP 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/Wholetime Director
 - The Company shall appoint or re-appoint any person as its Managing Director and CEO or Wholetime 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 independent compensation surveys, from time to time.

b) Long-term rewards

Long-term rewards may include a Long-Term Incentive Plan (LTIP) or a plan 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 Plan (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term rewards could be in the nature of stock options of the company. Stock options may be granted to key employees and high performers in organisation who would be selected by the Committee based on their

criticality, past performance and potential. The grant, vesting and other scheme details will 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 profit or its profit was 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 KMP and employees of the Company, the repayment for which is deducted from the monthly salary of the concerned employee in twelve equated monthly installments.

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 & Poor's (S&P) is paid to Standard & Poor's 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 profit 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 programmes in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives
- Employee participation in financial literacy / promoting education and environment conservation as well as, allowing employees to undertake projects of their choice, with small budget allocations reviewed by 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 programmes to a larger set of target population, CRISIL may also partner or work with other well-known Foundations,

implementation agencies, NGOs or other intermediaries with a good track record for deploying the CSR Program.

CSR FUNDING AND ALLOCATION

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, CRISIL will annually contribute up to 2% of average net profit 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 Sustainability Report published elsewhere in this annual report and the Company's website (www.crisil.com).
- The Composition of the CSR Committee:** Dr. Nachiket Mor (Chairman), Ms. Vinita Bali and Ms. Ashu Suyash.
- Average net profit of the company for last three financial years (2012-2014):** Rs. 288.80 crore.
- Prescribed CSR Expenditure (2% of the amount as in item 3 above) (2012 - 2014):** Rs. 5.83 crore.
- Details of CSR spend during the financial year:**
 - Total amount to be spent for the financial year: Rs. 5.83 crore
 - Amount unspent, if any: **Refer to Note 6**
 - 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 programme-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 Initiative | Education - Financial Literacy | Assam | 2.31 | 3.05 | 0.16 | 3.21 | Rashtriya Grameen Vikas Nidhi |
| 2 | CRISIL Re | Environmental Conservation through volunteerism | Mumbai, Pune, Chennai, Gurgaon | 1.43 | 0.88 | 0.05 | 0.93 | United Ways Mumbai, Green Yatra |

RASHTRIYA GRAMIN VIKAS NIDHI (RGVN)

RGVN was founded in April 1990 as a development support organisation and is registered under the Society's Registration Act of 1860. RGVN has its Head Quarters at Guwahati, Assam and its operations are spread across the North Eastern and Eastern states of India. RGVN's projects are mainly in the areas of rural livelihood and capacity building of grassroot level NGOs.

RGVN's founder sponsor was Industrial Financial Corporation of India (IFCI). The other sponsors of RGVN are Industrial Development Bank of India (IDBI), National Bank for Agriculture and Rural Development (NABARD), and Tata Social Welfare Trust (TSWT)

For FY 2014-15, RGVN had a balance sheet size of Rs.19.10 crore and reported income of Rs.7.28 crore. Its total staff strength is 106, including 34 permanent employees and 72 contractual staff. RGVN now operates in 14 states of the country, namely – Assam, Meghalaya, Arunachal Pradesh, Tripura, Nagaland, Manipur, Mizoram, Sikkim, Orissa, Bihar, Jharkhand, Eastern Uttar Pradesh, Chhattisgarh and coastal Andhra Pradesh.

Some of the prominent projects handled during the previous two financial years include Cross – Border Transfer of Agricultural Technologies with European Union, NABARD Lead Crop Project in Assam, and Sustainable Livelihood Enhancement And Enterprise Promotion – A project supported by HIVOS.

UNITED WAY OF MUMBAI (UWM)

United Way of Mumbai (UWM) is a non-profit organisation that endeavours to leverage corporate, employee and leadership talent for community development. Through corporate gifts and employee giving campaigns, United Way of Mumbai seeks to successfully engage the corporate sector into meaningful Social Responsibility structures bringing about a positive and lasting change in the communities. UWM is a chapter of United Way Worldwide, which tops the list of the world's 15 largest charities.

UWM commenced its operations in 2002 and specializes in mainly three areas Education, Livelihood creation and Health. For FY 2014-15, the total income reported was INR 25,87,86,874 and total expenses was INR 25,68,97,613. UWM has staff strength of 27 employees.

UWM's key donors include Deloitte Consulting India Pvt Ltd, Wells Fargo, JP Morgan, John Deere Foundation, Bank of America, Citibank and Bristol Myers Squibb Foundation.

United Way of Mumbai has been our nodal partner in executing CRISIL RE – our Employee Volunteering Programme across our offices in Mumbai, Pune, Gurgaon and Chennai. They have helped execute our ongoing environment conservation programmes across these cities along with the local NGO partners under the twin themes of Greening and Waste Management, planned employee engagement activities as well as monitored these programmes.

GREEN YATRA

Green Yatra is a Non-Profit-Non-Governmental organisation (NGO); A devoted Yatra (journey) toward protection, conservation and improvement of our Mother Nature and Humanity. Their sole objective is to pass on a habitable GREEN pollution free Earth and a better World to the future generations.

Green Yatra commenced its operations in 2010 and specialises in the areas of Tree plantation, Environment Consultancy, Education, and Waste Management. Its key

For CRISIL Ltd.

Ashu Suyash

Managing Director
& Chief Executive Officer
(DIN: 00494515)
Mumbai, February 9, 2016

donors include names such as Reserve Bank of India, Shopper's Stop, McDonald's and Tata Capital.

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 that were collected from our Mumbai and Pune offices during the Joy of Giving Week. They also conducted the very successful Eco-friendly Ganesha making workshops at our Mumbai and Pune offices.

- 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:** We have spent 1.42% of the 3-year average profit as part of our CSR in the reporting period. During the year, the Company has invested significant time and resources laying a strong foundation including high-quality content back-end, robust technology platform for programme monitoring and enabling infrastructure to rapidly scale up existing projects. The Company has also put in place strong institutional arrangements for further expansion to newer geographical locations and has forged robust partnerships with other corporate foundations. Both these initiatives will not only help achieve rapid scale, but also position CRISIL as a thought leader in the social sector. Going forward, in addition to utilising its CSR budget fully, CRISIL, in line with its mission of making markets function better is also committed to use its research and analytical capabilities to bring in greater transparency to social sector.
- 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 and on behalf of the CSR Committee of CRISIL Ltd.

Vinita Bali

Chairperson for the
6th Corporate Social Responsibility Committee Meeting
(DIN: 00032940)
Mumbai, February 9, 2016

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 arm's 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 | McGraw-Hill Financial, Inc. (MHFI) or any of MHFI group related entity | Global Analytical Centre | Ongoing subject to renewal as per contractual terms | Support MHFI and its group in their global operations, consideration of around Rs. 144.47 crore per annum | 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 MHFI and its group Companies. | February 14, 2015 | Nil | December 15, 2014 |

| | | | | | | | | |
|---|---|---|--|--|--|-------------------|-----|----------------|
| 2 | CRISIL Irevna UK Ltd (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 Ltd. in 2015 is Rs. 186.76 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 14, 2015 | 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 LLC in 2015 is Rs. 157.42 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 14, 2015 | Nil | Not applicable |
| 4 | CRISIL Irevna UK Ltd | Loan given by CRISIL | 10 years | Loan outstanding Rs. 140.24 crore from CRISIL Irevna UK Ltd. 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 |
| 5 | CRISIL Irevna Argentina S. A. | Global Research and Analytical Services | Ongoing, subject to renewal as per contractual terms | CRISIL Irevna Argentina is captive centre and provides research services to CRISIL GR&A clients. The pricing is after considering appropriate remuneration to CRISIL Irevna Argentina to meet its functional obligation. (Amount invoiced by CRISIL Irevna Argentina S. A. to CRISIL Limited is Rs. 50.55 crore in 2015) | Services rendered by CRISIL Irevna Argentina are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna Argentina. | February 14, 2015 | Nil | Not applicable |

ANNEXURE IV TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For The Financial Year ended 31 December, 2015

[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 Ltd.,
 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 Ltd. (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 December 31, 2015, ('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 December 31, 2015, 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, 1992, and 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.
- (vi) I further report that having regard to the compliance system prevailing in the Company and on

examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company :

- The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999,
- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014,
- The Reserve Bank of India's related rules / regulations as an External Credit Assessment Institution status for the Company's Bank Loan Ratings business.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 1 July, 2015.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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.

Dr. K R Chandratre

FCS No. 1370

C. P. No.: 5144

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 Company has bought back a total of 5,11,932 Shares, utilising a total of Rs. 1,01,97,80,637.97 (excluding transaction costs) which represents 99.98% of the Maximum Buyback Size; and
- subject to the other required consents / approvals, the Board of Directors of the Company 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.
- the Board of Directors of the Company approved the proposal to invest upto Rs. 30 crores in financial technology companies in areas / sectors that are deemed strategic for the Company.

Place : Pune

Date : 9 February, 2016

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 | 0.07* |
| b. | Mr. H. N. Sinor – Independent Director | 5.19 |
| c. | Dr. Nachiket Mor – Independent Director | 5.32 |
| d. | Mr. M Damodaran – Independent Director | 5.35 |
| e. | Ms. Vinita Bali – Independent Director | 4.93 |
| f. | Mr. Yann Le Pallec – Non-Executive Director | NA* |
| g. | Mr. John Francis Callahan Jr. – Non-Executive Director | NA* |
| h. | Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson | NA |
| i. | Ms. Ashu Suyash – Managing Director & Chief Executive Officer | 46.56^ |

*Sitting Fees and Commission payable to Non- Executive Directors nominated by Standard & Poors' (S&P) was paid to 'Standard & Poors' International LLC'. Since April 2015, MHFI has waived the sitting fees payable to its nominees. Also, commission for the year 2014 and 2015 has been waived by MHFI.

^ Since remuneration is for a part of the year, it is not comparable. Based on annualised remuneration the ratio will be 81.97.

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 | 2014 Remuneration Rs. | 2015 Remuneration Rs. | Percentage increase in remuneration |
|--------|---|-----------------------|-----------------------|-------------------------------------|
| a. | Mr. Douglas L. Peterson – Chairman, Non-Executive Director | 80,000* | 40,000* | -50% |
| b. | Mr. H. N. Sinor – Independent Director | 23,50,000 | 31,00,000 | 31.91% |
| c. | Dr. Nachiket Mor – Independent Director | 24,10,000 | 31,75,000 | 31.74% |
| d. | Mr. M Damodaran – Independent Director | 24,30,000 | 31,95,000 | 31.48% |
| e. | Ms. Vinita Bali – Independent Director | 23,70,000 | 29,45,000 | 24.26% |
| f. | Mr. Yann Le Pallec – Non-Executive Director | 1,60,000* | 0* | -100% |
| g. | Mr. John Francis Callahan Jr. – Non-Executive Director | Nil* | Nil* | NA |
| h. | Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson | Nil | Nil | NA |
| i. | Ms. Roopa Kudva - Managing Director & Chief Executive Officer (up to April 30, 2015) | 8,55,47,296 | 12,79,38,137 | \$ |
| j. | Ms. Ashu Suyash – Managing Director & Chief Executive Officer (with effect from June 1, 2015) | Nil | 2,78,09,450 | NA |
| k. | Mr. Amish Mehta – Chief Financial Officer | 84,53,642 | 2,49,04,484 | 194.60% ^ |
| l. | Mr. Neelabja Chakrabarty – Company Secretary (up to February 27, 2015) | 31,30,172 | 9,50,613 | ** |
| m. | Ms. Minal Bhosale – Company Secretary (joined with effect from June 1, 2015) | Nil | 43,64,075 | NA |

*Sitting Fees and Commission payable to Non-Executive Directors nominated by Standard & Poor's (S&P) was paid to Standard & Poor's International LLC. Since April 2015, MHFI has waived the sitting fees payable to its nominees. Also, commission for the year 2014 and 2015 has been waived by MHFI.

^Since Mr. Mehta joined on October 3, 2014, the remuneration for 2014 and 2015 are not comparable.

\$ Remuneration is not comparable in view of cessation of employment during 2015. There was no increase in base pay and the increase in remuneration is on account of exercise of stock options.

** Remuneration not comparable in view of cessation of employment during 2015.

3. The percentage increase in the median remuneration of employees in the financial year: Median pay has increased by 5.04% in 2015 as compared to 2014.

4. The number of permanent employees on the rolls of company: 2,858

5. The explanation on the relationship between average increase in remuneration and Company performance: Average increase implemented in 2015 was 16.05%. The objective of the CRISIL remuneration framework is to set the total remuneration at levels which attract, motivate, and retain high-calibre and high-potential personnel in a competitive global market. The total remuneration level is reset annually as necessary based on a comparison with the relevant peer group in the Indian market, established through independent compensation surveys, from time to time. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness.

6. Comparison of the remuneration of Key Managerial Personnel (KMP) against the performance of the Company: In accordance with the CRISIL remuneration framework, the KMP remuneration similarly comprises a fixed component that aims at market competitiveness and need for high-calibre talent and a variable component which is directly linked to individual performance as well as that of the Company. Stock options for CRISIL shares are granted to key employees based on their criticality, potential and other parameters established by the Nomination & Remuneration Policy. Hence, the Company's performance has a significant correlation with the variable remuneration to Key Managerial Personnel.

| | |
|-------------------------------------|--------------------|
| Aggregate remuneration of KMP | Rs. 18.60 Crore |
| Revenue | Rs. 1,000.70 Crore |
| Remuneration of KMP as % of revenue | 1.86% |
| PBT | Rs. 325.35 Crore |
| Remuneration of KMP as % of PBT | 5.72% |

7. Variations in the market capitalisation of the Company and price-earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase / decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

The market capitalisation of the Company increased by 3.37%, from Rs. 13,551.42 crore on December 31, 2014, to Rs. 14,008.97 crore on December 31, 2015. The price to earnings ratio was 63.28 times as at December 31, 2015 (previous year, 62.54 times).

The last public offer by the Company was made in the year 1994 at a price of Rs. 40 per share of face value Rs. 10 each. For ease of comparison, we may, therefore, assume the said price to be Rs. 4 per share for the equity share of face value Re 1 each.

The closing price of the equity share of CRISIL on the National Stock Exchange of India as on December 31, 2015 was Rs. 1,967.30. The percentage increase in the market rate of the equity share of CRISIL is thus 49,082.50%.

8. 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 salary for 2015 over 2014 is 16.05%. Overall managerial remuneration to KMPs has increased by 88.24%. During the year, on account of succession changes to the position of CEO and Managing Director, one-time payments such as end-term benefits, exercise of options and joining

bonus are included in the remuneration. For clarity on the details of the individual compensation to Key Managerial Personnel, please refer to Annexure VII of the Directors' Report.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: Refer point 6 above

10. Key parameters for any variable component of remuneration availed by the directors: Variable pay for CEO and Managing Director is determined based on the assessment of key performance areas including financial targets. Commission to Non-Executive

Independent Directors is determined by the Nomination & Remuneration Committee with reference to a threshold of eligible profits within the statutory limits and an annual external benchmarking exercise. Non-Executive Directors nominated by Standard & Poors' (S&P) have waived off their commission and sitting fees for 2015.

11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

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

ANNEXURE VI TO THE DIRECTORS' REPORT

EMPLOYEE STOCK OPTION SCHEMES

Information required to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999

| Sr. No. | Description | ESOS 2011 | | ESOS 2012 | | ESOS 2014 | |
|---------|--|--|----------------|----------------|----------------|----------------|----------------|
| | | YR 2015 | YR 2014 | YR 2015 | YR 2014 | YR 2015 | YR 2014 |
| 1. | Pricing formula | 100% of the closing market price immediately prior to the date of grant on the stock exchange, which recorded highest trading volume | | | | | |
| 2. | Options outstanding at the beginning of the year | 76,863* | 4,69,220 | 4,64,682 | 7,60,465 | 25,77,250 | NIL |
| 3. | Options granted during the year (January to December) | 22,000 | 33,000 | NIL | 1,23,000 | 71,507 | 28,60,300 |
| 4. | Options vested during the year | 6,600 | 3,81,200 | 2,55,280 | 2,98,220 | 79,100 | NIL |
| 5. | Options exercised during the year | 32,763 | 4,22,607 | 2,26,907 | 3,11,038 | 79,100 | NIL |
| 6. | Total number of shares arising as a result of exercise of options | 31,243 | 4,06,607 | 2,24,157 | 27,558 | 79,100 | NIL |
| 7. | Options lapsed during the year | NIL | 2,750 | 32,965 | 1,07,745 | 3,73,850 | 2,83,050 |
| 8. | Total number of options in force at the end of the year | 66,100 | 76,863 | 2,04,810 | 4,64,682 | 21,95,807 | 25,77,250 |
| 9. | Money realised by the exercise of options (Rs. Crore) | 2.74 | 23.58 | 25.23 | 31.54 | 9.62 | Nil |
| 10. | Grant to Senior Management during the year (further details given below in Note 4) | 22,000 | 33,000 | NIL | 1,23,000 | 71,507 | 6,30,000 |
| 11. | Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share' (Rs.) (Standalone) | 30.76 | 30.03 | 30.76 | 30.03 | 30.76 | 30.03 |
| 12. | Weighted average exercise price (Rs) of the options whose: | | | | | | |
| a. | Exercise price equals market price | 642.96 | 617.98 | 1,067.14 | 1,067.14 | 1,238.76 | 1,217.20 |
| b. | Exercise price is greater than market price | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| c. | Exercise price is less than market price | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 13. | Weighted average fair value (Rs) of the options whose : | | | | | | |
| a. | Exercise price equals market price | 201.00 | 195.31 | 321.77 | 320.09 | 475.31 | 469.48 |
| b. | Exercise price is greater than market price | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| c. | Exercise price is less than market price | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| 14. | Method of calculating fair value of options | The fair value of the options granted has been estimated using the Black-Scholes option pricing model. Each tranche of vesting has been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same are given below. | | | | | |

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 | |
|----------------------------------|-------------------|--------------|
| | February 25, 2015 | June 1, 2015 |
| Stock Price | 2,025.20 | 2,090.90 |
| Volatility | 25.80% | 27.43% |
| Risk-free Rate | 7.73% | 7.82% |
| Exercise Price | 2,025.20 | 2,090.90 |
| Expected Life (Time to Maturity) | 3.2 | 5.0 |
| Dividend yield | 1.57% | 2.00% |
| Fair value per option | 515.78 | 708.36 |

We have used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

Notes:

- 1) *After the sub-division of shares from Rs. 10 per equity share to Re 1 per equity share with effect from October 1, 2011.
- 2) None of the employees were granted, in any one year, options equal to 1% or more of the issued capital of the Company at the time of grant.
- 3) There was no variation of the terms of options granted.
- 4) Options granted to Senior Managerial Personnel up to December 31, 2015, are as follows:

| Sl No. | Name | ESOS - 2011 (number of options granted) | ESOS - 2012 (number of options granted) | ESOS - 2014 (number of options granted) |
|--------|-----------------------|--|--|--|
| 1 | Ashu Suyash | Nil | Nil | 71,507 |
| 2 | Raman Uberoi | 30,000 | 15,000 | 45,000 |
| 3 | Pawan Agrawal | 22,000 | 10,000 | 30,000 |
| 4 | Ramraj M Pai | 22,000 | 18,000 | 38,000 |
| 5 | Ramnath Narayan Iyer* | 22,000 | 8,000 | 54,000 |
| 6 | Gurpreet S Chhatwal | 22,000 | 10,000 | 45,000 |
| 7 | Srinivasan V | 22,000 | 10,000 | 54,000 |
| 8 | Priti Arora | 8,000 | 5,000 | 24,000 |
| 9 | Subodh Kumar Rai | 11,000 | 5,000 | 45,000 |
| 10 | Suprabha A D | 11,000 | 4,500 | 45,000 |
| 11 | Manish Jaiswal | Nil | 32,000 | 30,000 |
| 12 | Sameer Bhatia | Nil | Nil | 24,000 |
| 13 | Stephane Besson | Nil | 48,000 | Nil |
| 14 | Pankaj Jain | Nil | Nil | 45,000 |
| 15 | Amish Mehta | 33,000 | Nil | Nil |
| 16 | Rajasekhar Kaza | 22,000 | Nil | Nil |

* Ceased to be in employment as on the date of this report.

- 5) None of the employees, other than senior management personnel, details of options granted to whom, have been given at note no. 4 above, were granted options equal to 5% or more of total options granted during the year.

- 6) The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS 2011, ESOS 2012 and ESOS 2014. The Company has not recorded any compensation cost as the grant has been given at the market price. 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. 360,854,250 (P.Y. Rs. 284,857,244) and Earning Per Share (EPS) would have been as under :

Earnings Per Share: Nominal value of Re 1 per share

| Details | Consolidated | | Standalone | |
|--------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year ended December 31, 2015 | Year ended December 31, 2014 | Year ended December 31, 2015 | Year ended December 31, 2014 |
| Basic (Rs) | 34.96 | 33.82 | 26.10 | 26.36 |
| Diluted (Rs) | 34.51 | 33.44 | 25.76 | 26.06 |

ANNEXURE VII TO THE DIRECTORS' REPORT

Form No MGT-9

Extract of annual return as on the financial year ended on December 31, 2015

[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 Ltd. |
| 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 Ltd. 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 | 45 |
| 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 | 55 |

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 | 43.83 | 2(46) |
| ii. | McGraw-Hill Asian Holdings (Singapore) Pte Ltd 12 Marina Boulevard, #23-01, Marina Bay Financial Centre, Tower 3, Singapore 018982 | Not applicable | Holding Company | 14.92 | 2(46) |
| iii. | Standard & Poors' International LLC 1221, Avenue of the Americas, 48th Floor, New York, NY 10020, USA | Not applicable | Holding Company | 8.42 | 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. | Pipal Research Analytics and Information Services India Private Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 | U73100M- H2004PTC244103 | Subsidiary Company | 100% | 2(87) |
| vi. | Coalition Development Systems (India) Private Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 | U72300M- H2004PTC149360 | Subsidiary Company | 100% | 2(87) |
| vii. | Mercator Info-Services India Private Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 | U72300M- H2010PTC211572 | Subsidiary Company | 100% | 2(87) |
| viii. | CRISIL Irevna UK Ltd C/o Penningtons Manches LLP 125 Wood Street, London EC2V 7AN | Not applicable | Subsidiary Company | 100% | 2(87) |
| ix. | 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) |
| x. | CRISIL Irevna Argentina S A Reconquista 1088, 9th floor, Provincia de Buenos Aires, Argentina | Not applicable | Subsidiary Company | 100% | 2(87) |
| xi. | 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) |
| xii. | 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) |
| xiii. | Coalition Development Ltd C/o. Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN | Not applicable | Subsidiary Company | 100% | 2(87) |
| xiv. | 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 | | | | Number of shares held at the end of the year | | | | % change during the year* | |
|---|--|--------------|--------------------|----------------------------|--|--------------|--------------------|-------------------|---------------------------|----------|
| | Demat | Physical | Total | Percentage of total shares | Demat | Physical | Total | % of total shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| Individual/HUF | - | - | - | - | - | - | - | - | - | - |
| Central Government | - | - | - | - | - | - | - | - | - | - |
| State Government(s) | - | - | - | - | - | - | - | - | - | - |
| Bodies Corporate | - | - | - | - | - | - | - | - | - | - |
| Banks / FI | - | - | - | - | - | - | - | - | - | - |
| Any other | - | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1) | - | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - | - |
| Bodies Corporate | 4,78,32,539 | - | 4,78,32,539 | 67.03 | 4,78,32,539 | - | 4,78,32,539 | 67.17 | 0.14* | |
| Banks / FI | - | - | - | - | - | - | - | - | - | - |
| Any other | - | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2) | 4,78,32,539 | - | 4,78,32,539 | 67.03 | 4,78,32,539 | - | 4,78,32,539 | 67.17 | 0.14* | |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 4,78,32,539 | - | 4,78,32,539 | 67.03 | 4,78,32,539 | - | 4,78,32,539 | 67.17 | 0.14* | |
| B. Public shareholding | | | | | | | | | | |
| 1. INSTITUTIONS | | | | | | | | | | |
| a) Mutual funds | 39,36,876 | - | 39,36,876 | 5.52 | 31,79,603 | - | 31,79,603 | 4.47 | (1.05)* | |
| b) Banks / FI | 6,18,518 | 2,000 | 6,20,518 | 0.87 | 3,76,228 | 2,000 | 3,78,228 | 0.53 | (0.34)* | |
| c) Central government | - | - | - | - | - | - | - | - | - | - |
| d) State government(s) | - | - | - | - | - | - | - | - | - | - |
| e) Venture capital funds | - | - | - | - | - | - | - | - | - | - |
| f) Insurance companies | 35,97,160 | - | 35,97,160 | 5.04 | 34,77,164 | - | 34,77,164 | 4.88 | (0.16)* | |
| g) FIs | 49,39,108 | 3,000 | 49,42,108 | 6.93 | 56,33,823 | 3,000 | 56,36,823 | 7.92 | 0.99* | |
| h) Foreign venture capital funds | - | - | - | - | - | - | - | - | - | - |
| i) Others- qualified foreign investor | - | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1) | 1,30,91,662 | 5,000 | 1,30,96,662 | 18.36 | 1,26,66,818 | 5,000 | 1,26,71,818 | 17.80 | (0.56)* | |
| 2. NON-INSTITUTIONS | | | | | | | | | | |
| a) Bodies corporate | | | | | | | | | | |
| i) Indian | 7,04,203 | 7,000 | 7,11,203 | 1.00 | 9,89,838 | 4,000 | 9,93,838 | 1.40 | 0.40* | |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh | 49,14,701 | 1,55,154 | 50,69,855 | 7.10 | 51,25,706 | 1,41,134 | 49,56,840 | 6.96 | (0.14)* | |

| | | | | | | | | | |
|---|--------------------|-----------------|--------------------|---------------|--------------------|-----------------|--------------------|---------------|----------------|
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 44,12,829 | - | 44,12,829 | 6.18 | 42,53,082 | - | 45,63,082 | 6.41 | 0.23* |
| c) Others (specify) | | | | | | | | | |
| Directors | 55,000 | - | 55,000 | 0.08 | - | - | - | - | (0.08)* |
| Non-resident individuals | 1,70,692 | - | 1,70,692 | 0.24 | 1,81,389 | - | 1,81,389 | 0.25 | 0.01* |
| Clearing members | 8,165 | - | 8,165 | 0.01 | 9,511 | - | 9,511 | 0.01 | - |
| Trusts | 110 | - | 110 | 0.00 | 86 | - | 86 | 0.00 | - |
| Sub-total (B)(2) | 1,02,65,700 | 162,154 | 1,04,27,854 | 14.61 | 1,05,59,612 | 145,134 | 1,07,04,746 | 15.03 | 0.42 |
| Total public shareholding (B) = (B)(1)+(B)(2) | 2,33,57,362 | 167,154 | 2,35,24,516 | 32.97 | 2,32,26,430 | 150,134 | 2,33,76,564 | 32.83 | (0.14)* |
| C. Shares held by custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 7,11,89,901 | 1,67,154 | 7,13,57,055 | 100.00 | 7,10,58,969 | 1,50,134 | 7,12,09,103 | 100.00 | - |

* 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 and the extinguishment of share capital consequent to the buyback programme of the Company

(ii) Shareholding of Promoters

| Sl no. | Shareholder's name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year* |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | Number of Shares | % of total Shares of the Company | % of shares Pledged / encumbered to total shares | Number of Shares | % of total Shares of the Company | % of shares Pledged / encumbered to total shares | |
| 1. | S&P India LLC | 3,12,09,480 | 43.74 | Nil | 3,12,09,480 | 43.83 | Nil | 0.09 |
| 2. | McGraw-Hill Asian Holdings (Singapore) Pte Ltd | 1,06,23,059 | 14.89 | Nil | 1,06,23,059 | 14.92 | Nil | 0.03 |
| 3. | Standard & Poors' International LLC | 60,00,000 | 8.40 | Nil | 60,00,000 | 8.42 | Nil | 0.02 |
| | TOTAL | 4,78,32,539 | 67.03 | Nil | 4,78,32,539 | 67.17 | Nil | 0.14 |

* 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 and the extinguishment of share capital consequent to the buyback programme of the Company

(iii) Change in promoters' shareholding (please specify, if there is no change)

| Sl no. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|-----------------------------------|
| | | Number of Shares | % of total Shares of the Company | Number of Shares | % of total Shares of the Company* |
| 1. | S&P India LLC | | | | |
| | January 1, 2015 | 3,12,09,480 | 43.74 | 3,12,09,480 | 43.74 |
| | 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, 2015 | 3,12,09,480 | 43.83* | 3,12,09,480 | 43.83* |
| 2. | McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | | | | |
| | January 1, 2015 | 1,06,23,059 | 14.89 | 1,06,23,059 | 14.89 |
| | 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, 2015 | 1,06,23,059 | 14.92* | 1,06,23,059 | 14.92* |
| 3. Standard & Poor's International LLC | | | | |
| January 1, 2015 | 60,00,000 | 8.40 | 60,00,000 | 8.40 |
| 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, 2015 | 60,00,000 | 8.42* | 60,00,000 | 8.42* |

* The change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under the Employee Stock Option Schemes of the Company and the extinguishment of share capital consequent to the buyback programme of the Company

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of Global Depository Receipts (GDRs) and American Depository Receipts (ADRs)) as at the beginning of the year

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

| SI no. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--|--|---|----------------------------------|---|-----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company* |
| 1. Jhunjhunwala Rakesh and Rekha | | | | | |
| | January 1, 2015 | 40,00,000 | 5.61 | - | - |
| | 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, 2015 | 40,00,000 | 5.62* | - | - |
| 2. General Insurance Corporation of India | | | | | |
| | January 1, 2015 | 28,19,996 | 3.95 | - | - |
| | March 27, 2015 – Sale | (1,12,411) | (0.16) | 27,07,585 | 3.79 |
| | March 31, 2015 – Sale | (7,585) | (0.01) | 27,00,000 | 3.78 |
| | December 31, 2015 | 27,00,000 | 3.79* | - | - |
| 3. 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, 2015 | 16,83,631 | 2.36 | - | - |
| | January 2, 2015 - Sale | (1,234) | (0.00) | 16,82,397 | 2.36 |
| | January 9, 2015 - Sale | (10,482) | (0.01) | 16,71,915 | 2.34 |
| | January 16, 2015 - Sale | (18,139) | (0.03) | 16,53,776 | 2.32 |
| | January 23, 2015 - Sale | (15,037) | (0.02) | 16,38,739 | 2.30 |
| | January 30, 2015 - Sale | (28,140) | (0.04) | 16,10,599 | 2.26 |
| | February 6, 2015 - Sale | (42,203) | (0.06) | 15,68,396 | 2.20 |
| | February 27, 2015 - Purchase | 1,696 | 0.00 | 15,70,092 | 2.20 |
| | March 6, 2015 - Sale | (29,977) | (0.04) | 15,40,115 | 2.16 |
| | March 13, 2015 - Sale | (6,672) | (0.01) | 15,33,443 | 2.15 |
| | March 20, 2015 - Sale | (1,17,940) | (0.17) | 14,15,503 | 1.98 |
| | April 3, 2015 – Sale | (55) | (0.00) | 14,15,448 | 1.98 |
| | April 10, 2015 – Sale | (14,685) | (0.02) | 14,00,763 | 1.96 |
| | April 17, 2015 – Sale | (68,650) | (0.10) | 13,32,113 | 1.87 |
| | April 24, 2015 – Sale | (7,000) | (0.01) | 13,25,113 | 1.85 |
| | May 1, 2015 – Sale | (48,382) | (0.07) | 12,76,731 | 1.79 |
| | May 8, 2015 – Sale | (5,000) | (0.01) | 12,71,731 | 1.78 |
| | May 15, 2015 – Sale | (42,549) | (0.06) | 12,29,182 | 1.72 |
| | May 29, 2015 – Sale | (7,500) | (0.01) | 12,21,682 | 1.71 |
| | June 5, 2015 – Sale | (16,500) | (0.02) | 12,05,182 | 1.69 |
| | June 26, 2015 – Sale | (12,500) | (0.02) | 11,92,682 | 1.67 |

| | | | | |
|------------------------------|-----------|--------|-----------|------|
| July 10, 2015 – Sale | (2,500) | (0.00) | 11,90,182 | 1.67 |
| July 17, 2015 – Sale | (7,079) | (0.01) | 11,83,103 | 1.67 |
| July 24, 2015 – Sale | (4,709) | (0.01) | 11,78,394 | 1.66 |
| August 14, 2015 – Sale | (14,244) | (0.02) | 11,60,899 | 1.64 |
| August 21, 2015 – Sale | (7,955) | (0.01) | 11,52,944 | 1.63 |
| August 28, 2015 – Sale | (3,000) | (0.00) | 11,49,944 | 1.62 |
| September 4, 2015 – Purchase | 1,911 | 0.00 | 11,51,855 | 2.62 |
| September 11, 2015 – Sale | (7,758) | (0.01) | 11,44,097 | 2.62 |
| September 25, 2015 – Sale | (19,023) | (0.03) | 11,25,074 | 2.62 |
| October 16, 2015 – Purchase | 4,596 | 0.01 | 11,29,670 | 1.59 |
| October 23, 2015 - Sale | (4,000) | (0.01) | 11,25,670 | 1.58 |
| December 4, 2015 – Sale | (60) | (0.00) | 11,25,610 | 1.58 |
| December 11, 2015 – Purchase | 1,500 | 0.00 | 11,27,110 | 1.58 |
| December 18, 2015 – Purchase | 3,963 | 0.01 | 11,31,073 | 1.59 |
| December 25, 2015 – Purchase | 5,000 | 0.01 | 11,36,073 | 1.60 |
| December 31, 2015 – Purchase | 7,770 | 0.01 | 11,43,843 | 1.61 |
| December 31, 2015 | 11,43,843 | 1.61* | - | - |

4. Matthews Funds – Various Funds

We combine the folios of all schemes of Matthews Funds under the Foreign Institutional Investor category to give a fair representation of the total holding.

| | | | | |
|------------------------------|-----------|--------|-----------|------|
| January 1, 2015 | 10,18,199 | 1.43 | - | - |
| January 23, 2015 - Purchase | 66,736 | 0.09 | 10,84,935 | 1.52 |
| January 30, 2015 - Purchase | 25,134 | 0.04 | 11,10,069 | 1.56 |
| February 6, 2015 - Purchase | 6,868 | 0.01 | 11,16,937 | 1.57 |
| February 13, 2015 - Purchase | 60,023 | 0.08 | 11,76,960 | 1.65 |
| February 27, 2015 - Purchase | 42,313 | 0.06 | 12,19,273 | 1.71 |
| March 6, 2015 - Purchase | 67,664 | 0.09 | 12,86,937 | 1.80 |
| March 13, 2015 - Purchase | 1,50,622 | 0.21 | 14,37,559 | 2.01 |
| March 20, 2015 - Purchase | 1,20,169 | 0.17 | 15,57,728 | 2.18 |
| March 27, 2015 - Purchase | 31,356 | 0.04 | 15,89,084 | 2.23 |
| March 31, 2015 - Purchase | 39,411 | 0.06 | 16,28,495 | 2.28 |
| April 10, 2015 – Purchase | 24,582 | 0.03 | 16,53,077 | 2.32 |
| April 17, 2015 – Purchase | 67,192 | 0.09 | 17,20,269 | 2.41 |
| April 24, 2015 – Purchase | 11,759 | 0.02 | 17,32,028 | 2.42 |
| May 8, 2015 – Purchase | 5,339 | 0.01 | 17,37,367 | 2.43 |
| August 21, 2015 – Purchase | 1,12,726 | 0.16 | 18,50,093 | 2.61 |
| August 28, 2015 – Purchase | 9,578 | 0.01 | 18,59,671 | 2.62 |
| October 30, 2015 – Purchase | 3,799 | 0.01 | 18,63,470 | 2.62 |
| November 6, 2015 - Purchase | 16,544 | 0.02 | 18,80,014 | 2.64 |
| November 13, 2015 - Purchase | 3,403 | 0.00 | 18,83,417 | 2.64 |
| December 18, 2015 – Sale | (5,260) | (0.01) | 18,78,157 | 2.64 |
| December 31, 2015 – Sale | (6,946) | (0.01) | 18,71,211 | 2.63 |
| December 31, 2015 | 18,71,211 | 2.63* | - | - |

5. IDFC Premier Equity Fund

| | | | | |
|-------------------|------------|--------|----------|------|
| January 1, 2015 | 9,13,000 | 1.28 | - | - |
| July 10, 2015 | (4,03,000) | (0.56) | 5,10,000 | 0.71 |
| December 31, 2015 | 5,10,000 | 0.71* | - | - |

6. Mondrian Emerging Market / Investments

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

| | | | | |
|------------------------|------------|--------|----------|------|
| January 1, 2015 | 9,09,962 | 1.28 | - | - |
| January 9, 2015 – Sale | (1,20,987) | (0.17) | 7,88,975 | 1.11 |

| | | | | |
|--|----------|-----------|----------|-------|
| January 23, 2015 – Purchase | 1,06,960 | 0.15 | 8,95,935 | 1.26 |
| March 6, 2015 – Sale | (25,745) | (0.04) | 8,70,190 | 1.22 |
| March 13, 2015 – Sale | (90,000) | (0.13) | 7,80,190 | 1.09 |
| September 4, 2015 – Sale | (25,866) | (0.04) | 7,54,324 | 1.06 |
| September 11, 2015 – Sale | (14,700) | (0.02) | 7,39,624 | 1.04 |
| September 18, 2015 – Sale | (7,990) | (0.01) | 7,31,634 | 1.03 |
| September 25, 2015 – Sale | (29,090) | (0.04) | 7,02,544 | 0.99 |
| December 31, 2015 | 7,02,544 | 0.99* | - | - |
| 7. Life Insurance Corporation of India | | | | |
| January 1, 2015 | 7,65,735 | 1.07 | - | - |
| 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, 2015 | 7,65,735 | 1.08* | - | - |
| 8. Smallcap World Fund, Inc | | | | |
| January 1, 2015 | 5,35,000 | 0.75 | - | - |
| June 19, 2015 – Purchase | 35,000 | 0.05 | 5,70,000 | 0.80 |
| December 31, 2015 | 5,70,000 | 0.80* | - | - |
| 9. T Rowe Price International Funds | | | | |
| We combine the folios of all schemes of T Rowe Price International Funds under the Foreign Institutional Investor category to give a fair representation of the total holding. | | | | |
| January 1, 2015 | 4,69,398 | 0.66 | - | - |
| May 1, 2015 - Purchase | 15,020 | 0.02 | 4,84,418 | 0.68 |
| June 30, 2015 - Purchase | 6,396 | 0.01 | 4,90,814 | 0.69 |
| August 21, 2015 - Purchase | 3,391 | 0.00 | 4,94,205 | 0.70 |
| December 25, 2015 - Purchase | 2,605 | 0.00 | 4,96,810 | 0.70* |
| December 31, 2015 | 4,96,810 | 0.70* | - | - |
| 10. State Bank of India | | | | |
| January 1, 2015 | 4,64,855 | 0.65 | - | - |
| January 2, 2015 - Sale | (650) | (0.00) | 4,64,205 | 0.65 |
| January 9, 2015 - Purchase | 2,000 | 0.00 | 4,66,205 | 0.65 |
| January 16, 2015 - Purchase | 3,250 | 0.00 | 4,69,455 | 0.66 |
| January 23, 2015 - Sale | (5,000) | (0.01) | 4,64,455 | 0.65 |
| February 6, 2015 - Purchase | 1,500 | 0.00 | 4,65,955 | 0.65 |
| March 13, 2015 - Sale | (1,000) | (0.00) | 4,64,955 | 0.65 |
| March 27, 2015 - Sale | (15,000) | (0.02) | 4,49,955 | 0.63 |
| April 17, 2015 – Sale | (9,162) | (0.01) | 4,40,793 | 0.62 |
| April 24, 2015 – Purchase | 3,099 | 0.00 | 4,43,892 | 0.62 |
| May 1, 2015 – Purchase | 29,000 | 0.04 | 4,72,892 | 0.66 |
| May 8, 2015 – Purchase | 200 | 0.00 | 4,73,092 | 0.66 |
| May 15, 2015 – Sale | (9,018) | (0.01) | 4,64,074 | 0.65 |
| May 22, 2015 – Sale | (1,288) | (0.00) | 4,62,786 | 0.65 |
| June 5, 2015 - Purchase | 3,126 | 0.00 | 4,65,912 | 0.65 |
| July 3, 2015 – Sale | (1,703) | (0.00) | 4,64,209 | 0.65 |
| July 10, 2015 – Sale | (10,000) | (0.01) | 4,54,209 | 0.64 |
| August 7, 2015 – Sale | (7,000) | (0.01) | 4,47,209 | 0.63 |
| August 28, 2015 – Sale | (20,533) | (0.03) | 4,26,676 | 0.60 |
| September 11, 2015 - Sale | (24,250) | (0.03) | 4,02,426 | 0.57 |
| September 18, 2015 - Sale | (23,500) | (0.03) | 3,78,926 | 0.53 |
| September 25, 2015 - Sale | (54,000) | (0.08) | 3,24,926 | 0.46 |
| September 30, 2015 - Sale | (51,000) | (0.07) | 2,73,926 | 0.39 |
| October 9, 2015 - Sale | (12,000) | (0.02) | 2,61,926 | 0.37 |

| | | | | |
|--------------------------|----------|--------|----------|------|
| October 16, 2015 - Sale | (2,150) | (0.00) | 2,59,776 | 0.37 |
| October 23, 2015 - Sale | (5,000) | (0.01) | 2,54,776 | 0.36 |
| October 30, 2015 - Sale | (14,000) | (0.02) | 2,40,776 | 0.34 |
| November 13, 2015 - Sale | (750) | (0.00) | 2,40,026 | 0.34 |
| November 27, 2015 - Sale | (13,276) | (0.02) | 2,26,750 | 0.32 |
| December 25, 2015 - Sale | (8,162) | (0.01) | 2,18,588 | 0.31 |
| December 31, 2015 | 2,18,588 | 0.31* | - | - |

* Other than the change in shareholding due to purchase or sale of shares done by each of the aforementioned shareholders, the change in the percentage of shareholding during the year is also consequent to allotment of shares to employees exercising their options under the Employee Stock Option Schemes of the Company and the extinguishment of share capital consequent to the buyback programme 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 |
| 1. Mr. Douglas L. Peterson | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 2. Mr. John F. Callahan Jr. (appointed as an additional director on October 18, 2015) | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 3. Mr. Yann Le Pallec | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 4. Mr. H N Sinor | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 5. Dr. Nachiket Mor | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 6. Mr. M Damodaran | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 7. Ms. Vinita Bali | | | | | |
| | January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 8. Mr. Ravinder Singhania (Alternate to Mr. Douglas L. Peterson) | | | | |
| January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 9. Ms. Ashu Suyash, Managing Director & Chief Executive Officer (appointed with effect from June 1, 2015) | | | | |
| January 1, 2015 | N.A. | 0.00 | N.A. | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 10. Mr. Amish Mehta | | | | |
| January 1, 2015 | 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, 2015 | Nil | 0.00 | Nil | 0.00 |
| 11. Ms. Minal Bhosale, Company Secretary (appointed as Company Secretary with effect from June 1, 2015) | | | | |
| January 1, 2015 | N.A. | 0.00 | N.A. | 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, 2015 | 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) |
|--|---------------------------------------|----------------------|---------------|-------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| Addition | Nil | Nil | Nil | Nil |
| Reduction | Nil | Nil | Nil | Nil |
| Net change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. no. | Particulars of remuneration | Name of MD/WTD/Manager | | Total amount |
|---------|---|--|--|---------------------|
| | | Ms. Roopa Kudva, Managing Director & Chief Executive Officer (up to April 30, 2015) (Rs.) | Ms. Ashu Suyash Managing Director & Chief Executive Officer (appointed with effect from June 1, 2015) (Rs.) | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961* | 1,83,00,796 | 1,63,88,750 | 3,46,89,546 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 2,93,310 | 20,700 | 3,14,010 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (Variable Pay) | Nil | Nil | Nil |
| 2. | Stock option (Perquisite value) | 10,93,44,031 | Nil | 10,93,44,031 |
| 3. | Sweat equity | Nil | Nil | Nil |
| 4. | Commission | | | |
| | - as % of profit | Nil | Nil | Nil |
| | - others, (Variable Pay) | Nil | 1,14,00,000 | 1,14,00,000 |
| 5. | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 12,79,38,137 | 2,78,09,450 | 15,57,47,587 |
| | Ceiling as per the Act | Rs. 16.38 crore (being 5% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013) | | |

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

B. Remuneration to other Directors:

| Sl. no. | Name of Directors | Particulars of remuneration | | | Total Amount (Rs.) |
|--------------------------------|--|---|---------------------|---------------------------------|-----------------------|
| | | Fee for attending board / committee meetings (Rs.) | Commission (Rs.) | Others, please specify (Rs.) | |
| Independent Directors | | | | | |
| 1 | Mr. H N Sinor | 6,00,000 | 25,00,000 | Nil | 31,00,000 |
| 2 | Dr. Nachiket Mor | 6,75,000 | 25,00,000 | Nil | 31,75,000 |
| 3 | Mr. M Damodaran | 6,95,000 | 25,00,000 | Nil | 31,95,000 |
| 4 | Ms. Vinita Bali | 4,45,000 | 25,00,000 | Nil | 29,45,000 |
| Non-Executive Directors | | | | | |
| 5. | Mr. Douglas L. Peterson | 40,000* | Nil* | Nil | 40,000* |
| 6. | Mr. Yann Le Pallec | Nil* | Nil* | Nil | Nil* |
| 7. | Mr. Neeraj Sahai (ceased to be a Director on October 17, 2015) | 40,000* | Nil* | Nil | 40,000* |
| 8. | Mr. John F. Callahan Jr. (appointed as an Additional Director with effect from October 18, 2015) | Not Applicable | Nil* | Nil* | Nil* |
| 9. | Mr. Ravinder Singhania (Alternate to Mr. Douglas L. Peterson) | Nil | Nil | Nil | Nil |
| | Total (B) | 24,95,000 | 1,00,00,000 | Nil | 1,24,95,000 |
| | Ceiling as per the Act | Rs. 3.26 crore (being 1% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013) | | | |

* Sitting Fees and Commission payable to Non- Executive Directors nominated by Standard & Poors' (S&P) is paid to 'Standard & Poors' International LLC'. Since April 2015, MHFI has waived the sitting fees payable to its nominees. Also, commission for the year 2015 has been waived by MHFI.

Total Managerial Remuneration :

| Sl No. | Particulars | Amount (Rs.) |
|--------|---|--|
| 1. | Remuneration to Managing Director, Whole-time Directors and/or Manager (as per A above) | 15,57,47,587 |
| 2. | Remuneration to other Directors (as per B above) | 1,24,95,000 |
| | TOTAL | 16,82,42,587 |
| | Overall ceiling as per the Act (%) | Rs. 19.66 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) (Rs.) | Company Secretary (Mr. Neelabja Chakrabarty, up to February 27, 2015) (Rs.) | Company Secretary (Ms. Minal Bhosale, with effect from June 1, 2015) (Rs.) | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961* | 1,99,54,484 | 7,96,606 | 38,46,875 | 2,45,97,965 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | Nil | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | Nil | Nil | Nil | Nil |
| 2. | Stock Options | Nil | 1,54,007 | Nil | 1,54,007 |
| 3. | Sweat equity | Nil | Nil | Nil | Nil |
| 4. | Commission | | | | |
| | - as % of profit | Nil | Nil | Nil | Nil |
| | - others (Variable Pay) | 49,50,000 | Nil | 5,17,200 | 54,67,200 |
| 5. | Others, please specify | Nil | Nil | Nil | Nil |
| | Total | 2,49,04,484 | 9,50,613 | 43,64,075 | 3,02,19,172 |

* 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.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief description | Details of penalty / punishment/ compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | Not Applicable | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CRISIL BUSINESS

CRISIL is India's foremost provider of ratings, research, policy advisory and analytics, with a global footprint and a strong track record of growth and innovation. We are driven by our mission of making markets function better by delivering independent opinions, actionable insights and efficient solutions.

CRISIL is majority owned by Standard and Poor's (S&P), the world's foremost provider of credit ratings and a part of McGraw Hill Financial (formerly The McGraw-Hill Companies) (NYSE:MHFI).

BUSINESS ENVIRONMENT

India's growth picked up in 2015, but only by a little. The Central Statistical Organisation has estimated current fiscal GDP growth at 7.6% compared with 7.3% in the last. Inflation remained within the Reserve Bank of India's target range despite two successive monsoon failures. India's external vulnerability has declined dramatically, especially since 2013, because of a sharp fall in current account deficit, and stable and moderate external debt. However, despite macroeconomic improvement, the economy's underbelly remains weak and business environment challenging. The outlook on private corporate investment remains sluggish amid a mildly favourable turn in the interest rate cycle, even as bad loans keep rising and testing the banking sector. Huge underutilised capacities and lackluster household demand continue to weigh on manufacturing investments. Additionally, highly leveraged balance sheets of infrastructure companies are constraining investments.

On the external front, while a decline in commodity prices have helped India control inflation and rein in its twin deficits (fiscal and current account), the ongoing global slowdown has hurt its exports.

Some of the big-ticket structural reforms as Goods and Services Tax were delayed and diluted, subduing sentiment further.

As for the global scene, after the financial crisis of 2008-09, economic recovery was patchy, uneven and fraught with risks. 2015 was no different, with world output growth slowing to 3.1% from 3.4% in 2014. Economic activity was marked by a modest improvement in advanced economies and slower growth in emerging and developing economies. While Europe and Japan stepped up monetary easing to preserve growth, improved outlook for the US prompted the Federal Reserve to raise interest rates by 0.25 percentage points towards the end of 2015.

Commodity and crude exporting economies such as Russia and parts of Latin America slipped into recession, while Chinese growth slowed to 6.9% in 2015 from 7.3% in 2014. Chinese rebalancing towards consumption and services from investment and manufacturing contributed to weakening global trade and falling crude and commodity prices. Slowing China and weak trade also hit the Asian economies.

Yet businesses continue to perform fairly well amid tough market conditions. CRISIL's international business grew significantly driven by opportunities arising out of changing regulatory environment, and our strong capabilities in the risk and analytics. The India businesses continued to strengthen their position in a subdued operating environment.

CRISIL RATINGS

India's economy and business environment remained subdued in 2015 due to weak demand and investments. However, growth seems to be clawing back on a modest recovery in consumption and increased government spending. Credit growth of India's banking sector remained muted at 11.1% year-on-year (y-o-y) as of December 2015. Poor monsoon, muted investments, weak working capital demand, rising risk aversion owing to

deteriorating asset quality of public sector banks, and availability of cheaper funds in the commercial paper market slowed credit offtake. The capital market witnessed an increase in activity in the third quarter of the year due to falling interest rates in line with easing policy rates. However, base rates of banks saw much weaker transmission; issuances were primarily driven by refinancing of debt and not by the need for capital investment. Hence the bond market which saw a big leg up in quarter three was again subdued in the last quarter.

In 2015, CRISIL's bank loan ratings, or BLR, business witnessed muted growth due to weak credit offtake in the manufacturing sector and intensified competition. These factors adversely impacted average realisation. SME Ratings were impacted due to reduced budgetary support by Government of India under the NSIC – Performance & Credit Rating Scheme. However, CRISIL continues to serve small and medium enterprises (SMEs) without subsidy from the government and there has been an uptick in volumes in second half of 2015 due to enhanced efforts taken to scale the business. GAC continued to work closely with S&P, growing in new areas such as risk management and regulatory support, including model validation and documentation support, among others, while increasing the level of integration with S&P teams globally.

CRISIL GLOBAL RESEARCH & ANALYTICS (CRISIL GR&A)

(Includes Irevna, Pipal Research and Coalition)

2015 was another year of subdued growth for the global economy. Banks are actively transforming their front-, middle- and back-office activities to provide differentiated services, achieving cost efficiencies and increasing productivity, which have resulted in a large portion of their derivatives business being shifted to captives and to offshoring entities. The Risk & Analytics vertical continued to see good demand from banks in areas such as stress testing, model validation and regulatory change initiatives. New regulations such as the Fundamental Review of the Trading Book (FRTB) as well as increased demand for our services with banks and financial institutions in the areas of operational risk, credit risk, market risk, compliance analytics and risk infrastructure support have been growth drivers. In Financial Research, we have added clients across our business segments of the buy and sell sides, and credit risk. The majority of the incremental business has come from new areas and/or clients. Corporate Research faced a challenging business environment due to shrinking client budgets and restricted spends.

Coalition delivered a strong performance, driven by its core Competitor and Client Analytics, which reported solid growth, Newer Analytics such as Cost/Operating Margin and RWA/ Exposure Analytics performed well, too.

CRISIL RESEARCH

CRISIL Research maintained its dominant and premium position in its flagship Industry Research business. However, depressed investment cycle and weak performance of banks stemming from poor credit growth, high NPAs and squeezed profitability, impacted research business. Consequently, the growth of the Industry Research business remained modest with muted pricing growth.

CRISIL INFRASTRUCTURE ADVISORY AND RISK SOLUTION (CRIS)

• INFRASTRUCTURE ADVISORY

CRISIL Infrastructure Advisory started the year slowly, but picked up momentum in the second half. It won several large and prestigious mandates in India and abroad. This has helped the business build an order book that's significantly larger than before.

• RISK SOLUTIONS

2015 was a year of consolidation with investments being made in various products for CRISIL Risk Solutions (CRS). These investments are expected to play a key role in expansion and growth of the business and contribute to revenues over the next 3 years.

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 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. 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 363,980 equity shares of the company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011, 2012 and 2014. The company also completed buyback of shares on July 16, 2015, pursuant to which 511,932 shares of Re. 1 each, fully paid-up, were purchased from the open market. Consequently, the issued, subscribed and paid up capital of the Company decreased from 71,357,055 equity shares of Re.1 each to 71,209,103 equity shares of Re.1 each.

2. Reserves and surplus

Reserves and surplus, as at December 31, 2015, stood at Rs. 848.64 crore as against Rs. 841.21 crore in the corresponding previous period. The growth in reserves is after recording an appropriation for dividend and dividend distribution tax of Rs. 197.37 crore and utilisation of Rs. 101.98 crore reserve for buyback of shares.

3. Trade payables

Trade payables as at December 31, 2015, were Rs. 37.36 crore as against Rs. 38.60 crore in the previous year. Trade payables include amounts payable to vendors for supply of goods and services.

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

(Rs. in Crore)

| Particulars | As at December 31, 2015 | As at December 31, 2014 | Growth % |
|--|-------------------------|-------------------------|-------------|
| Gross Block | 234.67 | 241.85 | (3) |
| Less : Accumulated depreciation | 156.19 | 150.58 | 4 |
| Net Block | 78.48 | 91.27 | (14) |
| Add : Capital work in progress | 0.13 | - | 100 |
| Net Fixed Assets | 78.61 | 91.27 | (11) |
| Depreciation as a % of total income | 3% | 3% | |
| Accumulated depreciation as % of gross block | 67% | 62% | |

4. Provisions

a. **Provision for employee benefits.** The overall liability was Rs. 56.94 crores as on December 31, 2015, compared with Rs. 48.98 crore in the previous year. The 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, unearned revenue, rent deferment and employee payables like bonus, salary and other reimbursement. Unearned revenue represents fee received in advance for which services have not been rendered. Other liabilities were Rs. 289.20 crore as against Rs. 235.52 crore in the current year. Other liabilities were higher in the current year due to employee payable and unearned revenue.

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.

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.

During the year, the Company invested Rs. 26.20 crore in fixed assets. This included office equipment, computers and leasehold improvements to support expansion of business and to provide for replacement of existing assets. Gross block was lower mainly on account of classification of certain premises as assets held for sale.

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

Intangible assets

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. During the year, the Company's net intangible assets were Rs. 19.06 crore as against Rs. 25.60 crore in the previous year.

8. Investments and Treasury

The Company's treasury as at December 31, 2015, was Rs. 530.05 crore as against Rs. 523.32 crore in the previous year. Cash and cash equivalents constituted 40% of total assets as at December 31, 2015, as against 41% in the previous year.

(Rs. in Crore)

| Particulars | As at December 31, 2015 | % | As at December 31, 2014 | % | Growth % |
|-----------------------|-------------------------|------------|-------------------------|------------|----------|
| Cash and Bank Balance | 109.88 | 21 | 118.89 | 23 | (8) |
| Fixed Deposit | 42.44 | 8 | 35.54 | 7 | 19 |
| Mutual Funds | 377.73 | 71 | 368.89 | 70 | 2 |
| Total | 530.05 | 100 | 523.32 | 100 | 1 |

The Company's treasury position continues to be healthy and showed a marginal growth as funds were utilised towards share buyback

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 has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

9. Deferred tax assets

We recorded net deferred tax assets of Rs. 36.26 crore as at December 31, 2015, as against Rs. 29.91 crore as at December 31, 2014. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 on December 31, 2015, loans and advances were Rs. 89.04 crore compared with Rs. 80.13 crore for the corresponding previous period ended December 31, 2014. Growth in loans and advances was mainly on account of an increase in prepaid expenses and cenvat credit receivable during the year.

11. Other assets

Other assets, excluding bank balances, as on December 31, 2015, were Rs. 58.11 crore compared with Rs. 51.78 crore for the corresponding previous period ended December 31, 2014. Other current assets mainly comprise accrued revenue and mark to market (MTM) on outstanding forward contracts.

12. Trade receivables

Trade receivables at gross levels were Rs. 211.68 crore as at December 31, 2015, compared with Rs. 156.15 crore as at December 31, 2014. Trade receivables constituted 15% of operating revenue, (representing an outstanding of 56 days of operating revenue) compared with 12% of operating revenue (representing an outstanding of 45 days of operating revenue) during the previous year.

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

| Particulars | As at December 31, 2015 | | As at December 31, 2014 | | Change % |
|--------------|-------------------------|------------|-------------------------|------------|-----------|
| | Rs. | % | Rs. | % | |
| Rating | 44.06 | 21 | 36.38 | 23 | 21 |
| Research | 145.01 | 68 | 91.10 | 59 | 59 |
| Advisory | 22.61 | 11 | 28.67 | 18 | (21) |
| Total | 211.68 | 100 | 156.15 | 100 | 36 |

(Rs. in Crore)

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance as of December 31, 2015, was Rs. 16.10 crore as against Rs. 15.29 crore as at December 31, 2014. Provision for bad debt as a percentage of revenue for the year ended December 31, 2015, was 1.17% compared with 1.22% for the year ended December 31, 2014.

B. RESULTS OF OPERATIONS

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

| Particulars | As at December 31, 2015 | | As at December 31, 2014 | | Growth % |
|--------------------------------------|-------------------------|--------------|-------------------------|--------------|-----------|
| | Rs. | % of revenue | Rs. | % of revenue | |
| Income from operations | 1379.94 | 97 | 1253.38 | 98 | 10 |
| Other income | 43.22 | 3 | 23.69 | 2 | 82 |
| Total income | 1423.16 | 100 | 1277.07 | 100 | 11 |
| Expenses | | | | | |
| Personnel expenses | 693.76 | 49 | 592.94 | 46 | 17 |
| Establishment expenses | 93.88 | 7 | 92.71 | 7 | 1 |
| Other expenses | 192.70 | 13 | 179.24 | 14 | 7 |
| Depreciation | 37.12 | 3 | 36.12 | 3 | 3 |
| Operating expenses | 1017.46 | 72 | 901.01 | 70 | 13 |
| Profit before tax | 405.70 | 28 | 376.06 | 30 | 8 |
| Tax expense | 120.55 | 8 | 107.62 | 8 | 12 |
| Profit after tax | 285.15 | 20 | 268.44 | 21 | 6 |
| Dividend (including tax on dividend) | 197.37 | 14 | 169.69 | 13 | 16 |

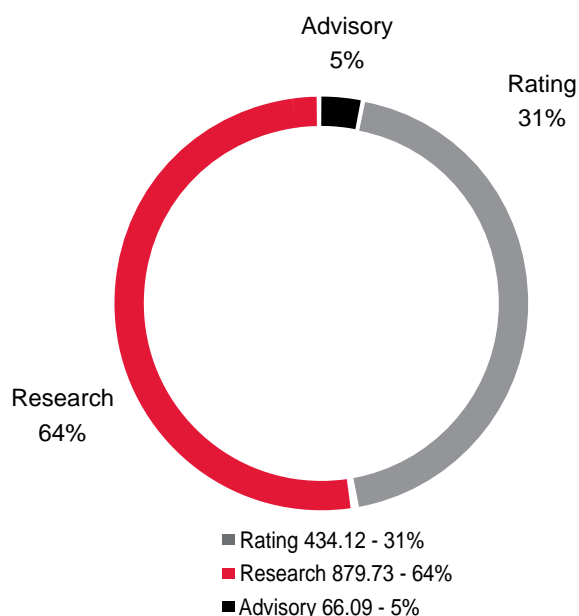
(Rs. in Crore)

Income from operations grew 10% in 2015 driven mainly by growth in the Research segment. Operating expenses grew 13% mainly on account of growth in personnel expenses.

Segmental Revenue Analysis

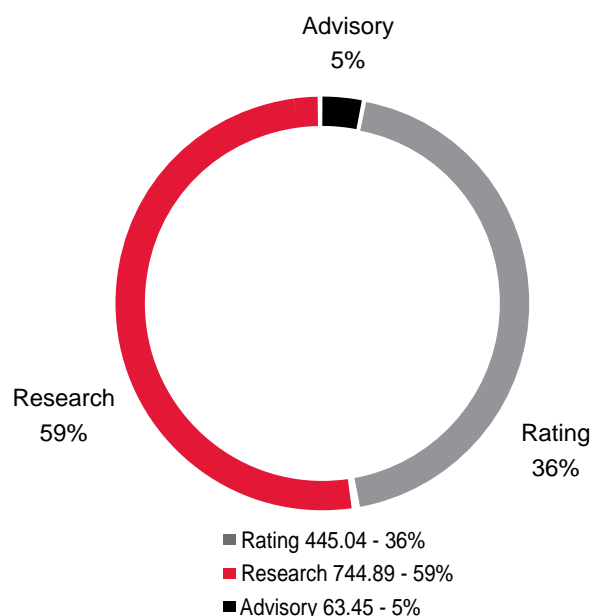
Rs. Crore

2015



Rs. Crore

2014



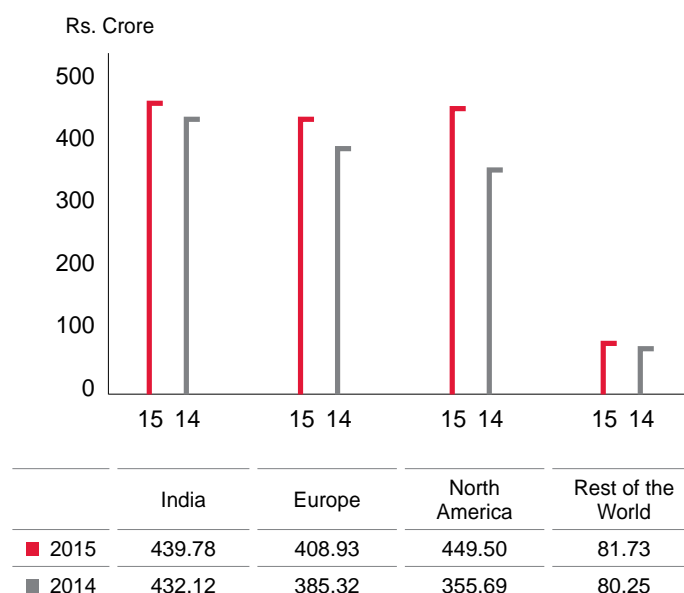
Segmental Results

(Rs. in Crore)

| Segmental details | As at December 31, 2015 | As at December 31, 2014 | Growth % |
|---------------------------|----------------------------|----------------------------|-------------|
| Revenues : | | | |
| Rating | 434.12 | 445.04 | (2) |
| Research | 879.73 | 744.89 | 18 |
| Advisory | 66.09 | 63.45 | 4 |
| Total | 1379.94 | 1253.38 | 10 |
| Segmental profit : | | | |
| Rating | 147.06 | 165.60 | (11) |
| Research | 273.93 | 217.24 | 26 |
| Advisory | 2.31 | 6.65 | (65) |
| Total | 423.30 | 389.49 | 9 |

Rating revenues witnessed drop in current year on account of reduced budgetary support from Government of India for the NSIC- Performance & Credit Rating Scheme for small and medium enterprises business. The large corporate ratings business was impacted by subdued domestic economic environment in 2015 and delays in decision-making by corporates. The medium corporate ratings (BLR) business witnessed muted growth due to weak credit offtake in the manufacturing sector and greater competition. Research revenue growth was driven by CRISIL GR&A's Risk and Analytics vertical on account of continued demand from banks in areas such as stress testing, model validation and regulatory change initiatives. Coalition delivered a strong performance, driven by its core Client Analytics. The India Research business was impacted by depressed investment cycle and weak performance of the banking sector stemming from poor credit growth, high NPAs and squeezed profitability. The Advisory segment comprising infrastructure and risk solutions business grew by 4%. The infrastructure advisory vertical witnessed growth in revenue driven by a few large and prestigious mandates won. For the Risk Solutions business, 2015 was a year of consolidation with investments in various products to strengthen product base.

Margins in Ratings were impacted on account limited budgetary allocation of subsidy by the Government and muted growth in large and medium corporate businesses. Research segment profitability grew 26% on account of improved performance by CRISIL GR&A business primarily in Risk and Analytics vertical. Advisory segment profitability was lower mainly on account of investments made in various products of the risk solution business to strengthen product base.

Revenue by Geography


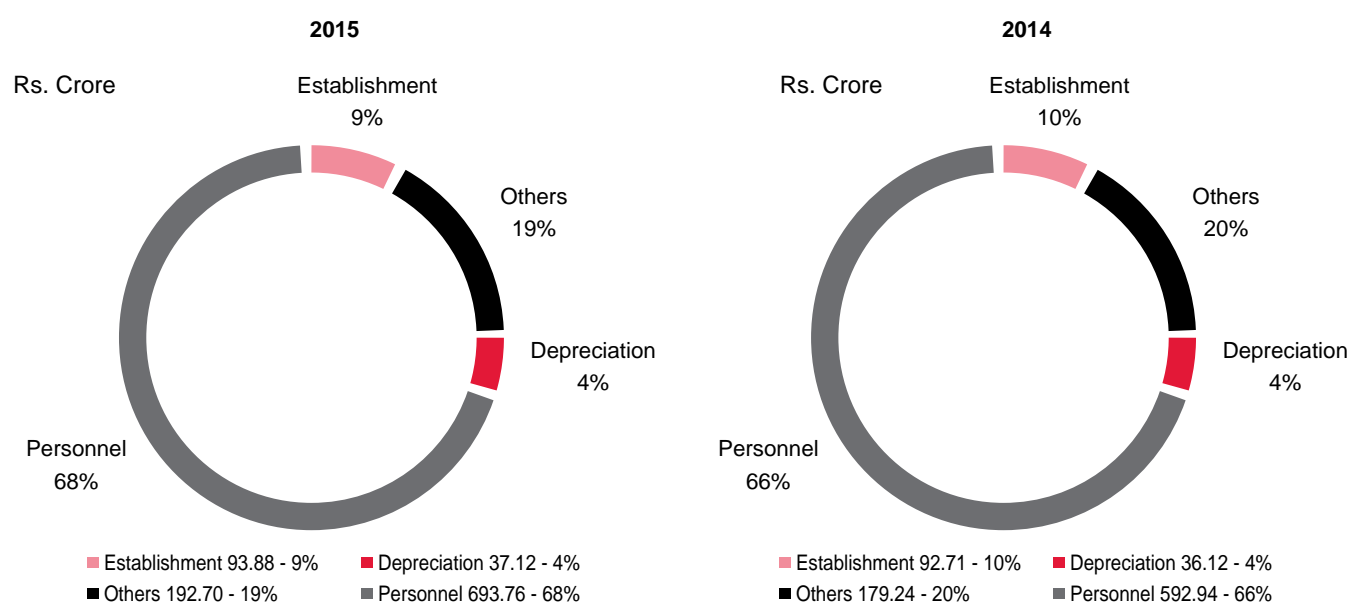
Other income (net)

Other income for the year was Rs. 43.22 crore from Rs. 23.69 crore for the corresponding previous period ended December 31, 2014. Other income was higher on account of profit on sale of current investment and foreign exchange income in the current year.

Expense Analysis

Total expense for the year was Rs. 1017.46 crore as against Rs. 901.01 crore for the corresponding previous period.

The composition and growth in expenses as a percentage to total operating expenses are given below:



Personnel expense grew by 17% was on account of merit and headcount increase in the current year. Increase in other expenses is driven by higher professional fee linked to revenue growth and investments in product development.

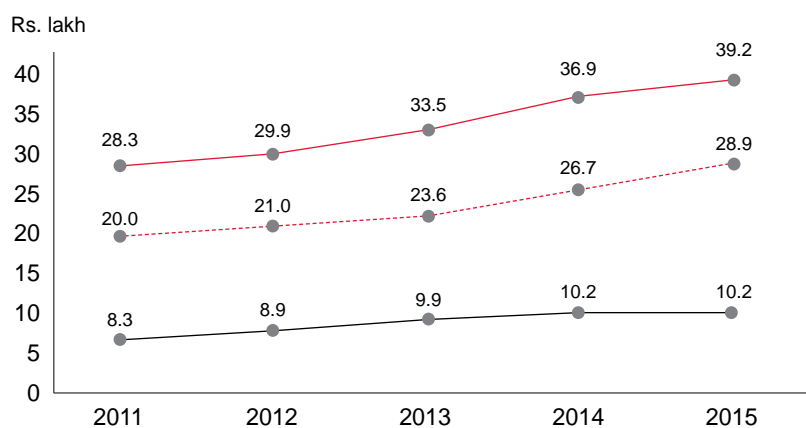
Interest

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

Profit and Loss Ratios

| Particulars | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------|------|------|------|------|
| Personnel expenses/Revenue (%) | 41 | 44 | 45 | 46 | 49 |
| Operating and other expenses/ Revenue (%) | 68 | 69 | 69 | 71 | 71 |
| Operating profit (PBIDT)/Revenue (%) | 36 | 35 | 40 | 32 | 31 |
| Depreciation and amortisation/Revenue (%) | 4 | 3 | 3 | 3 | 3 |
| Tax/ Revenue (%) | 8 | 9 | 11 | 8 | 8 |
| PAT/ Revenue (%) | 24 | 22 | 26 | 21 | 20 |

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



| | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|-------|-------|-------|-------|-------|
| —●— Ope. Rev per employee | 28.3 | 29.9 | 33.5 | 36.9 | 39.2 |
| -●- Ope. Expense per employee | 20.0 | 21.0 | 23.6 | 26.7 | 28.9 |
| —●— Profit per employee | 8.3 | 8.9 | 9.9 | 10.2 | 10.2 |
| Avg. Headcount (Nos) | 3,006 | 3,329 | 3,424 | 3,454 | 3,629 |

Operating revenue per employee recorded a healthy growth of 6% over previous period. Operating cost was higher compared with the previous year on account of increase in personnel expenses linked to merit increase. Profit per employee remained constant at Rs. 10.20 lakh which was achieved through a combination of revenue growth and improved productivity through automation and effective utilisation of resources.

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 363,980 equity shares to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011, 2012 and 2014. The company also completed buyback of shares on July 16, 2015, pursuant to which 511,932 shares of Re. 1 each, fully paid up, and were purchased from the open market. Consequently, the issued, subscribed and paid up capital of the Company decreased from 71,357,055 equity shares of Re.1 each to 71,209,103 equity shares of Re.1 each.

2. Reserves and surplus

Reserves and surplus, as at December 31, 2015, stood at Rs. 668.02 crore as against Rs. 720.25 crore in the

previous period. The growth in reserves was 7% (excluding reserve utilised towards buy back) achieved through strong profitability despite a challenging business environment. The growth in reserves is after recording an appropriation for dividend and dividend distribution tax of Rs. 197.37 crore and utilisation of reserve towards buyback of shares.

3. Trade payables

Trade payables as on December 31, 2015, were Rs. 24.26 crore as against Rs. 30.10 crore in the previous year. Trade payables include amount payable to vendors for supply of goods and services.

4. Provisions

- Provision for employee benefits.** The overall liability was Rs. 46.99 crore as at December 31, 2015, as against Rs. 40.75 crore in the previous year (+15%). Growth in the current year is in line with headcount and merit increase.
- 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.

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

| (Rs. in Crore) | | | |
|--|----------------------------|----------------------------|-------------|
| Particulars | As at December 31, 2015 | As at December 31, 2014 | Growth % |
| Gross Block | 192.74 | 201.26 | (4) |
| Less : Accumulated depreciation | 133.69 | 130.43 | 2 |
| Net Block | 59.05 | 70.83 | (17) |
| Add : Capital work in progress | 0.13 | - | 100 |
| Net Fixed Assets | 59.18 | 70.83 | (16) |
| Depreciation as a % of total income | 2% | 3% | |
| Accumulated depreciation as % of gross block | 69% | 65% | |

During the year, the Company's investment in fixed assets was Rs. 16.28 crore, whereas sale of assets realised Rs. 0.57 crore. The assets acquired included equipment, computers and leasehold improvements to support expansion of business and to provide for replacement of existing assets. The assets sold were mainly computers and furniture. Decrease in gross block is mainly on account of certain premises being classified as asset held for sale.

Depreciation as a percentage of total income for the ended December 31, 2015 was 2% as against 3% in the previous year. The Company expects to fund its investments in fixed assets and infrastructure from its internal accruals and liquid assets.

Intangible assets

The Company's intangible assets are stated at cost of acquisition, software or construction less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life. During the year, the Company' net intangible assets was Rs. 0.13 crore as against Rs. Nil in the previous year.

7. Investments and Treasury

| (Rs. in Crore) | | | |
|-----------------------|----------------------------|----------------------------|-------------|
| Particulars | As at December 31, 2015 | As at December 31, 2014 | Growth % |
| Cash and bank balance | 34.42 | 38.93 | (12) |
| Fixed deposit | 8.75 | 19.15 | (54) |
| Mutual funds | 357.56 | 355.52 | 1 |
| Total | 400.73 | 413.60 | (3) |

The Company's treasury as at December 31, 2015, was Rs. 400.73 crore as against Rs. 413.60 crore in the previous year. Cash and cash equivalents constituted 40% of total assets and remains same over the period. The Company's treasury position as on December 31, 2015 is marginally lower over the previous year, mainly on account of payouts for dividend and the buyback programme.

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 has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

8. Deferred tax assets

We recorded net deferred tax assets of Rs. 28.04 crore as on December 31, 2015, as against Rs. 21.66 crore as at December 31, 2014. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

9. 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, 2015, loans and advances were Rs. 199.98 crore as against Rs. 227.86 crore for the corresponding previous period ended December 31, 2014.

10. Other assets

Other assets, excluding bank balances, as at December 31, 2015, were Rs. 17.60 crore as against Rs. 19.16 crore for the corresponding previous period ended December 31, 2014. Other current assets mainly comprise interest accrued and unbilled revenue.

11. Trade receivables

Trade receivables at gross levels were Rs. 147.72 crore as at December 31, 2015, as against Rs. 138.11 crore as at December 31, 2014. Trade receivables constituted 15% of operating revenue, (representing an outstanding of 56 days of operating revenue) and remains same over the period. The improvement in operating cycle over the previous year was on account of focused collection efforts throughout the 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, 2015, was Rs. 12.59 crore as against Rs. 11.51 crore as on December 31, 2014. Provision for bad debts as a percentage to revenue for the year ended December 31, 2015, was 1.32% as against 1.27% for the year ended December 31, 2014.

B. RESULTS OF OPERATIONS

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

(Rs. in Crore)

| Particulars | As at December 31, 2015 | % of revenue | As at December 31, 2014 | % of revenue | Growth % |
|--------------------------------------|-------------------------|--------------|-------------------------|--------------|----------|
| Income from operations | 956.10 | 96 | 903.36 | 97 | 6 |
| Other income | 44.60 | 4 | 32.04 | 3 | 39 |
| Total income | 1000.70 | 100 | 935.40 | 100 | 7 |
| Expenses | | | | | |
| Personnel expenses | 362.51 | 36 | 328.71 | 35 | 10 |
| Establishment expenses | 69.49 | 7 | 68.47 | 7 | 1 |
| Other expenses | 219.32 | 22 | 206.92 | 22 | 6 |
| Depreciation | 24.03 | 2 | 23.92 | 3 | 0 |
| Operating expenses | 675.35 | 67 | 628.02 | 67 | 8 |
| Profit before tax | 325.35 | 33 | 307.38 | 33 | 6 |
| Tax expense | 103.35 | 10 | 91.88 | 10 | 12 |
| Profit after tax | 222.00 | 22 | 215.50 | 23 | 3 |
| Dividend (including tax on dividend) | 197.37 | 20 | 169.69 | 18 | 16 |

Income from operations revenue grew 6% in 2015 and was driven by growth in the Research segment. Operating expenses grew 8% mainly on account of growth in personnel expenses due to merit and headcount increase.

Revenue Analysis

Ratings revenue witnessed a drop in the current year on account of reduced budgetary support from Government of India for the NSIC- Performance & Credit Rating Scheme for small and medium enterprises business. The large corporate ratings business was impacted by subdued domestic business environment during 2015 due to weak investment demand and delay in decision-

making by corporates. The medium corporate ratings (BLR) business witnessed muted growth due to weak credit offtake in the manufacturing sector and greater competition. Research revenue growth was driven by CRISIL GR&A's Risk and Analytics vertical on account of continued demand from banks in areas such as stress testing, model validation and regulatory change initiatives. The India Research business was impacted by the depressed investment cycle and weak performance of the banking sector, pressured by poor credit growth, high NPAs and squeezed profitability.

Other income (net)

Other income for the year was Rs. 44.60 crore from Rs. 32.04 crore for the corresponding previous period ended December 31, 2014. Other income was higher mainly on account of profit on sale of current investment and foreign exchange income in the current year.

Expense Analysis

Personnel expense growth of 10% was on account of merit and headcount increase in the current year. Increase in other expenses is mainly on account of professional fee expenses that are linked to revenue growth.

Revenue and average profit per employee were Rs. 27.51 lakh and Rs. 7.95 lakh, respectively. CRISIL will continue with its initiatives to improve its revenue and profit per employee through business process re-engineering, making the processes more efficient and effective use of technology.

Interest

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

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 materialisation and potential impact 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 rigour.

2. Foreign exchange earning risk

CRISIL foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. The company has in place a well-defined hedging policy and process designed to minimise the impact of volatility in foreign exchange fluctuations on earnings. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedging contracts to mitigate the risks arising out of movement in the rupee (INR). The hedging programme covers a large portion of projected future revenue over a 12-month period and is restricted to standard forward contracts and options. Overall, the company has not faced any significant negative impact on profitability on account of currency fluctuation.

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

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 from this year. 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 and globalising operations. It also 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 challenges. CRISIL continues to accord top priority to managing employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

5. Legal and statutory risks

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 advise 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.

7. Internal audit and Internal financial controls system

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

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

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 31st December, 2015, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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 applicable provisions of the Regulations.

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

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

Mumbai, February 9, 2016

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 9, 2016

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

At CRISIL, corporate governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable, value-driven growth for the Company over the years. The Company has adopted best practices for corporate governance, and 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, 2015, 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.

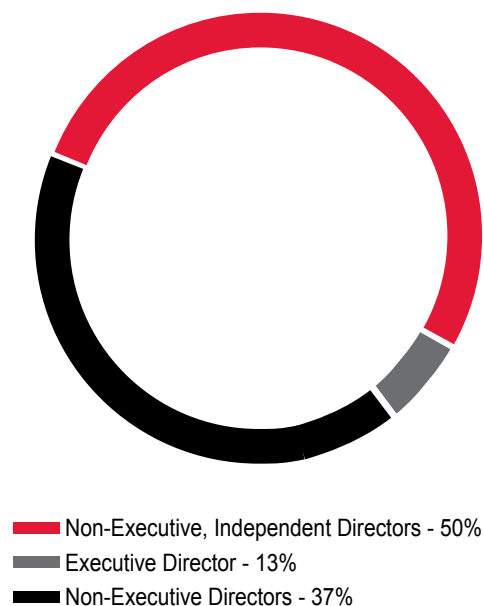
The composition of the Board of Directors of the Company as on December 31, 2015, was as follows:

| 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 | Mr. John F. Callahan Jr. (Jack Callahan) (DIN: 07314618) |
| | Mr. Yann Le Pallec (DIN: 05173118) |
| Managing Director & Chief Executive Officer | Ms. Ashu Suyash (DIN: 00494515) |
| Alternate Director (alternate to Mr. Douglas L. Peterson) | Mr. Ravinder Singhania (DIN: 00006921) |

Notes:

- Mr. Neeraj Sahai (DIN 06978371) has resigned from the directorship of the Company with effect from October 17, 2015.
- The Board of Directors of the Company has appointed Mr. John F. Callahan Jr. as an Additional Director of the Company with effect from October 18, 2015 as a Non-Executive Director.
- Ms. Roopa Kudva (DIN 00001766) ceased to be the Managing Director & Chief Executive Officer of CRISIL with effect from April 30, 2015.
- Ms. Ashu Suyash was appointed as the Managing Director & Chief Executive Officer of CRISIL with effect from June 1, 2015

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

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. As per the Articles of Association of the Company, at least two-thirds of the other Board members shall be retiring directors. One-third of such directors are required to retire every year and if eligible, the retiring directors qualify for re-appointment.

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 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 in public limited companies as on December 31, 2015 are given below:

| Name of the Director | Directorship# | Membership of Committees* | Chairmanship of Committees* |
|--------------------------|---------------|---------------------------|-----------------------------|
| Mr. H. N. Sinor | 5 | 3 | 2 |
| Dr. Nachiket Mor | 1 | Nil | Nil |
| Mr. M. Damodaran | 4 | 5 | Nil |
| Ms. Vinita Bali | 2 | 1 | Nil |
| Mr. Douglas L. Peterson | Nil | Nil | Nil |
| Mr. Yann Le Pallec | 1 | Nil | Nil |
| Mr. John F. Callahan Jr. | Nil | Nil | Nil |

| | | | |
|------------------------|-----|-----|-----|
| Ms. Ashu Suyash | Nil | Nil | Nil |
| Mr. Ravinder Singhania | 2 | 1 | Nil |

Excluding CRISIL Limited, Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

* Memberships / Chairmanships in Audit Committee and Stakeholders' Relationship Committee, excluding those in CRISIL Limited.

Details of shareholdings of Directors as on December 31, 2015

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.

Responsibilities

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days. During the year ended December 31, 2015, the Board met five times - on February 14, April 17, April 28, July 17, and October 17. 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. Raman Uberoi headed the CRISIL Ratings – Large Corporates business, Mr. V. Srinivasan headed CRISIL Ratings – SME business, Mr. Subodh Rai headed CRISIL Ratings – Mid Corporates business, Mr. Pawan Agrawal was the Chief Analytical Officer, Mr. Manish Jaiswal headed the CRISIL Research business, Ms. Priti Arora was the head of the Global Analytical Centre, Ms. Paras Nayyar was head of Corporate Strategy & New Initiatives and, Mr. Ramraj Pai oversaw the CRISIL Foundation. In Global Research & Analytics (GR&A) business, Mr. Pankaj Jain was the Global head of GR&A Sales, Mr. Gurpreet Chhatwal headed the Risk & Analytics vertical and Ms. Suprabha A. D. headed the GR&A Research Services vertical. Mr. Stephane Besson was

the Chief Executive Officer of Coalition, Mr. Amish Mehta was the Chief Financial Officer and Mr. Rajasekhar Kaza headed Human Resources. Mr. Sameer Bhatia headed Infrastructure Advisory and Mr. Manish Jaiswal headed Risk Solutions, both being the business divisions of the wholly owned subsidiary Company, CRISIL Risk and Infrastructure Solutions Limited.

The details of attendance at the meetings of the Board of Directors held during the tenure of the respective Directors and the attendance at the last Annual General Meeting 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 | 5 | 5 | Yes |
| Dr. Nachiket Mor | 5 | 5 | Yes |
| Mr. M. Damodaran | 5 | 5 | Yes |
| Ms. Vinita Bali | 5 | 4 | Yes |
| Mr. Douglas L. Peterson | 5 | 5 | Yes |
| Mr. Yann Le Pallec | 5 | 4 | Yes |
| Mr. Neeraj Sahai | 5 | 4 [#] | Yes |
| Mr. John F. Callahan Jr. | Nil | Not Applicable ^{\$} | Not Applicable |
| Ms. Roopa Kudva | 3 | 2 [^] | Yes |
| Ms. Ashu Suyash | 2 | 2 ^{&} | Not Applicable |
| Mr. Ravinder Singhania (Alternate Director) | 5 | -- [@] | No |

Mr. Neeraj Sahai resigned with effect from October 17, 2015

\$ Mr. John F. Callahan Jr. was appointed with effect from October 18, 2015

^ Ms. Roopa Kudva was the Managing Director & Chief Executive Officer of CRISIL up to April 30, 2015

& Ms. Ashu Suyash is the Managing Director & Chief Executive Officer of CRISIL with effect from June 1, 2015

@ 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 Company has conducted the Familiarisation programmes for Independent Directors during the year. The Programmes aim 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 functionaries 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 2015 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, and is revised from time to time, depending on individual contribution, the Company's performance, and the prevailing norms. 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. Ms. Suyash is eligible for benefits under any long-term incentive plan, stock option plan, excess contribution and other benefits in accordance with the rules of the Company applicable to all employees. The Nomination and Remuneration Committee determines the remuneration of Managing Director 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
Rupees

| Name of Directors | Sitting Fees | Commission | Total |
|---|------------------|--------------------|--------------------|
| Mr. H. N. Sinor | 6,00,000 | 25,00,000 | 31,00,000 |
| Dr. Nachiket Mor | 6,75,000 | 25,00,000 | 31,75,000 |
| Mr. M. Damodaran | 6,95,000 | 25,00,000 | 31,95,000 |
| Ms. Vinita Bali | 4,45,000 | 25,00,000 | 29,45,000 |
| Mr. Douglas L. Peterson | 40,000* | Nil* | Nil* |
| Mr. Yann Le Pallec | Nil* | Nil* | Nil* |
| Mr. Neeraj Sahai | 40,000* | Nil* | Nil* |
| Mr. John F. Callahan Jr. | Nil | Nil | Nil |
| Mr. Ravinder Singhania (Alternate Director) | Nil | Nil | Nil |
| TOTAL | 24,95,000 | 1,00,00,000 | 1,24,95,000 |

* Sitting Fees and Commission payable to Non-Executive Directors nominated by Standard & Poors' (S&P) is paid to 'Standard & Poors' International LLC'. Since April 2015, MHFI has waived the sitting fees payable to its nominees. Also, commission for the year 2015 has been waived by MHFI.

Remuneration paid to Managing Director(s) for the year ended December 31, 2015

| Name | Roopa Kudva (upto April 30, 2015) | Ashu Suyash (with effect from June 1, 2015) |
|----------------------------|-----------------------------------|---|
| Salary* | 1,79,67,528 | 1,55,48,750 |
| Variable Pay | Nil | 1,14,00,000 |
| Provident Fund | 3,33,268 | 8,40,000 |
| Perquisites | 2,93,310 | 20,700 |
| Perquisite on Stock Option | 10,93,44,031 | Nil |
| Appointment valid till | Not Applicable | May 31, 2020 |
| Notice period | Not Applicable | 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, 2015, 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 2015 — on February 14, April 16, July 16, and October 17. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on April 17, 2015. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from October 18, 2015[§]. The composition of the Committee during 2015 and the details of attendance at the meetings held during the tenure of the respective directors are as under:

| Name | Category | Position | Number of Audit Committee meetings | |
|--------------------------|----------------------------|---------------------|------------------------------------|----------------------------|
| | | | 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 | 4 |
| Dr. Nachiket Mor | Independent, Non-Executive | Member | 4 | 4 |
| Mr. Neeraj Sahai | Non-Executive | Member [#] | 4 | 3 [#] |
| Mr. John F. Callahan Jr. | Non-Executive | Member [§] | Nil | Not Applicable |

Mr. Neeraj Sahai resigned with effect from October 17, 2015

§ Mr. John F. Callahan Jr. was appointed with effect from October 18, 2015

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
 - 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
- 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

- 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 thereon
- 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 Chief Financial Officer
- 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 2015, 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. On a quarterly basis, the Committee continues to review whistle-blower complaints, litigations, related party transactions and policy violation instances, the corrective actions and mitigating controls put in place therefor.

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 17, 2015. 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 October 18, 2015[§]. The details of attendance at the meetings held during the tenure of the respective directors are as under:

| Name | Category | Position | Number of Investment Committee meetings | |
|--------------------------|----------------------------|---------------------|---|----------------------------|
| | | | 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. Neeraj Sahai | Non-Executive | Member [#] | 1 | Nil [#] |
| Mr. John F. Callahan Jr. | Non-Executive | Member [§] | Nil | Not Applicable |

Mr. Neeraj Sahai resigned with effect from October 17, 2015

§ Mr. John F. Callahan Jr. was appointed with effect from October 18, 2015

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
- Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board
- Establishing and reviewing Board and senior executive succession plans
- Evaluation of Board Performance
- Assisting the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board
- Reviewing and making recommendations to the Board on:

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration of the 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 once in 2015 — on February 14. The necessary quorum was present for all the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 17, 2015. The composition of the Committee during 2015 and the details of attendance at the meetings held during the tenure of the respective directors are as under:

| Name | Category | Position | Number of NRC meetings | |
|-------------------------|----------------------------|----------|------------------------|----------------------------|
| | | | Held during the tenure | Attended out of those held |
| Mr. H. N. Sinor | Independent, Non-Executive | Chairman | 1 | 1 |
| Ms. Vinita Bali | Independent, Non-Executive | Member | 1 | 1 |
| Mr. Douglas L. Peterson | Non-Executive | Member | 1 | 1 |

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 (SRC)

The Stakeholders' Relationship Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2015 - on February 14, April 16, July 16, and October 16. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on April 17, 2015.

The composition of the Committee during 2015 and the details of attendance at the meetings held during the tenure of the respective directors are as under:

| Name | Category | Position | Number of SRC meetings | |
|--------------------|----------------------------|----------|------------------------|----------------------------|
| | | | 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 | 4 | 3 |
| Ms. Roopa Kudva | Managing Director & CEO | Member | 2 | 2* |
| Ms. Ashu Suyash | Managing Director & CEO | Member | 2 | 1# |

* Ms. Roopa Kudva was the Managing Director & Chief Executive Officer of CRISIL up to April 30, 2015 and, accordingly, attended the meetings held in February and April

Ms. Ashu Suyash is the Managing Director & Chief Executive Officer of CRISIL with effect from June 1, 2015. The Committee was, however, reconstituted on July 17, 2015. Accordingly, Ms. Suyash participated as an invitee at the meeting held in July and attended the meeting held in October as a member of the Committee

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)

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee". The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation, and the Companies Act, 2013

The Committee met thrice in 2015 - on February 14, July 17 and October 16. The necessary quorum was present for all the meetings. The composition of the Committee during 2015 and the details of attendance at the meetings held during the tenure of the respective directors are as under:

| Name | Category | Position | Number of CSRC meetings | |
|------------------|----------------------------|----------|-------------------------|----------------------------|
| | | | Held during the tenure | Attended out of those held |
| Dr. Nachiket Mor | Independent, Non-Executive | Chairman | 3 | 3 |
| Ms. Vinita Bali | Independent, Non-Executive | Member | 3 | 3 |
| Ms. Roopa Kudva | Managing Director & CEO | Member | 1 | 1* |
| Ms. Ashu Suyash | Managing Director & CEO | Member | 2 | 1# |

* Ms. Roopa Kudva was the Managing Director & Chief Executive Officer of CRISIL upto April 30, 2015 and, accordingly, attended the meetings held in February

Ms. Ashu Suyash is the Managing Director & Chief Executive Officer of CRISIL with effect from June 1, 2015. The Committee was, however, reconstituted on July 17, 2015. Accordingly, Ms. Suyash participated as an invitee at the meeting held in July and attended the meeting held in October as a member of the Committee.

The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the initiatives taken by the Company on CSR during the year have been appended as an Annexure to the Directors' Report.

The activities undertaken by the Company pursuant to the CSR Policy have been outlined in the Corporate Sustainability Report published elsewhere in this Annual Report.

6. Meeting of Independent Directors

The Company's Independent Directors met on February 14, 2015, without the presence of the Managing Director & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and 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. Meeting of Buy-back Committee

A Committee comprising Mr. H. N. Sinor, Dr. Nachiket Mor and Mr. Amish Mehta, Chief Financial Officer, met on June

18, 2015 to approve, inter alia, the Public Announcement for the purpose of Buy-back of shares by the Company.

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 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 Annual Report of the Company for the financial year 2015 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 alongwith the ageing schedules of pending complaints. The Board has authorised Ms. Minal Bhosale, Company Secretary, to approve the transfer and transmission of shares.

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 Sixth Annual General Meeting | April 18, 2013 at 3.30 pm | Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 | Payment of commission up to 3 (three) per cent of the net profits of the Company, every year computed in the manner specified in the Act, to the Director(s) of the Company who is / are neither in the whole-time employment nor managing director(s), in accordance with the provisions of Section 309(4) of the Companies Act, 1956 for a period of 5 (five) years from the financial year commencing January 1, 2013, in such manner and up to such extent as Board and / or the Compensation Committee of the Board may, from time to time, determine. |
| 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 |

Postal Ballot

During the financial year 2015, the Company has passed the following resolutions by postal ballot:

| Sr. No. | Date of Declaration of Postal Ballot Results | Description | Votes in favour of the resolution | | Votes against the resolution | |
|---------|--|---|-----------------------------------|------------------|------------------------------|------------------|
| | | | No. of votes | % to total votes | No. of votes | % to total votes |
| 1 | June 15, 2015 | Ordinary resolution for the appointment of Ms. Ashu Suyash as a Director of the Company, liable to retire by rotation and approval of the terms and conditions of appointment of Ms. Ashu Suyash as Managing Director & Chief Executive Officer | 5,93,62,167 | 99.99 | 3,209 | 0.01 |
| 2 | June 15, 2015 | Special resolution for approval for the Buy-back of Equity Shares of the Company | 5,93,57,940 | 99.98 | 7,865 | 0.02 |

The Company had appointed Dr. K. R. Chandratre, Practising Company Secretary, as Scrutiniser to conduct the Postal Ballot process in a fair and transparent manner.

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 Exchanges 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):

- Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.
- Separate posts of Chairman and CEO: The positions of the Chairman and the CEO are separate.

- 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

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Personal Trading Policy for Prohibition of Insider Trading for Directors and employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons. The Company has a Code of Ethics and Personal Trading Policy for Directors and employees. The Code of Ethics contains policies on confidentiality, gifts and favours, and false and misleading information or disclosures. The Personal Trading Policy contains regulations, policies, procedures and restrictions relating to personal investments by the Directors and employees. The policy also prohibits trading in securities of any foreign or Indian listed company on the basis of unpublished price-sensitive information.

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

During 2015, the Company did not have any material unlisted subsidiary companies which 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 Ltd. 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, no complaints were received and resolved under the Policy for CRISIL Limited. However, single Committee addresses the complaints received under the Sexual Harassment Act for CRISIL and its subsidiary companies. During the year, three complaints were received and were 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 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, during the year, approved and adopted the “CRISIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”. The Code has also been hosted on the website of the Company, viz., www.crisil.com.

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.

Equity Shares in Suspense Account

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 Securities of 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, 44,000 equity shares belonging to 31 shareholders were lying in the account. During the year, one shareholder claimed 3,000 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, 2015, 41,000 equity shares belonging to 30 shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2015 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 Pvt. Ltd.

SEBI Complaints Redress System (SCORES)

SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company received two investor complaints through SCORES, all of which were responded to within 15 days of their receipt.

D. GENERAL SHAREHOLDERS INFORMATION:

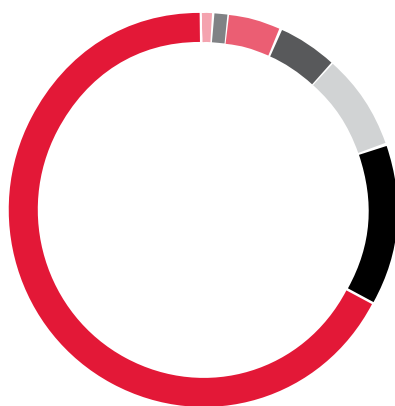
| | |
|---|--|
| 1. Annual General Meeting | |
| Date and Time | : April 19, 2016 at 3.30 p.m. |
| Venue | : Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 |
| 2. Calendar for Financial Reporting | |
| First Quarter ending March 31, 2016 | : In April 2016 |
| Second Quarter ending June 30, 2016 | : In July 2016 |
| Third Quarter ending September 30, 2016 | : In October 2016 |
| Year ending December 31, 2016 | : In February 2017 |
| Newspapers where the results are published | : Business Standard and Sakal |
| Websites where the financial results, shareholding pattern, annual report etc. are uploaded | : www.crisil.com , www.bseindia.com and www.nseindia.com |
| 3. Proposed Final and Special Dividend | : Final Dividend of Rs. 7 per share and Special Dividend of Rs. 3 per share having nominal value of Re. 1 each |
| 4. Dates of Book Closure | : Thursday, March 10, 2016 to Friday, March 11, 2016 (both days inclusive) |

5. **Dividend Payment Date** : May 6, 2016 (if dividend payment is approved at the Annual General Meeting).
-
6. **Listing Details** : The shares of the Company are listed on:
National Stock Exchange of India Ltd. (NSE)
 Exchange Plaza, 5th Floor,
 Plot No. C/1, G Block,
 Bandra-Kurla Complex,
 Bandra (E), Mumbai 400 051
BSE Ltd. (BSE)
 P. J. Towers,
 Dalal Street, Fort,
 Mumbai 400 001
 The Company has paid listing fees at both the exchanges and has complied with the listing requirements.
-
7. **Stock Codes** : NSE – CRISIL
 BSE – 500092
 ISIN : INE007A01025
 CIN : L67120MH1987PLC042363
-
8. **Registrars and Share Transfer Agents** : Karvy Computershare Pvt. Ltd.
 Unit : CRISIL Ltd.
 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
-
9. **Compliance Officer** : Ms. Minal Bhosale,
 Company Secretary,
 CRISIL House, Central Avenue,
 Hiranandani Business Park,
 Powai, Mumbai 400 076
 Phone: 022-3342 3000
 Fax: 022-3342 3810
-
10. **Depository System** : Currently, 99.79% 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 Pvt. Ltd. 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@crsil.com

16. Category – wise Shareholding Pattern as on December 31, 2015

| Sr. No. | Category | No. of shares | % holding |
|--------------|--|--------------------|---------------|
| 1 | Group holding of The McGraw Hill Financial, Inc: - S & P India LLC - Standard & Poor's International LLC - McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 4,78,32,539 | 67.17 |
| 2 | Individuals | 95,20,008 | 13.37 |
| 3 | FII's / QFI's / FPI's | 56,36,823 | 7.92 |
| 4 | Insurance Companies | 34,77,164 | 4.88 |
| 5 | Mutual Funds / UTI | 31,79,603 | 4.47 |
| 6 | Bodies Corporate | 9,35,097 | 1.31 |
| 7 | Financial Institutions / Banks | 4,36,969 | 0.61 |
| 8 | NRIs | 1,81,389 | 0.25 |
| 9 | Directors | Nil | 0.00 |
| 10 | Clearing Members | 9,511 | 0.01 |
| TOTAL | | 7,12,09,103 | 100.00 |



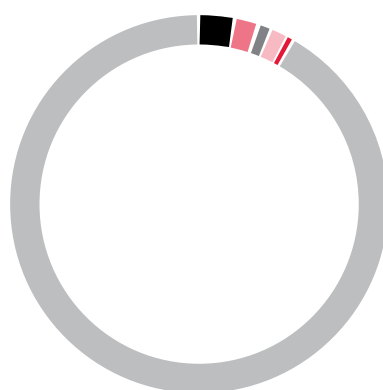
| | |
|-----------------------------------|--|
| ■ Mc-Graw Hill Financial - 67.17% | ■ Bodies Corporate - 1.31% |
| ■ Individuals - 13.37% | ■ Financial Institutions/Banks - 0.61% |
| ■ FII's/QFI's/FPI's - 7.92% | ■ NRIs - 0.25% |
| ■ Insurance Companies - 4.88% | ■ Directors - 0.00% |
| ■ Mutual Funds/UTI - 4.47% | ■ Clearing Members - 0.01% |

17. Distribution of shareholding as on December 31, 2015

| Range of equity shares held | No. of shareholders | % to total no. of shareholders | No. of shares | % to total no. of shares |
|-----------------------------|---------------------|--------------------------------|--------------------|--------------------------|
| 1 – 5,000 | 20,148 | 98.69 | 30,59,941 | 4.30 |
| 5,001 – 10,000 | 91 | 0.45 | 6,58,271 | 0.92 |
| 10,001 – 20,000 | 56 | 0.27 | 8,18,559 | 1.15 |
| 20,001 – 30,000 | 24 | 0.12 | 5,94,943 | 0.84 |
| 30,001 – 40,000 | 13 | 0.06 | 4,42,691 | 0.62 |
| 40,001 - 50,000 | 11 | 0.05 | 5,03,798 | 0.71 |
| 50,001 – 1,00,000 | 34 | 0.17 | 26,00,787 | 3.65 |
| 1,00,000 and above | 39 | 0.19 | 6,25,30,113 | 87.81 |
| Total | 20,416 | 100.00 | 7,12,09,103 | 100.00 |

18. Members holding more than 1% of the paid-up share capital as on December 31, 2015

| Sr. No. | Name of the shareholder | No. of shares | % holding |
|---------|--|---------------|-----------|
| 1 | Group holding of The McGraw Hill Financial, Inc. : - S & P India LLC - Standard & Poor's International LLC - McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 4,78,32,539 | 67.17 |
| 2 | Jhunjhunwala Rakesh & Rekha | 40,00,000 | 5.62 |
| 3 | General Insurance Corporation of India | 27,00,000 | 3.79 |
| 4 | Matthews India Fund / Matthews Asia Small Companies Fund / Matthews Asia Funds - India Fund / Matthews Asia Funds Asia Small Companies Fund | 18,71,211 | 2.63 |
| 5 | Unit Trust of India | 11,43,843 | 1.61 |
| 6 | Life Insurance Corporation of India | 7,65,735 | 1.08 |

Number of Shares


| | |
|---|---|
| ■ Group holding of The McGraw Hill Financial, Inc. - 67.17% | ■ Matthews Funds - 2.63% |
| ■ Jhunjhunwala Rakesh and Rekha - 5.62% | ■ Unit Trust of India - 1.61% |
| ■ General Insurance Corporation of India - 3.79% | ■ Life Insurance Corporation of India - 1.08% |

19. Status report on number of shareholder requests / complaints received and resolved by the Company during the year ended December 31, 2015

| Nature of Correspondence | No. of cases received and resolved |
|--|------------------------------------|
| Non-receipt of dividend | 38 |
| Non-receipt of shares | 2 |
| Non-receipt of Annual Report | 22 |
| ECS facility / Change in bank mandates | 12 |
| Issue of duplicate drafts / revalidation of warrants | 22 |
| Dematerialisation / Rematerialisation | 3 |
| Incorporation of change of address | 6 |
| Transfer / Transposition / Transmission | 0 |
| Other requests / queries | 23 |
| TOTAL | 128 |

The Company addressed all the investor complaints received during the year and there were no investor complaints outstanding at the beginning or at the end of the year.

Analysis of Investor Correspondence in 2015

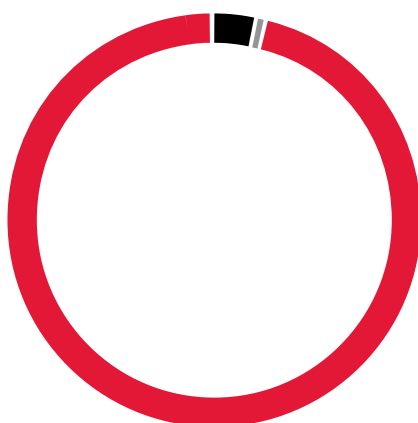


- Non-receipt of dividend - 38
- ECS facility/changes in bank mandates - 12
- Other requests/queries -23
- Incorporation of change of address - 6
- Non-receipt of Annual Report - 22
- Dematerialisation/Rematerialisation - 3
- Issue of duplicate drafts/revalidation of warrants - 22
- Non-receipt of shares - 2

20. Shares held in Physical and Dematerialised form as on December 31, 2015

The break-up of physical and dematerialised shareholding as on December 31, 2015 is explained graphically below.

Distribution of Holdings - Demat and Physical



- CDSL - 1.49%
- PHYSICAL - 0.21%
- NSDL - 98.30%

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 |

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, working capital requirements and also as a means to meet any unforeseen contingency. CRISIL has also been conscious of the need to maintain stability in its dividend payout over the years.

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

- Credit to the Bank account via Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) / SWIFT Transfer and;
- 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.

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 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after such transfer. The details of unclaimed dividend as on December 31, 2015 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 2008 | 35.00 | 350% | 28-Apr-2009 | 29-May-2016 |
| 2 | Unclaimed 1st Interim Dividend 2009 | 25.00 | 250% | 28-Apr-2009 | 29-May-2016 |
| 3 | Unclaimed 2nd Interim Dividend 2009 | 25.00 | 250% | 24-Jul-2009 | 24-Aug-2016 |
| 4 | Unclaimed 3rd Interim Dividend 2009 | 25.00 | 250% | 29-Oct-2009 | 29-Nov-2016 |
| 5 | Unclaimed Final Dividend 2009 | 25.00 | 250% | 16-Apr-2010 | 17-May-2017 |
| 6 | Unclaimed Special Dividend 2010 and 1st Interim Dividend 2010 | 125.00 | 1250% | 16-Apr-2010 | 17-May-2017 |
| 7 | Unclaimed 2nd Interim Dividend 2010 | 25.00 | 250% | 22-Jul-2010 | 22-Aug-2017 |

| | | | | | |
|----|---|-------|-------|-------------|-------------|
| 8 | Unclaimed 3rd Interim Dividend 2010 | 25.00 | 250% | 18-Oct-2010 | 18-Nov-2017 |
| 9 | Unclaimed Final Dividend 2010 | 25.00 | 250% | 15-Apr-2011 | 16-May-2018 |
| 10 | Unclaimed 1st Interim Dividend 2011 | 27.50 | 275% | 15-Apr-2011 | 16-May-2018 |
| 11 | Unclaimed 2nd Interim Dividend 2011 | 27.50 | 275% | 20-Jul-2011 | 20-Aug-2018 |
| 12 | Unclaimed 3rd Interim Dividend 2011 | 2.75 | 275% | 18-Oct-2011 | 18-Nov-2018 |
| 13 | Unclaimed Final Dividend 2011 | 2.75 | 275% | 16-Apr-2012 | 18-May-2019 |
| 14 | Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012 | 6.00 | 600% | 16-Apr-2012 | 18-May-2019 |
| 15 | Unclaimed 2nd Interim Dividend 2012 | 3.00 | 300% | 18-Jul-2012 | 19-Aug-2019 |
| 16 | Unclaimed 3rd Interim Dividend 2012 | 3.00 | 300% | 17-Oct-2012 | 18-Nov-2019 |
| 17 | Unclaimed Final Dividend 2012 | 4.00 | 400% | 18-Apr-2013 | 19-May-2020 |
| 18 | Unclaimed 1st Interim Dividend 2013 | 3.00 | 300% | 18-Apr-2013 | 19-May-2020 |
| 19 | Unclaimed 2nd Interim Dividend 2013 | 3.00 | 300% | 19-Jul-2013 | 19-Aug-2020 |
| 20 | Unclaimed 3rd Interim Dividend 2013 | 3.00 | 300% | 18-Oct-2013 | 18-Nov-2020 |
| 21 | Unclaimed Final and Special Dividend 2013 | 10.00 | 1000% | 17-Apr-2014 | 18-May-2021 |
| 22 | Unclaimed 1st Interim Dividend 2014 | 3.00 | 300% | 17-Apr-2014 | 18-May-2021 |
| 23 | Unclaimed 2nd Interim Dividend 2014 | 3.00 | 300% | 18-Jul-2014 | 18-Aug-2021 |
| 24 | Unclaimed 3rd Interim Dividend 2014 | 4.00 | 400% | 17-Oct-2014 | 17-Nov-2021 |
| 25 | Unclaimed Final & Special Dividend 2014 | 10.00 | 1000% | 17-Apr-2015 | 18-May-2022 |
| 26 | Unclaimed 1st Interim Dividend 2015 | 4.00 | 400% | 17-Apr-2015 | 18-May-2022 |
| 27 | Unclaimed 2nd Interim Dividend 2015 | 4.00 | 400% | 17-Jul-2015 | 17-Aug-2022 |
| 28 | Unclaimed 3rd Interim Dividend 2015 | 5.00 | 500% | 17-Oct-2015 | 17-Nov-2022 |

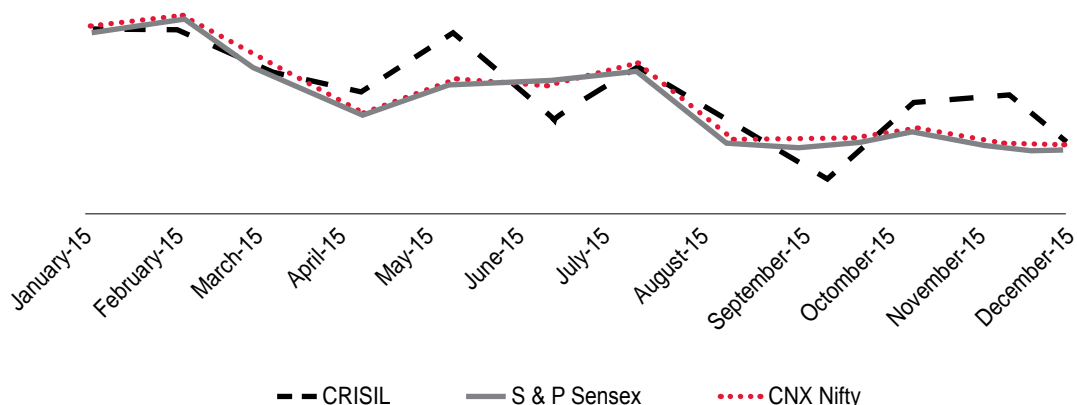
Notes:

- 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 Ltd. (NSE) and BSE Ltd. (BSE) for the period from January 2015 to December 2015:

| NSE | | | BSE | | |
|-----------|------------|-----------|-----------|------------|-----------|
| Month | High (Rs.) | Low (Rs.) | Month | High (Rs.) | Low (Rs.) |
| January | 2,150.05 | 1,860.00 | January | 2,140.00 | 1,869.85 |
| February | 2,162.05 | 1,985.00 | February | 2,167.95 | 1,990.00 |
| March | 2,175.50 | 1,968.70 | March | 2,165.00 | 1,979.70 |
| April | 2,371.30 | 1,780.00 | April | 2,365.00 | 1,787.70 |
| May | 2,197.00 | 1,945.05 | May | 2,190.00 | 1,950.85 |
| June | 2,093.70 | 1,885.00 | June | 2,087.55 | 1,890.70 |
| July | 2,058.50 | 1,906.00 | July | 2,099.00 | 1,911.00 |
| August | 2,051.05 | 1,761.05 | August | 2,040.90 | 1,781.00 |
| September | 2,033.00 | 1,770.00 | September | 2,015.00 | 1,771.60 |
| October | 2,040.00 | 1,831.00 | October | 2,033.85 | 1,834.00 |
| November | 2,036.85 | 1,865.00 | November | 2,022.00 | 1,870.85 |
| December | 2,010.00 | 1,850.10 | December | 1,994.70 | 1,851.45 |

Price movement of CRISIL shares in 2015 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 or through remote e-voting.
- 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 Company Law Board 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 Company Law Board to investigate the affairs of the Company.
- To apply to the Company Law Board for relief in cases of oppression and / or mismanagement.

The above-mentioned rights may not necessarily be absolute.



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') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at December 31, 2015, 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 of the Group 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 but not for the purpose of expressing an opinion

on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 paragraph (a) of the 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, 2015, their consolidated profit, and their consolidated 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, 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;

On the basis of the written representations received from the directors of the Holding Company as on December 31, 2015 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 companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on December 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

- (e) 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 20 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, its subsidiaries incorporated in India.

OTHER MATTER

The accompanying consolidated financial statements include total assets of Rs. 2,993 million as at December 31, 2015, and total revenues and net cash outflows of Rs. 7,070 million and Rs. 189 million respectively, for the year ended on that date, in respect of 9 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 shareholder of the respective entities. 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 2015 consolidated financial statements 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 2015 financial statements 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) and (11) 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 is not qualified in respect of this matter.

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 matters 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

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place: Mumbai

Date: February 9, 2016

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

Re: CRISIL Limited

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of the Holding Company and the two covered entities of the Group during the year and no material discrepancies were identified on such verification. Fixed assets of the remaining two covered entities have not been physically verified by the management during the year but there is a regular programme of verification which, as reported by the other auditors who audited the financial statements of the said subsidiaries, is reasonable having regard to the size of the said Covered entities of the Group and the nature of its assets.
- (ii) The business of the Holding Company and the Covered entities of the Group does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the Covered entities of the Group.
- (iii) (a) The Holding Company has granted loan to an entity covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular. The Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (b) There is no overdue amount of loans granted by the Holding Company to the entity listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. The activities of the Group do not involve purchase of inventory. During the course of our audit and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Holding Company and the Covered entities of the Group.
- (vii) (a) The Holding Company and the Covered entities of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, wealth-tax, service tax, excise duty, value added tax, cess and other material statutory dues as applicable to the respective covered entities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, excise duty, custom duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the covered entities of the Group.
- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, service tax, 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 | A.Y. 2000-01 | High Court |
| | | 38,75,417 | A.Y. 2001-02 | High Court |
| | | 46,00,929 | A.Y. 2002-03 | High Court |
| | | 36,38,158 | A.Y. 2003-04 | High Court |
| | | 31,96,382 | A.Y. 2004-05 | High Court |
| | | 28,76,744 | A.Y. 2005-06 | High Court |
| | | 5,33,423 | A.Y. 2005-06 | Commissioner of Income Tax (Appeals) |
| | | 51,93,868 | A.Y. 2006-07 | Commissioner of Income Tax (Appeals) |
| | | 8,32,24,366 | A.Y. 2007-08 | Income Tax Appellate Tribunal |
| | | 75,44,894 | A.Y.2007-08 | Commissioner of Income Tax (Appeals) |
| | | 7,38,24,882 | A.Y.2008-09 | Income Tax Appellate Tribunal |
| | | 23,200 | A.Y.2008-09 | Commissioner of Income Tax (Appeals) |
| | | 10,37,38,654 | A.Y. 2009-10 | Income Tax Appellate Tribunal |
| | | 64,54,440 | A.Y. 2009-10 | Commissioner of Income Tax (Appeals) |
| | | 8,05,07,564 | A.Y. 2010-11 | Income Tax Appellate Tribunal |
| | | Sales Tax Act, 1956 | Sales Tax | 3,31,89,232 |
| 1,05,87,153 | A.Y. 2011-12 | | | Commissioner of Income Tax (Appeals) |
| 80,86,802 | A.Y. 2012-13 | | | Commissioner of Income Tax (Appeals) |
| 19,27,861 | FY 2003-04 | | | Asst. Comm. Of Sales Tax (Appeals) |
| 34,45,717 | FY 2004-05 | | | Asst. Comm. Of Sales Tax (Appeals) |
| Finance Act | Service Tax | | | 1,50,42,302 |
| | | 86,60,064 | F.Y. 2008-09 | Assistant of Service Tax Division – III, Mumbai |

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the covered entities.
- (viii) The Holding Company and the Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements of certain covered entities, of the Group, we are of the opinion that the covered entities of the Group have not taken any loans from financial institutions, banks and has not issued any debentures.
- (x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company and the Covered entities of the Group did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other covered entities of the group, which we have relied upon, we report that no material fraud by/ on the Group, has been noticed or reported during the year .

For **S.R. BATLIBOI & CO. LLP**
 Chartered Accountants
 ICAI Firm Registration Number: 301003E

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

Place: Mumbai
 Date: February 9, 2016

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2015

(Rupees)

| Particulars | Notes | As at December 31, 2015 | As at December 31, 2014 |
|--|-------|----------------------------|----------------------------|
| Equity and Liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 71,209,103 | 71,357,055 |
| Reserve and surplus | 4 | 8,486,405,123 | 8,412,093,836 |
| Non-current Liabilities | | | |
| Other liabilities | 5 | 191,768,305 | 251,418,165 |
| Provisions | 6 | 132,162,418 | 99,703,942 |
| Current Liabilities | | | |
| Trade payables | 7 | 373,558,534 | 385,975,990 |
| Other liabilities | 8 | 2,700,242,713 | 2,103,795,480 |
| Provisions | 9 | 1,353,429,217 | 1,321,738,900 |
| Total | | 13,308,775,413 | 12,646,083,368 |
| Assets | | | |
| Non-current assets | | | |
| Goodwill on consolidation | | 3,150,313,229 | 3,150,313,229 |
| Fixed assets | | | |
| Tangible assets | 10 | 784,732,274 | 912,718,348 |
| Intangible assets | 10 | 190,606,540 | 256,043,061 |
| Intangible asset under development | | 24,800,940 | - |
| Capital work in progress | | 1,271,679 | - |
| Investments | 11 | 56,252,031 | 56,252,031 |
| Deferred tax assets (Net) | 12 | 362,553,560 | 299,142,806 |
| Loans and advances | 13 | 442,259,018 | 497,512,623 |
| Other assets | 14 | 16,667,539 | 8,622,664 |
| Current Assets | | | |
| Investments | 11 | 3,777,261,191 | 3,688,886,970 |
| Trade receivables | 15 | 1,955,806,496 | 1,408,594,415 |
| Cash and bank balances | 16 | 1,517,805,384 | 1,546,569,463 |
| Loans and advances | 17 | 448,121,976 | 303,817,386 |
| Other assets | 18 | 580,323,556 | 517,610,372 |
| Total | | 13,308,775,413 | 12,646,083,368 |
| 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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2015

(Rupees)

| Particulars | Notes | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|--|-------|---------------------------------|---------------------------------|
| Income | | | |
| Income from operations | 19 | 13,799,369,114 | 12,533,821,804 |
| Other income | 20 | 432,228,722 | 236,906,614 |
| Total | | 14,231,597,836 | 12,770,728,418 |
| Expenses | | | |
| Personnel expenses | 21 | 6,937,535,195 | 5,929,432,721 |
| Establishment expenses | 22 | 938,829,481 | 927,143,652 |
| Other expenses | 23 | 1,927,007,710 | 1,792,374,224 |
| Depreciation/ Amortisation | 10 | 371,243,933 | 361,230,283 |
| Total | | 10,174,616,319 | 9,010,180,880 |
| Profit before tax | | 4,056,981,517 | 3,760,547,538 |
| Tax expense | | | |
| Current tax | | 1,263,438,008 | 1,144,887,120 |
| Deferred tax | | (57,974,634) | (68,637,969) |
| Total tax expense | | 1,205,463,374 | 1,076,249,151 |
| Profit after tax | | 2,851,518,143 | 2,684,298,387 |
| Earnings per share : Nominal value of Re. 1/ per share | 33 | | |
| Basic | | 40.03 | 37.83 |
| Diluted | | 39.51 | 37.41 |
| 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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| A. Cash flow from operating activities: | | |
| Profit before tax | 4,056,981,517 | 3,760,547,538 |
| Adjustments for : | | |
| Depreciation | 371,243,933 | 361,230,283 |
| Amortisation of foreign currency monetary item translation reserve | (73,195,383) | (56,100,473) |
| Unrealised foreign exchange gain | (38,846,773) | 18,669,784 |
| (Profit)/ Loss on sale of fixed assets | 377,858 | 950,945 |
| (Profit)/ Loss on sale of current investments | (197,432,530) | (110,845,131) |
| Provision for doubtful debts / bad debts | 117,289,028 | 145,625,240 |
| Interest income | (26,024,862) | (31,862,915) |
| Dividend on current investments | - | (54,373,486) |
| Dividend on non-current investments | (2,812,524) | (2,812,570) |
| Operating profit before working capital changes | 4,207,580,264 | 4,031,029,215 |
| Movements in working capital | | |
| - (Increase)/decrease in trade receivables | (659,382,008) | (349,564,559) |
| - (Increase)/decrease in sundry deposits | 12,039,403 | 5,901,267 |
| - (Increase)/decrease in loans | (11,746,638) | 12,843,783 |
| - (Increase)/decrease in deferred grant revenue | (60,044,442) | 16,468,395 |
| - (Increase)/decrease in advances | (70,360,479) | (75,222,203) |
| - (Increase)/decrease in accrued revenue | (82,777,410) | 3,432,231 |
| - Increase/(decrease) in trade payables | (8,803,618) | 18,546,705 |
| - Increase/(decrease) in unearned revenue and fees received in advance | 92,195,785 | 151,909,993 |
| - Increase/(decrease) in rent deferment | (17,745,134) | 1,354,091 |
| - Increase/(decrease) in other payables | 404,633,945 | 68,183,242 |
| - Increase/(decrease) in provision for leave benefits | 48,644,831 | 37,115,345 |
| - Increase/(decrease) in provision for gratuity | 30,899,921 | 22,869,197 |
| - Increase/(decrease) in statutory liabilities | 119,835,747 | (51,362,474) |
| Cash generated from operations | 4,004,970,167 | 3,893,504,228 |
| - Taxes paid | (1,301,298,898) | (1,247,008,435) |
| Net cash generated from operating activities - (A) | 2,703,671,269 | 2,646,495,793 |
| B. Cash flow from investing activities : | | |
| Purchase of fixed assets | (262,035,568) | (211,520,476) |
| Proceeds from sale of fixed assets | 6,888,823 | 1,163,817 |
| Investments in mutual funds | (4,999,590,903) | (3,688,886,970) |
| Sale proceeds from investments in mutual funds | 5,108,649,213 | 2,498,044,214 |
| Payment made for acquisition of Coalition group | - | (650,855,274) |
| Investment in fixed deposits | (283,154,526) | (125,324,312) |
| Proceeds from fixed deposits maturity | 408,254,283 | 224,188,247 |
| Interest income | 26,709,223 | 34,007,278 |
| Dividend on current investments | - | 54,373,486 |
| Dividend on non-current investments | 2,812,524 | 2,812,570 |
| Net cash generated from/(used in) investing activities - (B) | 8,533,069 | (1,851,522,420) |

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| C. Cash flow from financing activities : | | |
| Proceeds from issuance of share capital on exercise of stock options | 375,954,050 | 551,194,748 |
| Dividend and dividend tax paid | (1,973,104,783) | (1,666,842,509) |
| Payment towards buy back of shares (Refer note 31) | (1,019,780,638) | - |
| Net cash generated from/(used in) financing activities - (C) | (2,616,931,371) | (1,115,647,761) |
| D. Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D) | 8,528,470 | 6,124,612 |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C+D) | 103,801,437 | (314,549,776) |
| Cash and cash equivalents - Opening balance | 1,215,868,342 | 1,530,418,118 |
| Cash and cash equivalents - Closing balance | 13,196,69,779 | 1,215,868,342 |
| Net Increase/(decrease) in cash and cash equivalents | 103,801,437 | (314,549,776) |
| Components of cash and cash equivalents as at | | |
| Cash on hand and with banks on current account | 1,098,813,364 | 1,188,883,630 |
| Deposits with original maturity of less than three months | 210,343,956 | 16,251,692 |
| Unpaid dividend account (Earmarked for unpaid dividend) | 10,512,459 | 10,733,020 |
| | 1,319,669,779 | 1,215,868,342 |

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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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 Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition.
- 2.5 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, 2015 | December 31, 2014 |
| 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 | India | 100% | 100% |
| Coalition Development Limited | United Kingdom | 100% | 100% |
| Coalition Development Systems (India) Private Limited | India | 100% | 100% |
| Mercator Info-Services India Private Limited | India | 100% | 100% |
| Coalition Development Singapore Pte Limited | Singapore | 100% | 100% |
| CRISIL Irevna Information Technology (Hangzhou) Co., Ltd | China | 100% | 100% |

2.6 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.

2.7 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 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.

2.8 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. The estimated useful life coincides with the useful life on which depreciation was provided in earlier years. 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 amortised 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 (including goodwill on consolidation) are reviewed at each balance sheet date if there is any indication of

impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.10 Intangibles

Goodwill (acquired) is amortised on a systematic basis over the best estimate of its useful life.

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 recognised 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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Income from operations

Income from Operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred 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 recognised as income in the year in which such assessments/assignments are carried out or milestones achieved. Fees with respect to certain categories of clients are recognised only when there is reasonable certainty of collection. Revenue from risk management services comprises of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognised upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from sale of software which involves customization is recognised 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 recognised 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 / transfer deed 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 the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

The Company provides gratuity 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.

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.

2.15 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 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 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 Group has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" 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 AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, 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. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to the Statement of Profit and Loss for the year.

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 on all long term monetary items, with prospective effect from April 01, 2011, 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.

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 organised 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 recognised 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 recognised 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 amortised 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, 2015 | As at December 31, 2014 |
| Authorised capital: | | |
| 100,000,000 Equity Shares of Re.1/- each (P.Y. 100,000,000 of Re. 1/- each) | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid Up: | | |
| 71,209,103 Equity Shares of Re. 1/- each fully paid up (P.Y. 71,357,055 of Re.1/- each) | 71,209,103 | 71,357,055 |
| Total | 71,209,103 | 71,357,055 |

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares

| 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) |
| Outstanding at the end of the year | 71,209,103 | 71,209,103 |

| Particulars | As at December 31, 2014 | |
|---|-------------------------|-------------------|
| | Rupees | Nos. |
| At the beginning of the year (face value of Re. 1/- per share) | 70,652,890 | 70,652,890 |
| Add - Issued during the year- Under employee stock option scheme (ESOS) (Refer note 32) | 704,165 | 704,165 |
| Outstanding at the end of the year | 71,357,055 | 71,357,055 |

(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, 2015 | As at December 31, 2014 |
| Group Holding of the McGraw Hill Financial, Inc. | | |
| 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 McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. (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, USA, Fellow Subsidiary (P.Y. 6,000,000 of Re.1/- each) | 6,000,000 | 6,000,000 |

(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, 2015 | As at December 31, 2014 |
| Aggregate number of equity shares bought back by the company | 1,421,932 | 2,191,560 |
| 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, 2015 | |
|---|---------------------------|------------|
| | % holding in the class | Nos. |
| Equity shares of Re. 1/- each fully paid | | |
| 1. Group Holding of the McGraw Hill Financial, Inc. | | |
| a) S&P India, LLC | 43.83% | 31,209,480 |
| b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 14.92% | 10,623,059 |
| c) Standard & Poor's International LLC, USA | 8.42% | 6,000,000 |
| 2. Jhunjhunwala Rakesh and Rekha | 5.62% | 4,000,000 |

| Name of the shareholder | As at December 31, 2014 | |
|---|---------------------------|------------|
| | % holding in the class | Nos. |
| Equity shares of Re. 1/- each fully paid | | |
| 1. Group Holding of the McGraw Hill Financial, Inc. | | |
| a) S&P India, LLC | 43.74% | 31,209,480 |
| b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 14.89% | 10,623,059 |
| c) Standard & Poor's International LLC, USA | 8.40% | 6,000,000 |
| 2. Jhunjhunwala Rakesh and Rekha | 5.61% | 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

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Securities premium account | | |
| Opening balance | 901,841,217 | 351,350,634 |
| Add : Received on exercise of employee stock options (Refer note 32) | 375,590,070 | 550,490,583 |
| Less : Used towards buy back of equity shares (Refer note 31) | (982,795,506) | - |
| | 294,635,781 | 901,841,217 |
| Capital reserve | | |
| Capital redemption reserve | | |
| Opening balance | 2,191,560 | 2,191,560 |
| Add : Transfer from general reserve (Refer note 31) | 511,932 | - |
| | 2,703,492 | 2,191,560 |
| General reserve | | |
| Opening balance | 1,133,665,099 | 918,151,816 |
| Add : Transfer from the statement of profit and loss | 222,007,663 | 215,513,283 |
| 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) | - |
| | 1,318,687,630 | 1,133,665,099 |
| Foreign currency monetary item translation account | | |
| Opening balance | 186,534,591 | 242,635,064 |
| Less : Transfer to foreign exchange gain | (70,821,108) | (62,351,674) |
| Add : Movement during the year | (2,374,275) | 6,251,201 |
| | 113,339,208 | 186,534,591 |
| Currency fluctuation translation reserve | | |
| Opening balance | (276,055,890) | (299,817,012) |
| Add : Movement during the year | (34,793,931) | 23,761,122 |
| | (310,849,821) | (276,055,890) |
| Hedging reserve account | | |
| Opening balance | 93,770,263 | (138,422,289) |
| Deductions during the year | (93,770,263) | 138,422,289 |
| Additions during the year | 41,945,658 | 93,770,263 |
| | 41,945,658 | 93,770,263 |
| Surplus in the statement of profit and loss | | |
| Balance as per last financial statements | 6,247,914,885 | 5,476,004,229 |
| Profit for the year | 2,851,518,143 | 2,684,298,387 |
| <u>Less : Appropriation</u> | | |
| Proposed final equity dividend (amount per share Rs. 10 (P.Y. Rs. 10) of Re. 1/- each) | (712,091,030) | (713,570,550) |
| Interim dividend (amount per share Rs. 13 (P.Y. Rs. 10) of Re. 1/- each) | (925,601,947) | (711,200,400) |
| Corporate dividend tax | (336,021,324) | (272,103,498) |
| Transfer to general reserve | (222,007,663) | (215,513,283) |
| Total appropriations | (2,195,721,964) | (1,912,387,731) |
| Net surplus in the statement of profit and loss | 6,903,711,064 | 6,247,914,885 |
| Total | 8,486,405,123 | 8,412,093,836 |

5. OTHER LIABILITIES

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non current | | |
| Statutory liabilities | 6,089,289 | - |
| Rent deferment | 115,667,289 | 152,318,399 |
| Unearned revenue and fees received in advance | 800,648 | 800,470 |
| Others | 69,211,079 | 98,299,296 |
| Total | 191,768,305 | 251,418,165 |

6. PROVISIONS

| Particulars | (Rupees) | |
|------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non current | | |
| For employee benefits | | |
| For gratuity (Refer note 28) | 132,162,418 | 99,703,942 |
| Total | 132,162,418 | 99,703,942 |

7. TRADE PAYABLES

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 36) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 373,558,534 | 385,975,990 |
| Total | 373,558,534 | 385,975,990 |

8. OTHER LIABILITIES

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Statutory liabilities | 396,643,936 | 282,897,478 |
| Unearned revenue and fees received in advance | 1,033,171,704 | 942,846,710 |
| Grant liability | - | 60,044,442 |
| Rent deferment | 38,729,081 | 19,823,105 |
| Others | 1,221,185,533 | 787,450,725 |
| Unclaimed dividend (Investor education and protection fund will be credited as and when due) | 10,512,459 | 10,733,020 |
| Total | 2,700,242,713 | 2,103,795,480 |

9. PROVISIONS

| Particulars | (Rupees) | |
|--------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Proposed dividend | 712,091,030 | 713,570,550 |
| Corporate dividend tax thereon | 144,981,734 | 142,672,135 |
| Provision for tax | 59,144,081 | 75,370,119 |
| For employee benefits | | |
| For leave benefit | 437,212,372 | 388,567,541 |
| For gratuity (Refer note 28) | - | 1,558,555 |
| Total | 1,353,429,217 | 1,321,738,900 |

10. FIXED ASSETS

| Particulars | Gross Block at Cost | | | | Accumulated Depreciation/Amortization | | | | Net Block |
|---|-----------------------|--------------------|--------------------|------------------------------|---------------------------------------|--------------------|------------------------------------|------------------------------|----------------------|
| | As at January 1, 2015 | Additions | Deductions | Currency Translation Reserve | As at December 31, 2015 | For the year | Deletion On Account of Assets sold | Currency Translation Reserve | |
| Intangible assets | | | | | | | | | |
| Customer relationship | 282,611,046 | - | - | 240,056 | 282,851,102 | 39,276,757 | - | 441,677 | 206,842,581 |
| Brand | 35,675,356 | - | - | 30,304 | 35,705,660 | - | - | 30,304 | 35,705,660 |
| Non compete | 45,391,712 | - | - | 38,557 | 45,430,269 | - | - | 38,557 | 45,430,269 |
| Goodwill | 225,834,513 | - | - | (4,877,101) | 220,957,412 | 21,401,122 | - | 1,222,634 | 113,055,305 |
| Software | - | 2,266,053 | - | 7,920 | 2,273,973 | 731,976 | - | (717) | 1,542,714 |
| Sub Total intangible assets | 589,512,627 | 2,266,053 | - | (4,560,264) | 587,218,416 | 61,409,855 | - | 1,732,455 | 396,611,876 |
| Tangible assets | | | | | | | | | |
| Buildings (Refer note below) | 157,352,097 | - | 129,464,722 | - | 27,887,375 | 6,817,469 | 97,623,251 | - | 26,908,526 |
| Furniture and fixtures | 205,573,420 | 8,175,034 | 7,244,336 | (931,605) | 205,572,513 | 21,729,467 | 6,186,588 | (381,668) | 119,526,856 |
| Office equipments | 376,996,447 | 25,935,440 | 24,266,346 | (13,041,145) | 365,624,396 | 44,556,523 | 20,983,667 | (12,426,156) | 208,664,145 |
| Computers | 785,625,171 | 159,878,821 | 100,346,292 | 3,766,383 | 848,924,083 | 119,452,948 | 99,451,618 | 3,443,984 | 647,698,695 |
| Vehicles | 61,804,776 | 19,405,996 | 17,974,402 | (356,729) | 62,879,641 | 37,862,754 | 15,942,822 | (274,427) | 35,705,930 |
| Leasehold improvements | 831,133,665 | 14,476,767 | - | (9,822,665) | 835,787,767 | 103,217,246 | - | (3,831,591) | 523,439,349 |
| Sub Total tangible assets | 2,418,485,576 | 227,872,058 | 279,296,098 | (20,385,761) | 2,346,675,775 | 309,834,078 | 240,187,946 | (13,469,858) | 1,561,943,501 |
| Total | 3,007,998,203 | 230,138,111 | 279,296,098 | (24,946,025) | 1,839,236,794 | 371,243,933 | 240,187,946 | (11,737,403) | 975,338,814 |
| Note : Adjustment with respect to building are on account of certain premises being classified as asset held for sale in current year Rs. 31,84,14,71 (P.Y. Rs. Nil). Refer note 18 | | | | | | | | | |
| Particulars | Gross Block at Cost | | | | Accumulated Depreciation/Amortization | | | | Net Block |
| | As at January 1, 2014 | Additions | Deductions | Currency Translation Reserve | As at December 31, 2014 | For the year | Deletion On Account of Assets sold | Currency Translation Reserve | |
| Intangible assets | | | | | | | | | |
| Customer relationship | 290,062,527 | - | - | (7,451,481) | 282,611,046 | 40,285,776 | - | (4,106,768) | 167,124,147 |
| Brand | 36,615,993 | - | - | (940,637) | 35,675,356 | - | - | (940,637) | 35,675,356 |
| Non compete | 46,588,535 | - | - | (1,196,823) | 45,391,712 | - | - | (1,196,823) | 45,391,712 |
| Goodwill | 225,418,327 | - | - | 416,186 | 225,834,513 | 21,513,425 | - | (868,573) | 85,278,351 |
| Software | - | - | - | - | - | - | - | - | - |
| Sub Total intangible assets | 598,685,382 | - | - | (9,172,755) | 589,512,627 | 61,799,201 | - | (7,112,801) | 333,469,566 |
| Tangible assets | | | | | | | | | |
| Buildings | 157,352,097 | - | - | - | 157,352,097 | 7,693,310 | - | - | 117,714,309 |
| Furniture and fixtures | 256,555,545 | 10,086,851 | 47,954,425 | (13,114,551) | 205,573,420 | 19,573,684 | 43,649,338 | (9,511,350) | 104,365,645 |
| Office equipments | 364,563,206 | 29,129,232 | 26,686,886 | 9,990,895 | 376,996,447 | 40,861,135 | 23,655,399 | 7,026,369 | 197,517,445 |
| Computers | 737,176,570 | 119,628,062 | 66,896,274 | (4,283,187) | 785,625,171 | 119,397,118 | 65,823,609 | (2,903,603) | 624,253,381 |
| Vehicles | 67,915,021 | 17,184,163 | 22,950,875 | (343,533) | 61,804,776 | 14,738,170 | 19,796,787 | (143,696) | 37,862,754 |
| Leasehold improvements | 804,909,958 | 35,492,168 | 2,205,212 | (7,063,249) | 831,133,665 | 97,167,665 | 1,178,777 | (191,056) | 424,053,694 |
| Sub Total tangible assets | 2,388,472,397 | 211,520,476 | 166,693,672 | (14,813,625) | 2,418,485,576 | 299,431,082 | 154,103,910 | (5,723,336) | 1,505,767,228 |
| Total | 2,987,157,779 | 211,520,476 | 166,693,672 | (23,986,380) | 1,839,236,794 | 361,230,283 | 154,103,910 | (12,836,137) | 1,168,761,409 |

11. INVESTMENTS

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| A. Non-current investments | | |
| Trade investment (valued at cost unless stated otherwise) Unquoted equity investments | | |
| Other investments | | |
| 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 |
| Sub - total {A} * | 56,250,001 | 56,250,001 |
| <i>Quoted equity investments</i> | | |
| Other Investments | | |
| 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 |
| Sub - total {B} ** | 2,030 | 2,030 |
| Total Long Term (At Cost) - {A + B} | 56,252,031 | 56,252,031 |
| B. Current investments | | |
| Non-trade investments (valued at lower of cost or market value) | | |
| Unquoted mutual funds | | |
| Investments in Mutual Funds (Unquoted) | | |
| 17,346,779.84 (P.Y. Nil) units of face value Rs 10.00 each Sundaram Money Fund - Direct Plan - Daily Dividend | 540,000,000 | - |
| 185,030.08 (P.Y. Nil) units of face value Rs.1,000.00 each HDFC Liquid Fund - Direct Plan - Growth | 538,500,000 | - |
| 331,002.34 (P.Y. 169,082.61) units of face value Rs.1,000.00 each Axis Liquid Fund - Direct Growth | 515,599,305 | 251,265,782 |
| 241,805.76 (P.Y. 135,903.20) units of face value Rs.1,000.00 each L&T Liquid Fund Direct Plan - Growth | 475,672,029 | 250,073,322 |
| 2,205,893.75 (P.Y. 1,566,114.55) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth | 475,789,739 | 310,774,915 |
| 267,080.10 (P.Y. 154,071.66) units of face value Rs.1,000.00 each IDFC Cash Fund - Growth - Direct Plan | 454,825,599 | 251,025,599 |
| 208,380.08 (P.Y. Nil) units of face value Rs.1,000.00 each SBI Premier Liquid Fund - Direct Plan - Growth | 444,252,014 | - |
| 104,806.10 (P.Y. Nil) units of face value Rs.1,000.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth | 325,000,004 | - |
| 1,901.48 (P.Y. Nil) units of face value Rs.1,000.00 each UTI-Liquid Cash Plan- Institutional - Direct Plan - Growth | 4,557,570 | - |
| 1,311.98 (P.Y. Nil) units of face value Rs.1,000.00 each TATA Money Market Fund - Direct Plan - Growth | 3,064,931 | - |
| Nil (P.Y. 256,923.92) units of face value Rs.1,000.00 each DSP BlackRock Liquidity Fund - Direct Plan - Growth | - | 500,000,000 |

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Nil (P.Y. 209,204.06) units of face value Rs.1,000.00 each SBI Premier Liquid Fund - Direct Plan - Growth | - | 443,697,407 |
| Nil (P.Y. 1,456,480.82) units of face value Rs.100.00 each ICICI Prudential Money Market Fund - Direct Plan - Growth | - | 270,042,384 |
| Nil (P.Y. 9,836,719.23) units of face value Rs.10.00 each HDFC Liquid Fund - Direct Plan - Growth | - | 260,303,198 |
| Nil (P.Y. 85,848.66) units of face value Rs.1,000.00 each SBI Magnum Insta Cash Fund - Direct Plan - Growth | - | 254,659,754 |
| Nil (P.Y. 14,426,257.23) units of face value Rs.10.00 each JP Morgan India Liquid Fund - Direct Plan - Growth | - | 251,025,532 |
| Nil (P.Y. 8,964,773.28) units of face value Rs.10.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth | - | 251,015,445 |
| Nil (P.Y. 100,669.82) units of face value Rs.1,000.00 each TATA Liquid Fund - Direct Plan - Growth | - | 250,000,000 |
| Nil (P.Y. 65,969.00) units of face value Rs.1,000.00 each Kotak Floater Short Term - Direct Plan - Growth | - | 145,003,632 |
| Total Investments in Mutual Funds {C} *** | 3,777,261,191 | 3,688,886,970 |
| Total Investments {A}+{B}+{C} | 3,833,513,222 | 3,745,139,001 |
| *Aggregate investment in unquoted equity shares and mutual funds | 3,833,511,192 | 3,745,136,971 |
| **Aggregate market value of Company's investment in quoted equity shares | 5,721 | 4,678 |
| ***Aggregate Net Asset Value (NAV) of Company's investment in unquoted mutual funds | 3,909,107,679 | 3,757,815,469 |

12. DEFERRED TAX ASSET

| Particulars | (Rupees) | |
|---------------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Deferred tax liability | | |
| On fixed assets | 22,496,796 | 38,613,219 |
| Gross deferred tax liability | 22,496,796 | 38,613,219 |
| Deferred tax asset | | |
| On lease rent amortisation | 51,788,675 | 57,013,910 |
| On provision for leave encashment | 112,328,152 | 112,804,588 |
| On provision for bonus and commission | 75,555,313 | 50,251,215 |
| On provision for gratuity | 35,965,722 | 27,680,157 |
| On provision for bad debt | 53,885,036 | 46,037,547 |
| On initial rating fees deferred | 32,062,603 | 7,340,450 |
| On fixed assets | 9,017,352 | 10,544,825 |
| On carry forward losses* | - | 17,138,424 |
| On disallowance under section 40(a) | 14,447,503 | 8,944,909 |
| Gross deferred tax asset | 385,050,356 | 337,756,025 |
| Net deferred tax asset | 362,553,560 | 299,142,806 |

* The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income based on firm contract commitment.

13. LOANS AND ADVANCES

| Particulars | (Rupees) | |
|-------------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non current | | |
| (Unsecured, considered good) | | |
| Sundry deposits | 280,010,800 | 367,156,426 |
| Other loan and advances | | |
| Advance taxes paid | 142,474,278 | 120,839,426 |
| Cenvat credit receivable | - | 24,116 |
| Prepaid expense | 19,773,940 | 9,492,655 |
| Total | 442,259,018 | 497,512,623 |

14. OTHERS ASSETS

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non current | | |
| Interest accrued on fixed deposit | 734,166 | 155,050 |
| Other bank balances | | |
| -Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with bank Rs. 6,742,489 (P.Y. Rs. 7,229,463) marked as lien for guarantees issued by banks on behalf of the Group (Refer note 24)) | 15,933,373 | 8,467,614 |
| Total | 16,667,539 | 8,622,664 |

15. TRADE RECEIVABLES

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Unsecured, considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 104,150,191 | 58,907,607 |
| Unsecured, considered doubtful | 157,604,045 | 152,931,533 |
| Other receivables | | |
| Unsecured, considered good (Related party balances - Refer note 26) | 1,855,090,097 | 1,349,686,808 |
| Less : Provision for doubtful receivables | (161,037,837) | (152,931,533) |
| Total | 1,955,806,496 | 1,408,594,415 |

16. CASH AND BANK BALANCES

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 333,700 | 224,924 |
| Balances with banks : | | |
| On current accounts | 1,098,479,664 | 1,188,658,706 |
| Deposits with original maturity of less than three months | 210,343,956 | 16,251,692 |
| On unpaid dividend accounts | 10,512,459 | 10,733,020 |
| Other bank balances | 1,319,669,779 | 1,215,868,342 |
| Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 54,685,300 (P.Y. Rs. 54,319,243) marked as lien for guarantees issued by banks on behalf of the group. (Refer note 24)) | 198,135,605 | 330,701,121 |
| Total | 1,517,805,384 | 1,546,569,463 |

17. LOANS AND ADVANCES

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Current | | |
| (Unsecured, considered good) | | |
| Sundry deposits | 119,571,993 | 46,118,661 |
| Advance recoverable in cash or kind (Related party balances - Refer note 26) | 93,015,551 | 105,095,633 |
| Other loan and advances | | |
| Loans to employees | 37,737,457 | 25,990,819 |
| Cenvat credit receivable | 106,854,921 | 71,938,716 |
| Capital advance | - | 1,091,065 |
| Prepaid expense | 90,942,054 | 53,582,492 |
| Total | 448,121,976 | 303,817,386 |

18. OTHERS ASSETS

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--------------------------------------|----------------------------|----------------------------|
| Current | | |
| Interest accrued on fixed deposit | 4,113,766 | 5,377,243 |
| Accrued revenue | 502,422,662 | 418,792,330 |
| Forward contract receivable | 41,945,657 | 93,440,799 |
| Assets held for sale (Refer note 10) | 31,841,471 | - |
| Total | 580,323,556 | 517,610,372 |

19. INCOME FROM OPERATIONS

| Particulars | (Rupees) | |
|-------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Ratings services | 4,341,198,795 | 4,450,382,210 |
| Research services | 8,797,311,347 | 7,448,905,863 |
| Advisory services | 660,858,972 | 634,533,731 |
| Total | 13,799,369,114 | 12,533,821,804 |

20. OTHER INCOME

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Interest on bank deposits | 25,494,580 | 19,918,412 |
| Other interest income | 530,282 | 11,944,503 |
| Dividend on current investments | - | 54,373,486 |
| Dividend on non-current investments | 2,812,524 | 2,812,570 |
| Foreign exchange gain (Net) | 189,345,728 | 22,595,702 |
| Profit on sale of current investments (Net) | 197,432,530 | 110,845,131 |
| Miscellaneous income | 16,613,078 | 14,416,810 |
| Total | 432,228,722 | 236,906,614 |

21. PERSONNEL EXPENSES

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Salaries, wages and bonus | 6,291,904,880 | 5,457,177,169 |
| Contribution to provident and other funds | 381,605,048 | 238,050,906 |
| Contribution to gratuity fund (Refer note 28) | 67,408,337 | 67,256,527 |
| Staff training and welfare expenses | 196,616,930 | 166,948,119 |
| Total | 6,937,535,195 | 5,929,432,721 |

22. ESTABLISHMENT EXPENSES

| Particulars | (Rupees) | |
|-------------------------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Repairs and maintenance - Buildings | 131,365,141 | 111,735,653 |
| Repairs and maintenance - Others | 95,670,958 | 100,606,106 |
| Electricity | 104,820,953 | 85,571,656 |
| Communication expenses | 108,769,282 | 107,981,406 |
| Insurance | 6,289,980 | 1,635,477 |
| Rent (Refer note 27) | 484,410,018 | 477,303,347 |
| Rates and taxes | 7,503,149 | 42,310,007 |
| Total | 938,829,481 | 927,143,652 |

23. OTHER EXPENSES

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Printing and stationery | 43,956,337 | 38,650,551 |
| Conveyance and travelling | 382,506,173 | 400,221,852 |
| Books and periodicals | 86,855,601 | 79,330,049 |
| Vehicle expenses | 540,971 | 600,147 |
| Remuneration to non-whole time directors | 12,866,712 | 10,461,183 |
| Business promotion and advertisement | 19,046,549 | 33,412,604 |
| Professional fees | 707,066,884 | 541,411,026 |
| Associate service fee | 331,818,946 | 359,192,522 |
| Software purchase and maintenance expenses | 43,505,481 | 42,001,066 |
| Provision for doubtful debts / bad debts | 117,289,028 | 145,625,240 |
| Loss on sale of fixed assets | 377,858 | 950,945 |
| Corporate social responsibility (CSR) expenses (Refer note 35) | 43,402,075 | 2,930,265 |
| Auditors' remuneration | 15,095,031 | 10,426,321 |
| Recruitment expenses | 71,963,376 | 80,285,668 |
| Miscellaneous expenses | 44,888,680 | 41,591,899 |
| Sales commission | 5,828,008 | 5,282,886 |
| Total | 1,927,007,710 | 1,792,374,224 |

24. DETAILS OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS ARE AS UNDER :

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Contingent liabilities | | |
| 1. Bank guarantee in the normal course of business | 241,130,708 | 183,348,706 |
| 2. Disputed income tax and sales tax demand: | | |
| (i) Pending before appellate authorities in respect of which the group is in appeal | 442,158,120 | 257,854,515 |
| (ii) Decided in group's favour by appellate authorities and department is in further appeal | 35,179,640 | 41,198,779 |
| Sub - total | 718,468,468 | 482,402,000 |
| Capital commitment | | |
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for | 45,915,253 | 18,486,169 |
| 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. | | |
| Total | 764,383,721 | 500,888,169 |

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, 2015

| Particulars | Business segments | | | (Rupees) |
|--|-----------------------------------|---------------|---------------|-----------------|
| | Ratings | Research | Advisory | Total |
| | Operating revenue (Refer note 19) | 4,341,198,795 | 8,797,311,347 | 660,858,972 |
| 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 investments | | | | 197,432,530 |
| Others | | | | 121,152,818 |
| 2. Unallocable expenditure | | | | (148,856,267) |
| 3. Depreciation | | | | (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 | 457,042,036 | 1,863,828,016 | 309,221,582 | 2,630,091,634 |
| Unallocable assets* | | | | 10,678,683,779 |
| Segment liabilities | 681,569,621 | 301,982,131 | 50,420,600 | 1,033,972,352 |
| Unallocable liabilities* | | | | 3,717,188,835 |

Revenue by geographic segments

| Geography | (Rupees) | |
|-------------------|-----------------------|----------------------|
| | Revenue | Net Assets |
| India | 4,397,754,592 | 4,063,348,968 |
| Europe | 4,089,287,147 | 3,074,161,933 |
| North America | 4,494,981,242 | 748,981,410 |
| Rest of the world | 817,346,133 | 225,238,158 |
| Total | 13,799,369,114 | 8,111,730,469 |

25. SEGMENT REPORTING (CONTD.)

Segment reporting for the year ended December 31, 2014

| Particulars | Business segments | | | (Rupees) |
|--|-------------------|---------------|-------------|-----------------|
| | | | | Total |
| | Ratings | Research | Advisory | |
| Operating revenue (refer note 19) | 4,450,382,210 | 7,448,905,863 | 634,533,731 | 12,533,821,804 |
| Segment results | 1,656,015,639 | 2,172,412,240 | 66,503,384 | 3,894,931,263 |
| Add / (Less) Unallocables : | | | | |
| 1. Unallocable income | | | | |
| Interest income | | | | 19,918,412 |
| Profit on sale of current investments | | | | 110,845,131 |
| Others | | | | 117,045,932 |
| 2. Unallocable expenditure | | | | (20,962,917) |
| 3. Depreciation | | | | (361,230,283) |
| Profit before tax | | | | 3,760,547,538 |
| Tax expense | | | | (1,076,249,151) |
| Profit after tax | | | | 2,684,298,387 |
| Non-cash expenses other than depreciation and amortisation | 139,076,141 | 53,894,085 | 9,512,658 | 202,482,884 |
| Segment assets | 406,669,523 | 1,288,773,537 | 294,666,992 | 1,990,110,052 |
| Unallocable assets* | | | | 10,655,973,316 |
| Segment liabilities | 560,975,806 | 364,822,450 | 17,848,924 | 943,647,180 |
| Unallocable liabilities* | | | | 3,218,985,297 |

Revenue by geographic segments

| Geography | (Rupees) | |
|-------------------|-----------------------|----------------------|
| | Revenue | Net Assets |
| India | 4,321,254,630 | 4,330,291,905 |
| Europe | 3,853,202,289 | 2,996,926,051 |
| North America | 3,556,860,781 | 587,708,276 |
| Rest of the world | 802,504,104 | 223,912,546 |
| Total | 12,533,821,804 | 8,138,838,778 |

Notes to segmental results :

*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 |
|---|---|
| Related parties where control exists | |
| McGraw-Hill Financial, Inc. | The Ultimate Holding Company |
| Other related parties | |
| S&P India, LLC | Fellow Subsidiary |
| Standard & Poor's LLC | Fellow Subsidiary |
| Standard & Poor's International LLC, USA | Fellow Subsidiary |
| Standard & Poor's South Asia Services Private Limited | Fellow Subsidiary |
| McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | Fellow Subsidiary |
| McGraw-Hill Companies Canada Corp. | Fellow Subsidiary |
| McGraw-Hill Financial Equity Research | Fellow Subsidiary |
| McGraw-Hill International (UK) Limited | Fellow Subsidiary |
| Standard & Poor's Credit Market Services Europe Limited | Fellow Subsidiary |
| Standard & Poor's Financial Services, LLC | Fellow Subsidiary |
| Standard & Poor's Singapore Pte. Ltd. | Fellow Subsidiary |
| Standard & Poor's Hong Kong Limited | Fellow Subsidiary |
| Standard & Poor's (Australia) Pty. Ltd. | Fellow Subsidiary |
| Standard & Poor's Ratings Japan K.K. | Fellow Subsidiary |
| Capital IQ, Inc | Fellow Subsidiary |
| Standard & Poors Ratings Services | Fellow Subsidiary |
| McGraw-Hill Financial International (US) LLC | Fellow Subsidiary |
| Asia Index Private Limited | Fellow Subsidiary |
| 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 |
| Key Management Personnel | |
| 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

Related party disclosure

| | | (Rupees) | |
|---|---|---------------------------------|---------------------------------|
| Name of the related party | Nature of transaction | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| McGraw-Hill Companies Canada Corp. | Professional services rendered | 7,545,433 | 6,853,078 |
| | Amount receivable | 361,754 | - |
| Standard & Poor's Credit Market Services Europe Limited | Professional services rendered | 359,565,472 | 351,152,366 |
| | Amount receivable | 62,099,039 | 51,038,898 |
| Standard & Poor's Financial Services, LLC | Professional services rendered | 990,047,915 | 898,388,567 |
| | Amount receivable | 1,791,518 | 1,707,683 |
| | Subscription fees | 2,138,161 | 1,030,594 |
| | Reimbursement of expenses received | 527,701 | - |
| Standard & Poor's Singapore Pte. Ltd. | Professional services rendered | 43,601,424 | 38,692,309 |
| | Amount receivable | - | 3,339,594 |
| | Reimbursement of expenses | 190,343 | - |
| Standard & Poor's Hong Kong Limited | Professional services rendered | 17,930,407 | 16,535,009 |
| | Amount receivable | 1,532,013 | 1,394,481 |
| Standard & Poor's (Australia) Pty. Ltd. | Professional services rendered | 27,092,701 | 25,736,359 |
| | Amount receivable | 1,514,031 | 2,177,169 |
| Capital IQ, Inc | Amount receivable | - | 7,754,655 |
| | Professional services rendered | - | 8,001,923 |
| | Reimbursement of expenses received | - | 1,120,628 |
| | Subscription fees | 3,247,948 | 3,109,582 |
| S&P India, LLC | Dividend | 717,818,040 | 624,189,600 |
| | Share capital outstanding | 31,209,480 | 31,209,480 |
| Standard & Poor's South Asia Services Private Limited | Professional Services Rendered | - | 500,000 |
| | Reimbursement of expenses received | 11,305,250 | 9,509,709 |
| | Amount receivable | 2,438,343 | 1,775,227 |
| Standard & Pooers Ratings Services | Reimbursement of expenses received | - | 14,980 |
| | Amount receivable (net) | - | 16,832 |
| Standard & Pooers Ratings Japan K.K. | Amount receivable (net) | 590,604 | - |
| | Professional services rendered | 8,561,484 | - |
| Asia Index Private Limited | Reimbursement of expenses | 53,699 | - |
| Standard & Poor's International LLC, USA | Dividend | 138,000,000 | 120,000,000 |
| | Share capital outstanding | 6,000,000 | 6,000,000 |
| | Sitting fees & commission paid to nominee directors | 80,000 | 340,000 |
| | Amount receivable | 398,115 | 4,865,869 |
| | Professional Services Rendered | 720,000 | 5,005,147 |

| | | (Rupees) | |
|---|--|---------------------------------|---------------------------------|
| Name of the related party | Nature of transaction | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | Dividend | 244,330,357 | 212,461,180 |
| | Share capital outstanding | 10,623,059 | 10,623,059 |
| McGraw Hill Financial, Inc. | Amount receivable | - | 6,918,482 |
| | Reimbursement of expenses received | 14,357,988 | 6,952,551 |
| | Reimbursement of expenses | - | 33,362 |
| McGraw-Hill Financial Equity Research | Professional services rendered | - | 17,411,440 |
| | Amount receivable (net) | - | 769,511 |
| McGraw-Hill International (UK) Ltd | Advance received | - | 2,818,690 |
| | Amount receivable | 2,208,012 | 5,282,621 |
| | Professional fees | 20,811,948 | 6,529,188 |
| | Professional services rendered | 8,774,203 | 14,721,557 |
| McGraw-Hill Financial International (US) LLC | Professional services rendered | 2,332,851 | - |
| | Amount receivable (net) | 2,528,446 | - |
| JM Financial Asset Reconstruction Company Private Limited | Professional services rendered | 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 | - |
| Roopa Kudva (up to April 30, 2015)* | Remuneration** | 18,594,106 | 48,825,577 |
| | Dividend | 220,000 | 914,000 |
| | Options granted | - | 75,000 |
| | Perquisite on stock option (as per Income Tax Act, 1961) | 109,344,031 | 36,721,719 |
| Ashu Suyash (with effect from June 01, 2015)* | Remuneration | 27,809,450 | - |
| | Options granted | 71,507 | - |
| Amish Mehta* | Remuneration*** | 24,904,484 | 8,453,642 |
| | Options granted | - | 33,000 |
| Neelabja Chakrabarty (up to February 27, 2015)* | Remuneration** | 796,606 | 2,671,622 |
| | Dividend | - | 3,000 |
| | Perquisite on stock option (as per Income Tax Act, 1961) | 154,007 | 458,550 |
| Minal Bhosale (with effect from June 01, 2015)* | Remuneration | 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.

** Remuneration not comparable in view of cessation of employment during 2015.

***Since Mr. Mehta joined on October 3, 2014, the remuneration for 2014 and 2015 are not comparable.

27. OPERATING LEASE

The Group has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Lease payment recognised in the statement of profit and loss | 484,410,018 | 477,303,347 |
| Future minimum lease payments : | | |
| Not later than one year | 487,742,982 | 477,868,656 |
| Later than one year and not later than five years | 1,009,007,658 | 1,243,217,606 |
| Later than five years | 63,562,905 | 119,008,976 |
| | 1,560,313,545 | 1,840,095,238 |

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 of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, 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, 2015 | Year Ended December 31, 2014 |
| Current service cost | 43,567,108 | 40,671,493 |
| Interest cost on defined benefit obligation | 18,675,322 | 17,558,431 |
| Expected return on plan assets | (11,790,642) | (10,757,744) |
| Net actuarial (gain)/ loss recognised in the year | 16,956,549 | 19,784,347 |
| Net gratuity benefit expense | 67,408,337 | 67,256,527 |

Balance Sheet:

Details of provision for gratuity benefit

| Particulars | (Rupees) | | | | |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Present value of funded obligations | 272,639,769 | 233,620,953 | 190,390,636 | 176,731,353 | 137,139,263 |
| Fair value of plan assets | (140,477,351) | (132,358,456) | (111,997,336) | (100,940,518) | (87,139,192) |
| Net liability | 132,162,418 | 101,262,497 | 78,393,300 | 75,790,835 | 50,000,071 |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | (Rupees) | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Opening defined benefit obligation | 233,620,953 | 190,390,636 | 176,731,353 | 137,139,263 | 122,357,703 |
| Current service cost | 43,567,108 | 40,671,493 | 41,734,522 | 33,083,842 | 29,464,802 |
| Interest cost | 18,675,322 | 17,558,431 | 14,965,206 | 11,250,633 | 9,589,537 |
| Plan amendments | - | - | - | - | (26,151,020) |
| Actuarial (gain)/loss | 17,878,716 | 18,321,385 | (13,552,903) | 4,214,639 | 12,286,802 |
| Liabilities assumed on acquisition/ (Settled on divestiture) | - | - | (4,472,050) | 1,577,122 | - |
| Benefits paid | (41,102,330) | (33,320,992) | (25,015,492) | (10,534,146) | (10,408,561) |
| Closing defined benefit obligation | 272,639,769 | 233,620,953 | 190,390,636 | 176,731,353 | 137,139,263 |

Changes in the fair value of plan assets are as follows:

| Particulars | (Rupees) | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Opening fair value of plan assets | 132,358,456 | 111,997,336 | 100,940,518 | 87,139,192 | 54,956,729 |
| Expected return on plan assets | 11,790,642 | 10,757,744 | 9,875,118 | 8,309,796 | 5,911,588 |
| Actuarial gain/ (loss) | 922,093 | (1,462,952) | 1,556,159 | (1,620,049) | 1,220,306 |
| Contribution by employer | 36,508,490 | 44,387,320 | 28,738,307 | 15,832,107 | 35,459,130 |
| Asset acquired on acquisition | - | - | (284,270) | 1,813,618 | - |
| Benefits paid | (41,102,330) | (33,320,992) | (28,828,496) | (10,534,146) | (10,408,561) |
| Closing fair value of plan assets | 140,477,351 | 132,358,456 | 111,997,336 | 100,940,518 | 87,139,192 |

Details of experience adjustment on plan assets and liabilities are as follows :

| Particulars | (Rupees) | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Experience adjustment on plan assets | 922,093 | (1,462,952) | 1,700,065 | (1,620,049) | 1,220,306 |
| Experience adjustment on plan liabilities | 4,661,397 | 11,459,626 | (2,061,058) | (1,594,692) | (47,016,952) |

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, 2015 | December 31, 2014 |
| Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2015/2014) | 8.75% | 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, 2015 | | Year Ended December 31, 2014 | |
|--|---------------------------------|--------|---------------------------------|-------|
| | Discount rate | 7.90% | | 8.10% |
| Estimated rate of return on plan assets | 8.50% | | 8.50% | |
| Expected employee turnover | Service years | Rates | Ages | Rates |
| | Service < 5 | 20.00% | Age : 20-44 | 6.50% |
| | Service => 5 | 10.00% | Age : 45-58 | 6.00% |
| Expected employer's contribution next year | 39,656,835 | | 36,051,668 | |

With respect to foreign subsidiaries Gratuity and other retiral benefits are provided as per local statute are not disclosed above.

Broad category of plan assets as per percentage of total plan assets of the Gratuity

| Particulars | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|------------------------------------|---------------------------------|---------------------------------|
| | Government securities | 52.24% |
| Fixed deposit, debentures and bond | 42.26% | 49.06% |
| Others | 5.50% | 5.45% |
| Total | 100.00% | 100.00% |

Based on information declared by the insurer as at 31st March 2015/2014

29. FORWARD CONTRACT AND FOREIGN CURRENCY EXPOSURE

The Company has a revenue hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles of AS 30 "Financial Instruments: Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedge reserve account. Details of currency hedge and forward contract value are as under :

| Particulars | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
|-------------|----------------------------------|------------------|----------------------------------|------------------|
| | Amount in foreign currency | Amount in INR | Amount in foreign currency | Amount in INR |
| USD | 38,547,800 | 2,654,392,345 | 31,658,000 | 2,079,242,287 |
| GBP | 9,210,520 | 960,628,986 | 10,211,160 | 1,097,814,237 |
| EUR | 4,526,400 | 342,785,848 | 4,233,880 | 368,419,357 |

Details of unhedged foreign exposure

(Rupees)

| Particulars | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
|--------------|---------------------------------|--------------------|---------------------------------|--------------------|
| | Assets | Liabilities | Assets | Liabilities |
| Currency | | | | |
| USD | 665,651,894 | 94,341,152 | 286,944,723 | 51,751,722 |
| GBP | 8,297,463 | 34,546 | 28,974,218 | 628,524 |
| EUR | 191,347,701 | 886,594 | 197,041,177 | 1,122,582 |
| Others | 10,260,409 | 6,495,503 | 26,311,383 | 56,084,917 |
| Total | 875,557,467 | 101,757,795 | 539,271,501 | 109,587,745 |

30. STATEMENT OF NET ASSETS AND PROFIT OR LOSS AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013.

| Particulars | Net Assets (Total assets - Total liabilities) | | Share in profit or (loss) | |
|--|--|-----------------------|---------------------------------------|-----------------------|
| | As % of consolidated net assets | Amount in Rupees | As % of consolidated profit or (loss) | Amount in Rupees |
| Parent Company | | | | |
| CRISIL Limited | 78.89% | 6,75,14,11,274 | 77.86% | 2,22,00,76,625 |
| Subsidiaries | | | | |
| Indian | | | | |
| 1. CRISIL Risk and Infrastructure Solutions Limited | 6.34% | 54,27,82,086 | 0.62% | 1,77,43,857 |
| 2. Pipal Research Analytics and Information Services (I) Private Limited | 1.36% | 11,63,48,281 | 0.84% | 2,39,99,019 |
| 3. Coalition Development Systems (India) Private Limited | 0.94% | 8,02,56,284 | 0.32% | 90,11,219 |
| 4. Mercator Info-Services India Private Limited | 0.99% | 8,47,99,081 | 1.17% | 3,34,10,233 |
| Foreign | | | | |
| 1. CRISIL Irevna Argentina S.A. | 0.74% | 6,36,97,826 | 0.93% | 2,66,29,157 |
| 2. CRISIL Irevna Poland SP.Zo.o. | 0.37% | 3,15,73,432 | 0.45% | 1,28,93,348 |
| 3. CRISIL Irevna UK Limited | 16.62% | 1,42,19,08,858 | 10.52% | 30,00,16,029 |
| 4. CRISIL Irevna USA LLC | 0.35% | 2,95,59,226 | 1.22% | 3,47,34,395 |
| 5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd. | 0.85% | 7,23,19,691 | 0.57% | 1,63,00,103 |
| 6. Coalition Development Limited | 3.88% | 33,20,94,694 | 17.58% | 50,13,75,993 |
| 7. Coalition Development Singapore Pte Limited | 0.06% | 49,37,231 | 0.76% | 2,16,85,946 |
| Total eliminations / adjustment (net) | (11.39)% | (97,40,73,738) | (12.84)% | (36,63,57,781) |
| Total | 100.00% | 8,55,76,14,226 | 100.00% | 2,85,15,18,143 |

31. In accordance with provisions of the Companies Act, 2013 and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back from the open market through stock exchanges. Details of the buy back are as under :

| Particulars | (Rupees) |
|---|------------------------------|
| | Year Ended December 31, 2015 |
| Date of public announcement | 23-Jun-15 |
| Number of shares purchased | 511,932 |
| Face value of shares purchased | 1 |
| Consideration paid towards buy back | 1,019,780,638 |
| Share capital reduction | (511,932) |
| Share premium utilised | 982,795,506 |
| General reserve utilised | 36,985,132 |
| Amount transferred to capital redemption reserve on extinguishment of share capital | 511,932 |
| | 1,019,780,638 |

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 (Rs.) | Graded vesting period : | | | Weighted average price (Rs.)** |
|---------------|---------------|------------------------|----------------------|-------------------------|----------|----------|--------------------------------|
| | | | | 1st Year | 2nd Year | 3rd Year | |
| ESOP 2014 (1) | 17-Apr-14* | 2,860,300 | 1,217.20 | 953,433 | 953,433 | 953,434 | 469.48 |
| ESOP 2014 (2) | 01-Jun-15* | 71,507 | 2,101.10 | 23,835 | 23,835 | 23,837 | 708.36 |
| ESOP 2012 (1) | 16-Apr-12 | 903,150 | 1,060.00 | 180,630 | 361,260 | 361,260 | 320.59 |
| ESOP 2012 (2) | 16-Apr-12 | 5,125 | 1,060.00 | 5,125 | - | - | 230.97 |
| ESOP 2012 (3) | 14-Feb-14 | 123,000 | 1,119.85 | 24,600 | 49,200 | 49,200 | 334.20 |
| ESOP 2011 (1) | 14-Feb-11 | 1,161,000 | 579.88 | 232,200 | 464,400 | 464,400 | 185.21 |
| ESOP 2011 (2) | 14-Feb-11 | 23,750 | 579.88 | 23,750 | - | - | 149.41 |
| ESOP 2011 (3) | 03-Oct-14 | 33,000 | 1,985.95 | 6,600 | 13,200 | 13,200 | 583.69 |
| ESOP 2011 (4) | 25-Feb-15 | 22,000 | 2,025.20 | 4,400 | 8,800 | 8,800 | 515.78 |

* 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 ESOP 2011 and ESOP 2012 option vest over three years at each of the anniversaries. Under ESOP 2014 options vest over five years starting from third anniversary of the grant. All options are exercisable within two years from the date of vesting and are settled in equity on exercise.

| Particulars | ESOP - 2011 | | ESOP - 2012 | | ESOP - 2014 | |
|--|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
| | Number of options | Wtd. avg. exercise price (Rs.) | Number of options | Wtd. avg. exercise price (Rs.) | Number of options | Wtd. avg. exercise price (Rs.) |
| Outstanding at the beginning of the period | 76,863 | 1,183.56 | 464,682 | 1,070.30 | 2,577,250 | 1,217.20 |
| Granted during the period | 22,000 | 2,025.20 | - | N.A. | 71,507 | 2,101.10 |
| Forfeited during the period | - | N.A. | 32,965 | 1,060.00 | 373,850 | 1,217.20 |
| Exercised during the period | 32,763 | 579.88 | 226,907 | 1,060.00 | 79,100 | 1,217.20 |
| Expired during the period | - | N.A. | - | N.A. | - | N.A. |
| Outstanding at the end of the period | 66,100 | 1,762.90 | 204,810 | 1,083.38 | 2,195,807 | 1,245.98 |
| Exercisable at the end of the period | 17,700 | 1,104.18 | 97,810 | 1,069.79 | - | N.A. |

| Particulars | Date | Wtd. avg. exercise price (Rs.) |
|--|------------------|--------------------------------|
| Weighted average share price at the date of exercise | April 17, 2015 | 2,208.59 |
| | October 17, 2015 | 1,983.27 |

| Particulars | Range of exercise prices Rupees | Wtd. avg. remaining contractual life |
|--|---------------------------------|--------------------------------------|
| Range of exercise prices and weighted average remaining contractual life | 579.88 | 45 days |
| | 1,060 to 1,217.20 | 1,852 days |
| | 1,985.95 to 2,101.10 | 1,945 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 | |
|----------------------------------|-------------------|--------------|
| | February 25, 2015 | June 1, 2015 |
| Stock price | 2,025.20 | 2,090.90 |
| Volatility | 25.80% | 27.43% |
| Riskfree rate | 7.73% | 7.82% |
| Exercise price (Rs.) | 2,025.20 | 2,090.90 |
| Expected life (Time to Maturity) | 3.2 | 5.0 |
| Dividend yield | 1.57% | 2.00% |
| Fair value per option (Rs.) | 515.78 | 708.36 |

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 annualised 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 average of dividend yields for the Financial years 2014, 2013 and 2012. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

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. 360,854,250 (P.Y. Rs. 284,857,244) and EPS would have been as under :

| Earnings per share : Nominal value of Re.1 per share : | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|--|---------------------------------|---------------------------------|
| Basic (Rupees) | 34.96 | 33.82 |
| Diluted (Rupees) | 34.51 | 33.44 |

Cash inflow on exercise of options and weighted average share price at the date of exercise.

| Particulars | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
|---------------------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | (Nos) | Amount in Rupees | (Nos) | Amount in Rupees |
| Exercised during the year | 363,980 | 375,954,050 | 704,165 | 551,194,748 |

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, 2015 | | Year Ended December 31, 2014 | |
|---|---------------------------------|----------------------|---------------------------------|----------------------|
| | (Nos) | Amount in Rupees | (Nos) | Amount in Rupees |
| Not later than Two Year | 931,129 | 1,138,037,385 | 496,345 | 526,272,806 |
| Later than Two Year & not later than Five Years | 1,535,588 | 1,936,317,951 | 2,622,450 | 3,199,078,440 |
| Total | 2,466,717 | 3,074,355,336 | 3,118,795 | 3,725,351,246 |

33. EARNING PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Net profit for calculation of basic/diluted EPS | 2,851,518,143 | 2,684,298,387 |

| Particulars | (Nos.) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Weighted average number of equity shares in calculating basic EPS | 71,239,290 | 70,952,575 |
| Effect of dilution: | | |
| Add : weighted average stock options granted under ESOP | 930,975 | 808,102 |
| Weighted average number of equity shares in calculating diluted EPS | 72,170,265 | 71,760,677 |

| Earnings per share : Nominal value of Re.1 | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Basic | 40.03 | 37.83 |
| Diluted (On account of ESOS, refer note 32) | 39.51 | 37.41 |

- 34.** The Board of Directors, at their meeting held on October 17, 2015, have approved the Scheme of Amalgamation for amalgamating 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 the Company, pursuant to section 391-394 of the Companies Act 1956 and the corresponding sections of the Companies Act 2013, as and when notified, subject to the necessary approvals and sanction by the Hon'ble Bombay High Court. The Appointed Date of said amalgamation is proposed to be 1st April 2016.
- 35.** Expenses for the year ending 2015 include Rs. 43,402,075 (P.Y. Rs. 2,930,265) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The areas for CSR activities are 'empowerment of rural women' and 'conservation of environment'. During the year funds were allocated and utilised for these activities.
- 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. 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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

FORM AOC-I

(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES PART "A": SUBSIDIARIES
 (INFORMATION IN RESPECT OF EACH SUBSIDIARY TO BE PRESENTED WITH AMOUNTS IN RUPEES)

| Sl. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--|--|------------------------------|-------------------------------|--------------------------|-----------------------|---|--|-------------------------------|---|---|---|
| Name of the subsidiary | CRISIL Risk and Infrastructure Solutions Limited | CRISIL Irevna Argentina S.A. | CRISIL Irevna Poland SP.Zo.o. | CRISIL Irevna UK Limited | CRISIL Irevna USA LLC | Pipal Research Analytics and Services (I) Pvt. Ltd. | CRISIL Irevna Information Technology (Hangzhou) Co. Ltd. | Coalition Development Limited | Coalition Development Systems (India) Private Limited | Mercator Services India Private Limited | Coalition Development Singapore Pte Limited |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 | December 31, 2015 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR | ARS | PLN | GBP | USD | INR | CNY | GBP | INR | INR | SGD |
| Share capital | 49,999,970 | 8,940,485 | 892,869 | 444,079,160 | 8,738 | 100,000 | 24,684,239 | 15,098,543 | 500,000 | 1,000,000 | 44 |
| Reserves & surplus | 492,782,116 | 107,764,569 | 30,520,761 | 1,270,279,242 | 63,454,405 | 116,248,281 | 42,191,083 | 283,828,193 | 79,756,283 | 83,799,080 | 3,344,103 |
| Total assets | 765,431,895 | 150,003,195 | 50,260,166 | 3,547,560,492 | 941,323,581 | 174,817,524 | 83,968,187 | 909,574,271 | 104,059,895 | 151,044,581 | 100,419,153 |
| Total liabilities | 765,431,895 | 150,003,195 | 50,260,166 | 3,547,560,492 | 941,323,581 | 174,817,524 | 83,968,187 | 909,574,271 | 104,059,895 | 151,044,581 | 100,419,153 |
| Investments | - | - | - | 2,666,225,790 | 552,732 | - | - | 44 | - | - | - |
| Turnover | 664,355,422 | 507,769,611 | 134,999,520 | 2,777,429,201 | 3,356,490,605 | 265,059,621 | 190,003,367 | 1,656,988,996 | 73,322,588 | 274,340,798 | 362,168,895 |
| Profit before taxation | 27,879,659 | 42,825,085 | 10,307,528 | 278,978,008 | 51,701,393 | 34,971,220 | 20,686,412 | 597,341,083 | 13,114,280 | 41,832,027 | 22,610,367 |
| Tax expense | 10,135,802 | 16,195,928 | (2,585,821) | (4,493,604) | 13,156,685 | 10,972,201 | 4,386,308 | 95,965,090 | 4,103,061 | 8,421,794 | 924,421 |
| Profit after taxation | 17,743,857 | 26,629,157 | 12,893,348 | 283,471,611 | 38,544,708 | 23,999,019 | 16,300,103 | 501,375,993 | 9,011,219 | 33,410,233 | 21,685,946 |
| Dividend paid | - | - | - | - | - | - | - | 295,386,842 | - | - | 70,970,861 |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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

| | | | |
|--|--|---|---|
| M. Damodaran Director | H.N. Sinor Director | Vinita Bali Director | John F. Callahan Jr. Director |
| Douglas L. Peterson Chairman | Ashu Suyash Managing Director and Chief Executive Officer | Amish Mehta Chief Financial Officer | Minal Bhosale Company Secretary |

Date: February 09, 2016
 Place: Mumbai

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, 2015, 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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, 2015, 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, 2015 ('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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) 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

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place: Mumbai

Date: February 9, 2016

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

Re: CRISIL Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to a entity covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loan granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (b) There is no overdue amount of loans granted to the entity listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (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 clause 148(1) of the Companies Act, 2013, for the products/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, wealth-tax, service tax, excise duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to customs duty are 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, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material 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, wealth-tax, service tax, customs duty, excise duty, 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 | 5,000,000 | A.Y. 2000-01 | High Court |
| | | 3,875,417 | A.Y. 2001-02 | High Court |
| | | 4,600,929 | A.Y. 2002-03 | High Court |
| | | 3,638,158 | A.Y. 2003-04 | High Court |
| | | 3,196,382 | A.Y. 2004-05 | High Court |
| | | 2,876,744 | A.Y. 2005-06 | High Court |
| | | 16,25,404 | A.Y. 2006-07 | Commissioner of Income Tax (Appeals) |
| | | 83,224,366 | A.Y. 2007-08 | Income Tax Appellate Tribunal |
| | | 30,723,070 | A.Y. 2008-09 | Income Tax Appellate Tribunal |
| | | 39,642,753 | A.Y. 2009-10 | Income Tax Appellate Tribunal |
| | | 30,648,793 | A.Y. 2010-11 | Income Tax Appellate Tribunal |
| | | 33,189,232 | A.Y. 2011-12 | Income Tax Appellate Tribunal |
| | | Sales Tax Act, 1956 | Sales Tax | 1,927,861 |
| 3,445,717 | FY 2004-05 | | | Asst. Comm. Of Sales Tax (Appeals) |
| Finance Act | Service Tax | 15,042,302 | F.Y. 1999-2000 to 2001-2002 | Customs Excise & Service Tax Appellate Tribunal |

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) The Company has not taken any loans from financial institutions, banks and has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) To the best of our knowledge, and according to the information and explanations given to us, no material fraud by/ on the Company, has been noticed or reported during the year.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place: Mumbai

Date: February 9, 2016

BALANCE SHEET

AS AT DECEMBER 31, 2015

(Rupees)

| Particulars | Notes | As at December 31, 2015 | As at December 31, 2014 |
|--|-------|----------------------------|----------------------------|
| Equity and Liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 71,209,103 | 71,357,055 |
| Reserves and surplus | 4 | 6,680,202,171 | 7,202,538,471 |
| Non-current liabilities | | | |
| Other liabilities | 5 | 92,958,309 | 122,640,581 |
| Provisions | 6 | 127,400,384 | 102,650,000 |
| Current liabilities | | | |
| Trade payables | 7 | 242,649,440 | 301,034,448 |
| Other liabilities | 8 | 1,518,043,062 | 1,360,360,261 |
| Provisions | 9 | 1,199,572,204 | 1,161,090,059 |
| TOTAL | | 9,932,034,673 | 10,321,670,875 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 590,566,995 | 708,335,123 |
| Intangible assets | 10 | 952,774 | - |
| Capital work-in-progress | | 1,271,617 | - |
| Investments | 11 | 1,513,860,656 | 1,513,860,656 |
| Deferred tax assets (Net) | 12 | 280,433,504 | 216,573,204 |
| Loans and advances | 13 | 1,452,863,623 | 1,850,163,980 |
| Other assets | 14 | 7,781,591 | 5,317,738 |
| Current assets | | | |
| Investments | 11 | 3,575,624,270 | 3,555,208,006 |
| Trade receivables | 15 | 1,351,343,263 | 1,265,934,322 |
| Cash and bank balances | 16 | 434,781,266 | 586,324,269 |
| Loans and advances | 17 | 546,910,238 | 428,461,888 |
| Other assets | 18 | 175,644,876 | 191,491,689 |
| TOTAL | | 9,932,034,673 | 10,321,670,875 |
| 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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2015

(Rupees)

| Particulars | Notes | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|---|-------|---------------------------------|---------------------------------|
| Income | | | |
| Income from operations | 19 | 9,560,969,261 | 9,033,665,896 |
| Other income | 20 | 445,999,568 | 320,444,919 |
| Total | | 10,006,968,829 | 9,354,110,815 |
| Expenses | | | |
| Personnel expenses | 21 | 3,625,091,096 | 3,287,104,212 |
| Establishment expenses | 22 | 694,819,013 | 684,722,627 |
| Other expenses | 23 | 2,193,176,759 | 2,069,180,866 |
| Depreciation / Amortization | 10 | 240,349,132 | 239,209,866 |
| Total | | 6,753,436,000 | 6,280,217,571 |
| Profit before tax | | 3,253,532,829 | 3,073,893,244 |
| Tax expense | | | |
| Current tax | | 1,097,316,502 | 973,835,349 |
| Deferred tax | | (63,860,298) | (55,074,938) |
| Total tax expense | 25 | 1,033,456,204 | 918,760,411 |
| Profit after tax | | 2,220,076,625 | 2,155,132,833 |
| Earnings per share : Nominal value of Re. 1/- per share | 38 | | |
| Basic | | 31.16 | 30.37 |
| Diluted | | 30.76 | 30.03 |
| 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
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| A. Cash flow from operating activities : | | |
| Profit before tax | 3,253,532,829 | 3,073,893,244 |
| Adjustments for : | | |
| Depreciation / Amortization | 240,349,132 | 239,209,866 |
| Profit on sale of current investments | (181,660,656) | (110,545,061) |
| Unrealised foreign exchange (gain)/loss | (63,349,023) | (18,420,897) |
| (Profit) / Loss on sale of fixed assets | 459,607 | (2,236,218) |
| Provision for doubtful debts / bad debts | 102,304,356 | 124,678,644 |
| Interest income | (14,381,457) | (20,188,099) |
| Interest on loan to subsidiary | (76,329,277) | (82,266,631) |
| Dividend on current investments | - | (47,254,663) |
| Dividend on non-current investments | (2,812,524) | (2,812,571) |
| Operating profit before working capital changes | 3,258,112,987 | 3,154,057,614 |
| Movements in working capital | | |
| - (Increase)/decrease in trade receivables | (206,202,859) | 144,984,382 |
| - (Increase)/decrease in sundry deposits | 23,876,995 | 9,497,836 |
| - (Increase)/decrease in loans to employees | (1,902,208) | 11,177,472 |
| - (Increase)/decrease in advances | (58,547,550) | (47,202,549) |
| - (Increase)/decrease in accrued revenue | (6,581,549) | 85,698,038 |
| - Increase/(decrease) in trade payables | (47,723,378) | 33,295,013 |
| - Increase/(decrease) in unearned revenue and fees received in advance | 136,925,329 | 102,773,464 |
| - Increase/(decrease) in provision for leave benefits | 37,652,066 | 32,410,053 |
| - Increase/(decrease) in provision for gratuity | 24,750,384 | 27,629,273 |
| - Increase/(decrease) in rent deferment | (20,594,800) | (3,772,725) |
| - Increase/(decrease) in other liabilities | 12,002,231 | 100,973,085 |
| Cash generated from operations | 3,151,767,648 | 3,651,520,956 |
| - Taxes paid | (1,073,097,422) | (1,051,242,228) |
| Net cash generated from operating activities - (A) | 2,078,670,226 | 2,600,278,728 |
| B. Cash flow from investing activities : | | |
| Purchase of fixed assets and capital work-in-progress | (162,833,480) | (119,593,207) |
| Proceeds from sale of fixed assets | 5,727,007 | 10,661,953 |
| Interest on loan to subsidiary | 77,203,165 | 81,638,590 |
| Loan given to subsidiary | - | (203,080,000) |
| Loan repaid by subsidiary | 288,739,924 | 78,403,000 |
| Investments in mutual funds | (4,556,800,001) | (3,555,208,006) |
| Sale proceeds from investments in mutual funds | 4,718,044,393 | 2,326,176,145 |
| Investment in fixed deposits | (255,445,938) | (25,951,415) |
| Proceeds from fixed deposits maturity | 360,131,781 | - |
| Interest income | 15,500,285 | 21,498,652 |
| Investment in CRISIL Irevna Information Technology (Hangzhou) Co. Limited | - | (8,061,056) |
| Dividend on current investments | - | 47,254,663 |
| Dividend on non-current investments | 2,812,524 | 2,812,571 |
| Net cash generated (used) in investing activities - (B) | 493,079,660 | (1,343,448,110) |

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| C. Cash flow from financing activities : | | |
| Proceeds from issuance of share capital on exercise of stock options (Refer note 37) | 375,954,050 | 551,194,748 |
| Dividend and dividend tax paid | (1,973,104,783) | (1,666,842,509) |
| Payment towards buy back of shares (Refer note 36) | (1,019,780,638) | - |
| Net cash used in financing activities - (C) | (2,616,931,371) | (1,115,647,761) |
| D. Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D) | 579,924 | 2,225,926 |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C+D) | (44,601,561) | 143,408,783 |
| Cash and cash equivalents - Opening balance | 405,833,050 | 262,424,267 |
| Cash and cash equivalents - Closing balance | 361,231,489 | 405,833,050 |
| Net Increase/(decrease) in cash and cash equivalents | (44,601,561) | 143,408,783 |
| Components of cash and cash equivalents as at | | |
| With banks on current account | 344,186,362 | 389,265,367 |
| Deposits with original maturity of less than three months | 6,532,668 | 5,834,663 |
| Unpaid dividend account (Earmarked for unpaid dividend) | 10,512,459 | 10,733,020 |
| | 361,231,489 | 405,833,050 |

The accompanying notes form an integral part of the Cash flow statement.
As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
ICAI Firm Registration No.: 301003E
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 F. Callahan Jr.
Director

Date: February 09, 2016
Place: Mumbai

Douglas L. Peterson
Chairman

Ashu Suyash
Managing Director
and Chief Executive Officer

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 09, 2016
Place: Mumbai

NOTES

TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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. The estimated useful life coincides with the useful life on which depreciation was provided in earlier years. 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 amortised 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.

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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

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 recognised 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 recognised throughout 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. Fees with respect to certain categories of clients are recognised only when there is reasonable certainty of collection.

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 / transfer deed 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 the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

The Company provides gratuity 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.

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 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 AS 30 "Financial Instruments: Recognition and Measurement" 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 AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, 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. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to the Statement of Profit and Loss for the year.

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 on all long term monetary items, with prospective effect from April 01, 2011, 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.

2.10 Taxes on income

Tax expense comprises of current and deferred. 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 organised 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 recognised 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 recognised 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 amortised over the vesting period of the option on a straight line basis wherever grant price is lower than the market price.

3. SHARE CAPITAL

(Rupees)

| Particulars | As At | As At |
|---|-------------------|-------------------|
| | December 31, 2015 | December 31, 2014 |
| Authorised Capital: | | |
| 100,000,000 Equity Shares of Re.1/- each (P.Y. 100,000,000 of Re.1/- each) | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid Up: | | |
| 71,209,103 Equity Shares of Re. 1/- each fully paid up (P.Y. 71,357,055 of Re. 1/- each) | 71,209,103 | 71,357,055 |
| Total | 71,209,103 | 71,357,055 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares

| 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) |
| Outstanding at the end of the year | 71,209,103 | 71,209,103 |

| Particulars | As at December 31, 2014 | |
|---|-------------------------|-------------------|
| | Rupees | Nos. |
| At the beginning of the year (face value of Re. 1/- per share) | 70,652,890 | 70,652,890 |
| Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer note 37) | 704,165 | 704,165 |
| Outstanding at the end of the year | 71,357,055 | 71,357,055 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Re.1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

| Particulars | As at | As at |
|---|-------------------|-------------------|
| | December 31, 2015 | December 31, 2014 |
| Group Holding of the McGraw Hill Financial, Inc. | | |
| 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 McGraw-Hill Asian Holdings (Singapore) Pte Limited, LLC, 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-USA, Fellow Subsidiary (P.Y. 6,000,000 of Re.1/- each) | 6,000,000 | 6,000,000 |
| | 47,832,539 | 47,832,539 |

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, 2015 | As at December 31, 2014 |
| Aggregate number of equity shares bought back by the company | 1,421,932 | 2,191,560 |
| 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, 2015 | |
|--|---------------------------|------------|
| | % holding in the class | Nos. |
| Equity shares of Re. 1/- each fully paid | | |
| 1. Group Holding of the McGraw Hill Financial, Inc. | | |
| a) S&P India, LLC | 43.83% | 31,209,480 |
| b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 14.92% | 10,623,059 |
| c) Standard & Poor's International LLC, USA | 8.42% | 6,000,000 |
| 2. Jhunjhunwala Rakesh and Rekha | 5.62% | 4,000,000 |

| Name of the shareholder | As At December 31, 2014 | |
|--|---------------------------|------------|
| | % holding in the class | Nos. |
| Equity shares of Re. 1/- each fully paid | | |
| 1. Group Holding of the McGraw Hill Financial, Inc. | | |
| a) S&P India, LLC | 43.74% | 31,209,480 |
| b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | 14.89% | 10,623,059 |
| c) Standard & Poor's International LLC, USA | 8.40% | 6,000,000 |
| 2. Jhunjhunwala Rakesh and Rekha | 5.61% | 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) plan of the Company (Refer note 37).

4. RESERVES AND SURPLUS

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Securities premium account | | |
| Opening balance | 901,841,217 | 351,350,634 |
| Add : Received on exercise of employee stock options (Refer note 37) | 375,590,070 | 550,490,583 |
| Less : Used towards buy back of equity shares (Refer Note 36) | (982,795,506) | - |
| | 294,635,781 | 901,841,217 |
| Capital reserve | | |
| Capital redemption reserve | | |
| Opening balance | 2,191,560 | 2,191,560 |
| Add : Transfer from general reserve (Refer note 36) | 511,932 | - |
| | 2,703,492 | 2,191,560 |
| General reserve | | |
| Opening balance | 1,133,665,099 | 918,151,816 |
| Add : Transferred from the Statement of Profit and Loss | 222,007,663 | 215,513,283 |
| 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) | - |
| | 1,318,687,630 | 1,133,665,099 |
| Hedging reserve account | | |
| Opening balance | 93,770,263 | (138,422,289) |
| Additions during the year | 41,945,658 | 93,770,263 |
| Deductions during the year | (93,770,263) | 138,422,289 |
| | 41,945,658 | 93,770,263 |
| Foreign currency monetary item translation account | | |
| Opening balance | 186,534,591 | 242,635,064 |
| Less : Transfer to foreign exchange gain | (70,821,108) | (11,439,182) |
| Add : Movement during the year | (2,374,275) | (44,661,291) |
| | 113,339,208 | 186,534,591 |
| Surplus in the Statement of profit and loss | | |
| Opening balance | 4,762,303,630 | 4,519,558,528 |
| Add : Profit after tax for the year | 2,220,076,625 | 2,155,132,833 |
| Less : Appropriations | | |
| Proposed final equity dividend (amount per share Rs. 10 (P.Y. Rs. 10) of Re. 1 each) | (712,091,030) | (713,570,550) |
| Interim dividend (amount per share Rs. 13 (P.Y. Rs. 10) of Re. 1 each) | (925,601,947) | (711,200,400) |
| Corporate dividend tax | (336,021,324) | (272,103,498) |
| Transfer to general reserve | (222,007,663) | (215,513,283) |
| Total appropriations | (2,195,721,964) | (1,912,387,731) |
| Net surplus in the statement of profit and loss | 4,786,658,291 | 4,762,303,630 |
| Total | 6,680,202,171 | 7,202,538,471 |

5. OTHER LIABILITIES

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non-Current | | |
| Unearned revenue and fees received in advance | 800,648 | 800,470 |
| Rent deferment | 92,157,661 | 121,840,111 |
| Total | 92,958,309 | 122,640,581 |

6. PROVISIONS

| Particulars | (Rupees) | |
|------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non-current | | |
| For employee benefits | | |
| For gratuity (Refer note 33) | 127,400,384 | 102,650,000 |
| Total | 127,400,384 | 102,650,000 |

7. TRADE PAYABLES

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 26) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 242,649,440 | 301,034,448 |
| Total | 242,649,440 | 301,034,448 |

8. OTHER LIABILITIES

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Statutory liabilities | 93,743,545 | 113,057,468 |
| Unearned revenue and fees received in advance | 936,069,155 | 799,475,286 |
| Rent deferment | 36,005,506 | 26,917,856 |
| Others | 441,712,397 | 410,176,631 |
| Unpaid dividend (Investor education and protection fund will be credited as and when due) | 10,512,459 | 10,733,020 |
| Total | 1,518,043,062 | 1,360,360,261 |

9. PROVISIONS

| Particulars | (Rupees) | |
|--------------------------------|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| For employee benefits | | |
| For leave benefits | 342,499,440 | 304,847,374 |
| Other provisions | | |
| Proposed equity dividend | 712,091,030 | 713,570,550 |
| Corporate dividend tax thereon | 144,981,734 | 142,672,135 |
| Total | 1,199,572,204 | 1,161,090,059 |

10. FIXED ASSETS

| 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 December 31, 2015 | | Up to December 31, 2015 |
| Intangible assets | | | | | | | | |
| Software | - | 1,534,435 | - | 1,534,435 | - | 581,661 | 581,661 | 952,774 |
| Total intangible assets | | 1,534,435 | | 1,534,435 | | 581,661 | 581,661 | 952,774 |
| Tangible assets | | | | | | | | |
| Buildings (Refer note below) | 157,352,097 | - | 129,464,722 | 27,887,375 | 117,714,308 | 6,817,469 | 26,908,526 | 97,849 |
| 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 |
| 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 |
| 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 |
| 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 |
| Leasehold improvements | 700,181,670 | 1,479,874 | - | 701,661,544 | 393,898,905 | 80,989,270 | - | 474,898,175 |
| Total tangible assets | 2,012,604,559 | 160,027,428 | 245,213,557 | 1,927,418,430 | 1,304,269,436 | 239,767,471 | 207,185,472 | 1,336,851,435 |
| Grand total | 2,012,604,559 | 161,561,863 | 245,213,557 | 1,928,952,865 | 1,304,269,436 | 240,349,132 | 207,185,472 | 1,337,433,096 |
| Note : Adjustment with respect to building are on account of certain premises being classified as asset held for sale in current year Rs. 31,841,471 (P.Y. Rs. Nil). Refer note 18 | | | | | | | | |
| Particulars | Gross Block at Cost | | | Accumulated Depreciation/Amortization | | | Net Block (Rupees) | |
| | As at January 1, 2014 | Additions | Deductions / Adjustments | As at December 31, 2014 | Up to January 1, 2014 | For the year December 31, 2014 | | Up to December 31, 2014 |
| Intangible assets | | | | | | | | |
| Software | - | - | - | - | - | - | - | - |
| Total intangible assets | | | | | | | | |
| Tangible assets | | | | | | | | |
| Buildings | 157,352,097 | - | - | 157,352,097 | 110,020,998 | 7,693,310 | 117,714,308 | 39,637,789 |
| Furniture & fixtures | 215,657,421 | 2,006,072 | 46,336,606 | 171,326,887 | 119,362,816 | 16,464,219 | 43,646,937 | 79,146,789 |
| Office equipments | 320,561,222 | 6,406,739 | 25,603,454 | 301,364,507 | 154,581,332 | 29,435,601 | 23,172,346 | 140,519,920 |
| Computers | 596,797,566 | 92,769,111 | 58,576,168 | 630,990,509 | 475,401,724 | 92,595,315 | 58,425,298 | 121,418,768 |
| Vehicles | 56,800,932 | 16,233,613 | 21,645,656 | 51,388,889 | 35,840,688 | 12,710,677 | 18,491,568 | 21,329,092 |
| Leasehold improvements | 698,003,998 | 2,177,672 | - | 700,181,670 | 313,588,161 | 80,310,744 | - | 306,282,765 |
| Total tangible assets | 2,045,173,236 | 119,593,207 | 152,161,884 | 2,012,604,559 | 1,208,795,719 | 239,209,866 | 143,736,149 | 708,335,123 |
| Grand total | 2,045,173,236 | 119,593,207 | 152,161,884 | 2,012,604,559 | 1,208,795,719 | 239,209,866 | 143,736,149 | 708,335,123 |

11. INVESTMENTS

| Particulars | (Rupees) | |
|--|-------------------------|-------------------------|
| | As At December 31, 2015 | As At December 31, 2014 |
| A. Non-current investments | | |
| Trade investments | | |
| (valued at cost unless stated otherwise) | | |
| <i>Unquoted equity investments</i> | | |
| Investment in Subsidiaries | | |
| (Companies under same management) | | |
| 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 |
| 10,000 (P.Y. 10,000) equity shares of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up | 111,292,051 | 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 |
| 100,000 (P.Y. 100,000) equity shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up | 37,108,494 | 37,108,494 |
| 50,000 (P.Y. 50,000) equity shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up | 87,133,877 | 87,133,877 |
| Other Investments | | |
| 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 |
| 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 |
| Sub - total {A} * | 1,513,858,626 | 1,513,858,626 |
| <i>Quoted equity investments</i> | | |
| Other Investments | | |
| 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 |
| Sub - total {B} ** | 2,030 | 2,030 |
| Total Long Term (At Cost) - {A + B} | 1,513,860,656 | 1,513,860,656 |
| B. Current investments | | |
| Non-trade investments | | |
| (valued at lower of cost or market value) | | |
| <i>Unquoted mutual funds</i> | | |
| Investments In Mutual Funds (Unquoted) | | |
| 1,5444,070.29 (P.Y. Nil) units of face value Rs.10.00 each Sundaram Money Fund - Direct Plan - Growth | 480,500,000 | - |
| 163,297.31 (P.Y. Nil) units of face value Rs.1,000.00 each HDFC Liquid Fund - Direct Plan - Growth | 475,000,000 | - |
| 236,798.71 (P.Y. 135,903.20) units of face value Rs.1,000.00 each L&T Liquid Fund Direct Plan - Growth | 465,672,022 | 250,073,322 |
| 2,191,978.00 (P.Y. 1,289,680.54) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth | 472,775,320 | 255,920,205 |

| Particulars | (Rupees) | |
|---|-------------------------|-------------------------|
| | As At December 31, 2015 | As At December 31, 2014 |
| 295,551.43 (P.Y. 169,082.61) units of face value Rs.1,000.00 each Axis Liquid Fund - Direct Growth | 457,599,311 | 251,265,782 |
| 267,080.10 (P.Y. 154,071.66) units of face value Rs.1,000.00 each IDFC Cash Fund - Growth - Direct Plan | 454,825,599 | 251,025,599 |
| 208,380.08 (P.Y. 182,674.11) units of face value Rs.1,000.00 each SBI Premier Liquid Fund - Direct Plan - Growth | 444,252,014 | 387,784,606 |
| 104,806.81 (P.Y. Nil) units of face value Rs.1,000.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option | 325,000,004 | - |
| Nil (P.Y. 1,359,377.89) units of face value Rs.100.00 each ICICI Prudential Money Market Fund - Direct Plan - Growth | - | 252,027,981 |
| Nil (P.Y. 256,923.92) units of face value Rs.1,000.00 each DSP BlackRock Liquidity Fund - Direct Plan - Growth | - | 500,000,000 |
| Nil (P.Y. 8,964,773.28) units of face value Rs.10.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth | - | 251,015,445 |
| Nil (P.Y. 9,651,662.30) units of face value Rs.10.00 each HDFC Liquid Fund - Direct Plan - Growth | - | 255,406,148 |
| Nil (P.Y. 14,426,257.23) units of face value Rs.10.00 each JP Morgan India Liquid Fund - Direct Plan - Growth | - | 251,025,532 |
| Nil (P.Y. 65,969.00) units of face value Rs.1,000.00 each Kotak Floater Short Term - Direct Plan - Growth | - | 145,003,632 |
| Nil (P.Y. 85,848.66) units of face value Rs.1,000.00 each SBI Magnum Insta Cash Fund - Direct Plan - Growth | - | 254,659,754 |
| Nil (P.Y. 100,669.82) units of face value Rs.1,000.00 each TATA Liquid Fund - Direct Plan - Growth | - | 250,000,000 |
| Total Investments in Mutual Funds {C} *** | 3,575,624,270 | 3,555,208,006 |
| Total Investments {A}+{B}+{C} | 5,089,484,926 | 5,069,068,662 |
| *Aggregate investment in unquoted equity shares and mutual funds | 5,089,482,896 | 5,069,066,632 |
| **Aggregate market value of Company's investment in quoted equity shares | 5,721 | 4,678 |
| ***Aggregate Net Asset Value (NAV) of Company's investment in unquoted mutual funds | 3,706,483,550 | 3,621,242,166 |

12. DEFERRED TAX ASSET

| Particulars | (Rupees) | |
|---------------------------------------|-------------------------|-------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Deferred tax liability | | |
| On fixed assets | 14,738,097 | 35,540,104 |
| Gross deferred tax liability | 14,738,097 | 35,540,104 |
| On lease rent amortisation | 44,127,058 | 50,562,833 |
| On provision for leave encashment | 100,062,867 | 97,594,508 |
| On provision for bonus and commission | 29,373,305 | 26,703,949 |
| On provision for gratuity | 34,352,993 | 26,753,002 |
| On provision for bad debts | 42,592,727 | 39,136,611 |
| On initial rating fees deferred | 32,062,603 | 7,340,450 |
| On disallowance under section 40(a) | 12,600,048 | 4,021,955 |
| Gross deferred tax asset | 295,171,601 | 252,113,308 |
| Net deferred tax asset | 280,433,504 | 216,573,204 |

13. LOANS AND ADVANCES

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non-current | | |
| Unsecured, considered good | | |
| Sundry deposits | 258,688,986 | 358,480,510 |
| Loan to subsidiary (Refer note 31) | 1,175,043,783 | 1,457,660,780 |
| Other loans and advances; | | |
| Advance income-tax (net of provision for taxation) | 1,878,789 | 26,097,869 |
| Prepaid expenses | 17,252,065 | 7,924,821 |
| Total | 1,452,863,623 | 1,850,163,980 |

14. OTHERS ASSETS

| Particulars | (Rupees) | |
|--|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Non-current | | |
| Interest accrued on fixed deposits | 315,077 | 106,823 |
| Other bank balances | | |
| – Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with banks Rs. 4,807,860 (P.Y. Rs.5,149,975) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24}) | 7,466,514 | 5,210,915 |
| Total | 7,781,591 | 5,317,738 |

15. TRADE RECEIVABLES

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Current | | |
| Unsecured, considered good | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 97,854,025 | 33,333,108 |
| Unsecured, considered doubtful | 125,905,314 | 115,141,543 |
| Other receivables | | |
| Unsecured, considered good (Related party balances - Refer note 31) | 1,253,489,238 | 1,232,601,214 |
| Less : Provision for doubtful receivables | (125,905,314) | (115,141,543) |
| Total | 1,351,343,263 | 1,265,934,322 |

16. CASH AND BANK BALANCES

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Cash and cash equivalents | | |
| Balances with banks: | | |
| – On current accounts | 344,186,362 | 389,265,367 |
| – Deposits with original maturity of less than three months | 6,532,668 | 5,834,663 |
| – On unpaid dividend account | 10,512,459 | 10,733,020 |
| | 361,231,489 | 405,833,050 |
| Other bank balances | | |
| – Deposits with original maturity within 12 months | 73,549,777 | 180,491,219 |
| (Deposit includes fixed deposits with Banks Rs. 5,631,598 (P.Y. Rs. 5,635,325) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24}) | | |
| Total | 434,781,266 | 586,324,269 |

17. LOANS AND ADVANCES

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Current | | |
| Unsecured, considered good | | |
| Sundry deposits | 103,168,710 | 27,391,391 |
| Loan to subsidiary (Refer note 31) | 227,321,342 | 235,818,544 |
| Advances recoverable in cash or kind (Related party balances -Refer note 31) | 81,378,088 | 79,455,343 |
| Other loans and advances; | | |
| Cenvat credit receivable | 64,783,053 | 31,136,673 |
| Prepaid expenses | 45,748,711 | 32,051,811 |
| Loans to employees | 24,510,334 | 22,608,126 |
| Total | 546,910,238 | 428,461,888 |

18. OTHERS ASSETS

(Rupees)

| Particulars | As at December 31, 2015 | As at December 31, 2014 |
|--|----------------------------|----------------------------|
| Current | | |
| Interest accrued on fixed deposits | 1,176,736 | 2,503,818 |
| Forward contract receivable | 41,945,657 | 93,440,799 |
| Accrued revenue | 84,406,134 | 78,079,690 |
| Asset held for sale (Refer note 10) | 31,841,471 | - |
| Interest accrued on loan to subsidiary | 16,274,878 | 17,467,382 |
| Total | 175,644,876 | 191,491,689 |

19. INCOME FROM OPERATIONS

| Particulars | (Rupees) | |
|-------------------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Income from rating services | 4,341,198,795 | 4,450,382,210 |
| Income from research services | 5,219,770,466 | 4,583,283,686 |
| Total | 9,560,969,261 | 9,033,665,896 |

20. OTHER INCOME

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Interest on bank deposits | 13,933,409 | 17,579,100 |
| Interest on loan to subsidiary | 76,329,277 | 82,266,631 |
| Other interest income | 448,048 | 2,608,999 |
| Dividend on current investments | - | 47,254,663 |
| Dividend on non-current investments | 2,812,524 | 2,812,571 |
| Profit on sale of current investments (Net) | 181,660,656 | 110,545,061 |
| Foreign exchange gain (Net) | 147,831,752 | 30,367,141 |
| Miscellaneous income | 22,983,902 | 24,774,535 |
| Profit on sale of fixed assets (Net) | - | 2,236,218 |
| Total | 445,999,568 | 320,444,919 |

21. PERSONNEL EXPENSES

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Salaries, wages and bonus | 3,431,501,702 | 3,104,570,653 |
| Contribution to provident and other funds | 110,134,290 | 95,046,126 |
| Contribution to gratuity fund (Refer note 33) | 55,121,704 | 59,657,273 |
| Staff training and welfare expenses | 82,058,673 | 81,714,864 |
| Less : Recoveries from subsidiaries towards overheads allocated | (53,725,273) | (53,884,704) |
| Total | 3,625,091,096 | 3,287,104,212 |

22. ESTABLISHMENT EXPENSES

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Repairs and maintenance - Buildings | 103,532,368 | 88,641,926 |
| Repairs and maintenance - Others | 77,476,201 | 65,657,226 |
| Electricity | 95,383,320 | 76,089,895 |
| Communication expenses | 66,641,140 | 69,076,444 |
| Insurance | 5,228,805 | 1,242,772 |
| Rent (Refer note 32) | 353,374,896 | 355,154,400 |
| Rates and taxes | 1,650,777 | 38,155,745 |
| Less : Recoveries from subsidiaries towards overheads allocated | (8,468,494) | (9,295,781) |
| Total | 694,819,013 | 684,722,627 |

23. OTHER EXPENSES

| Particulars | (Rupees) | |
|---|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Printing and stationery | 33,539,028 | 30,584,384 |
| Conveyance and travelling | 213,410,500 | 238,863,780 |
| Data subscription | 53,287,549 | 34,413,596 |
| Vehicle expenses | 1,390,891 | 707,743 |
| Remuneration to non-whole time directors | 12,495,000 | 9,900,000 |
| Business promotion and advertisement | 3,970,761 | 15,915,889 |
| Corporate social responsibility (CSR) expenses (Refer note 40) | 41,402,075 | 2,930,265 |
| Professional fees | 1,345,043,501 | 1,197,768,471 |
| Associate service fee | 323,218,342 | 352,498,932 |
| Software purchase expense | 16,048,348 | 22,282,836 |
| Donation | 6,914,726 | 8,234,156 |
| Provision for doubtful debts / bad debts | 102,304,356 | 124,678,644 |
| Software maintenance expenses | 19,031,182 | 10,309,242 |
| Auditors' remuneration (Refer note 28) | 4,669,770 | 3,679,783 |
| Recruitment expenses | 25,033,951 | 34,570,504 |
| Loss on sale of fixed assets (Net) | 459,607 | - |
| Miscellaneous expenses | 12,474,134 | 3,679,186 |
| Less : Recoveries from subsidiaries towards overheads allocated | (21,516,962) | (21,836,545) |
| Total | 2,193,176,759 | 2,069,180,866 |

24. DETAILS OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENT ARE AS UNDER

| Particulars | (Rupees) | |
|---|----------------------------|----------------------------|
| | As at December 31, 2015 | As at December 31, 2014 |
| Contingent liabilities | | |
| 1. Bank Guarantee in the normal course of business | 190,142,458 | 132,585,300 |
| 2. Disputed Income, Service & Sales Tax Demand: | | |
| (i) Pending before Appellate authorities in respect of which the Company is in appeal | 227,477,488 | 83,570,108 |
| (ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal | 35,179,640 | 35,179,640 |
| Sub - total | 452,799,586 | 251,335,048 |
| Capital commitment | | |
| Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for | 38,974,214 | 10,497,267 |
| 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. | | |
| Total | 491,773,800 | 261,832,315 |

25. The tax year of the Company being the year ending March 31, 2016, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2015 and the provision for the nine months upto December 31, 2015. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2015 to March 31, 2016.

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

| Particulars | (Rupees) | |
|-------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Foreign travel | 45,548,766 | 40,423,893 |
| Professional fees | 799,388,449 | 733,512,705 |
| Other expenses | 12,515,063 | 14,025,439 |
| Total | 857,452,278 | 787,962,037 |

B) AMOUNT REMITTED DURING THE YEAR IN FOREIGN CURRENCY, ON ACCOUNT OF DIVIDENDS

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| 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 | 2014 and 2015 | 2013 and 2014 |
| Amount remitted (Rupees) | 1,100,148,397 | 956,650,780 |

C) EARNINGS IN FOREIGN CURRENCY

| Particulars | (Rupees) | |
|---------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Exports of services | 5,623,049,653 | 5,091,731,806 |

28. AUDITORS' REMUNERATION INCLUDES

| Particulars | (Rupees) | |
|-----------------------------|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Audit fees | 3,200,000 | 3,200,000 |
| In any other matter: | | |
| Certification work | 1,345,525 | 330,000 |
| Out of pocket expenses | 124,245 | 149,783 |
| Total | 4,669,770 | 3,679,783 |

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, 2015

| Particulars | Business segments | | (Rupees) |
|--|-------------------|---------------|-----------------|
| | Ratings | Research | Total |
| | Operating revenue | 4,341,198,795 | 5,219,770,466 |
| 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 investments | | | 181,660,656 |
| Profit on sale of fixed assets | | | - |
| Others | | | 134,905,456 |
| 2. Unallocable expenditure | | | (143,368,634) |
| 3. Depreciation | | | (240,349,132) |
| Profit before tax | | | 3,253,532,759 |
| Tax expense | | | (1,033,456,204) |
| Profit after tax | | | 2,220,076,555 |
| Non-cash expenses other than depreciation and amortisation | 128,887,306 | 31,246,907 | 160,134,213 |
| Segment assets | 457,042,036 | 2,533,250,413 | 2,990,292,449 |
| Unallocable assets* | | | 6,941,742,224 |
| Segment liabilities | 681,569,621 | 299,466,865 | 981,036,486 |
| Unallocable liabilities* | | | 2,199,586,913 |

Revenue and Asset by Geographic Segments

| Geography | (Rupees) | |
|-------------------|----------------------|----------------------|
| | Revenue | Net Assets |
| India | 3,937,919,608 | 3,746,164,874 |
| Europe | 2,570,686,175 | 3,090,141,600 |
| North America | 2,654,801,754 | 421,970,133 |
| Rest of the world | 397,561,724 | 67,895,068 |
| Total | 9,560,969,261 | 7,326,171,675 |

29 SEGMENT REPORTING (CONTD.)

Segment Reporting for the year ended December 31, 2014

| Particulars | Business segments | | (Rupees) |
|--|-------------------|---------------|---------------|
| | | | Total |
| | Ratings | Research | |
| Operating revenue | 4,450,382,210 | 4,583,283,686 | 9,033,665,896 |
| Segment results | 1,656,015,639 | 1,336,084,869 | 2,992,100,508 |
| Add / (Less) Unallocables : | | | |
| 1. Unallocable income | | | |
| Interest income | | | 102,454,730 |
| Profit on sale of investments | | | 110,545,061 |
| Profit on sale of fixed assets | | | 2,236,218 |
| Others | | | 125,486,771 |
| 2. Unallocable expenditure | | | (19,720,178) |
| 3. Depreciation | | | (239,209,866) |
| Profit before tax | | | 3,073,893,244 |
| Tax expense | | | (918,760,411) |
| Profit after tax | | | 2,155,132,833 |
| Non-cash expenses other than depreciation and amortisation | 139,076,141 | 41,112,992 | 180,189,133 |
| Segment assets | 406,669,523 | 2,469,887,020 | 2,876,556,543 |
| Unallocable assets* | | | 7,445,114,332 |
| Segment liabilities | 560,975,806 | 322,904,200 | 883,880,006 |
| Unallocable liabilities* | | | 2,163,895,343 |

Revenue by Geographic Segments

| Geography | (Rupees) | |
|-------------------|----------------------|----------------------|
| | Revenue | Net Assets |
| India | 3,941,934,090 | 3,244,060,662 |
| Europe | 2,414,393,185 | 3,342,841,871 |
| North America | 2,302,833,785 | 429,981,257 |
| Rest of the world | 374,504,836 | 14,340,711 |
| Total | 9,033,665,896 | 7,031,224,501 |

Notes to Segmental Results :

*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)

| Parties | Relationship |
|---|---|
| Related parties where control exists | |
| 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 |
| Coalition Development Systems (India) Private Limited | Subsidiary |
| Mercator Info-Services India Private Limited | Subsidiary |
| Coalition Development Limited | Subsidiary of CRISIL Irevna UK Limited |
| Coalition Development Singapore Pte Limited | Subsidiary of Coalition Development Limited |
| Other Related parties | |
| S&P India, LLC | Fellow Subsidiary |
| Standard & Poor's LLC | Fellow Subsidiary |
| Standard & Poor's International LLC, USA | Fellow Subsidiary |
| Standard & Poor's South Asia Services Private Limited | Fellow Subsidiary |
| McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | Fellow Subsidiary |
| McGraw-Hill Companies Canada Corp. | Fellow Subsidiary |
| 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 |
| Asia Index Private Limited | Fellow Subsidiary |
| Standard & Poors Ratings Services | Fellow Subsidiary |
| Capital IQ, Inc | Fellow Subsidiary |
| 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 |
| Key Management Personnel | |
| 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

31 RELATED PARTY DISCLOSURE

| Name of the related party | Nature of transaction | (Rupees) | |
|---|--|---------------------------------|---------------------------------|
| | | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| McGraw-Hill International (U.K) Limited | Professional services rendered | 8,774,203 | 9,828,414 |
| | Amount receivable | 2,208,012 | 2,246,741 |
| McGraw-Hill Companies Canada Corp. | Professional services rendered | 7,545,433 | 6,853,078 |
| | Amount receivable | 361,754 | - |
| Standard & Poor's Credit Market Services Europe Limited | Professional services rendered | 359,565,472 | 351,152,366 |
| | Amount receivable | 62,099,039 | 51,038,898 |
| Standard & Poor's Financial Services, LLC | Professional services rendered | 980,393,157 | 891,785,399 |
| | Reimbursement of expenses received | 527,701 | - |
| | Subscription fees | 1,863,395 | 470,017 |
| Standard & Poor's Singapore Pte. Ltd. | Professional services rendered | 43,601,424 | 38,692,309 |
| | Reimbursement of expenses | 190,343 | - |
| | Amount receivable | - | 3,339,594 |
| Standard & Poor's Hong Kong Limited | Professional services rendered | 17,930,407 | 16,535,009 |
| | Amount receivable | 1,532,013 | 1,394,481 |
| Standard & Poor's (Australia) Pty. Ltd. | Professional services rendered | 27,092,701 | 25,736,359 |
| | Amount receivable | 1,514,031 | 2,177,169 |
| Standard & Pools Ratings Japan K.K. | Professional services rendered | 8,561,484 | - |
| | Amount receivable | 590,604 | - |
| Standard & Poor's South Asia Services Private Limited | Professional services rendered | - | 500,000 |
| | Reimbursement of expenses received | 11,305,250 | 9,509,709 |
| | Amount receivable | 2,438,343 | 1,775,227 |
| Standard & Pools Ratings Services | Reimbursement of expenses received | - | 14,980 |
| | Amount receivable (net) | - | 16,832 |
| S&P India, LLC | Dividend | 717,818,040 | 624,189,600 |
| | Share capital outstanding | 31,209,480 | 31,209,480 |
| Standard & Poor's International LLC, USA | Dividend | 138,000,000 | 120,000,000 |
| | Share capital outstanding | 6,000,000 | 6,000,000 |
| | Sitting fees & commission to nominee directors | 80,000 | 340,000 |
| McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. | Dividend | 244,330,357 | 212,461,180 |
| | Share capital outstanding | 10,623,059 | 10,623,059 |
| McGraw Hill Financial, Inc. | Reimbursement of expenses received | 14,357,988 | 6,952,551 |
| | Reimbursement of expenses | - | 33,362 |
| | Amount receivable (net) | - | 6,918,482 |
| Asia Index Private Limited | Reimbursement of expenses | 53,699 | - |

31 RELATED PARTY DISCLOSURE (CONTD.)

| Name of the related party | Nature of transaction | (Rupees) | |
|---|-------------------------------------|---------------------------------|---------------------------------|
| | | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| CRISIL Risk and Infrastructure Solutions Limited | Professional services rendered | 3,020,450 | 1,185,999 |
| | Professional fees | 476,000 | 10,804,832 |
| | Expenses recovered | 37,220,411 | 43,472,460 |
| | Share of overhead expenses received | 45,298,162 | 44,151,957 |
| | Reimbursement of expenses | 7,309,423 | - |
| | Amount receivable (net) | 9,498,188 | 9,718,236 |
| | Investment outstanding | 49,999,970 | 49,999,970 |
| CRISIL Irevna UK Limited | Professional services rendered | 1,867,624,947 | 1,602,255,629 |
| | Reimbursement of expenses received | 6,801,002 | 5,247,238 |
| | Reimbursement of expenses | 5,120,489 | - |
| | Amount receivable (net) | 386,552,267 | 353,388,813 |
| | Investment outstanding | 1,139,027,822 | 1,139,027,822 |
| | Loan outstanding | 1,402,365,125 | 1,693,479,324 |
| | Loan given | - | 203,080,000 |
| | Loan repaid | 288,739,924 | 78,403,000 |
| | Interest income | 76,329,277 | 82,266,631 |
| | Interest amount receivable | 16,274,878 | 17,467,382 |
| CRISIL Irevna US LLC | Professional services rendered | 1,574,247,700 | 1,253,612,865 |
| | Amount receivable (net) | 396,842,169 | 426,978,674 |
| CRISIL Irevna Argentina, S.A. | Investment outstanding | 10,501,668 | 10,501,668 |
| | Professional fees | 505,543,061 | 362,958,097 |
| | Amount payable (net) | 30,618,395 | 36,684,799 |
| CRISIL Irevna Poland Sp.zo.o | Professional fees | 40,969,382 | 113,735,152 |
| | Reimbursement of expenses received | 3,162,891 | 539,377 |
| | Amount payable | - | 10,071,721 |
| Pipal Research Analytics and Information Services India Private Limited | Amount receivable | 25,924,942 | - |
| | Investment outstanding | 111,292,051 | 111,292,051 |
| | Professional fees | 265,059,622 | 282,439,508 |
| | Reimbursement of expenses received | 2,343,904 | 107,677 |
| | Reimbursement of expenses | - | 105,216 |
| | Share of overhead expenses received | 38,412,568 | 40,865,079 |
| | Rent recovered | 17,965,604 | 15,918,707 |
| CRISIL Irevna Information & Technology (Hangzhou) Co. Limited | Guarantee provide to bankers | 179,703,000 | 121,800,000 |
| | Amount payable (net) | 16,775,838 | 17,404,668 |
| | Investment outstanding | 22,544,743 | 22,544,743 |
| | Investment made during the year | - | 8,061,056 |
| | Amount payable (net) | 13,536,622 | 14,746,951 |
| | Professional fees | 190,003,367 | 173,250,501 |
| | Reimbursement of expenses received | - | 1,186,181 |
| Advance recoverable | 1,213,260 | 1,204,404 | |

31 RELATED PARTY DISCLOSURE (CONTD.)

| Name of the related party | Nature of transaction | (Rupees) | |
|---|--|---------------------------------|---------------------------------|
| | | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Coalition Development Systems (India) Private Limited | Investment outstanding | 87,133,877 | 87,133,877 |
| | Reimbursement of expenses received | 2,620,484 | 172,026 |
| | Amount receivable | 520,852 | - |
| Mercator Info-Services India Private Limited | Investment outstanding | 37,108,494 | 37,108,494 |
| | Reimbursement of expenses received | 12,223,153 | 297,789 |
| | Amount receivable | 4,765,090 | - |
| Coalition Development Singapore Pte Limited | Professional services | 4,728,612 | 3,138,680 |
| | Amount payable | 268,277 | 260,156 |
| JM Financial Asset Reconstruction Company Private Limited | Professional services rendered | 1,433,661 | - |
| | Amount receivable | 586,416 | - |
| Glocal Healthcare Systems Private Limited | Professional services rendered | 686,930 | - |
| | Reimbursement of expenses received | 30,000 | - |
| | Amount receivable | - | - |
| Care India Solutions for Sustainable Development | Donation | 1,063,816 | - |
| Roopa Kudva (up to April 30, 2015)* | Remuneration** | 18,594,106 | 48,825,577 |
| | Dividend | 220,000 | 914,000 |
| | Options granted | - | 75,000 |
| | Perquisite on stock option (as per Income Tax Act, 1961) | 109,344,031 | 36,721,719 |
| Ashu Suyash (with effect from June 01, 2015)* | Remuneration | 27,809,450 | - |
| | Options granted | 71,507 | - |
| Amish Mehta* | Remuneration*** | 24,904,484 | 8,453,642 |
| | Options granted | - | 33,000 |
| Neelabja Chakrabarty (up to February 27, 2015)* | Remuneration** | 796,606 | 2,671,622 |
| | Dividend | - | 3,000 |
| | Perquisite on stock option (as per Income Tax Act, 1961) | 154,007 | 458,550 |
| Minal Bhosale (with effect from June 01, 2015)* | Remuneration | 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.

** Remuneration not comparable in view of cessation of employment during 2015.

*** Since Mr. Mehta joined on October 3, 2014, the remuneration for 2014 and 2015 are not comparable.

The Company has provided following loans and guarantees pursuant to Section 186 of the Companies Act, 2013:

| Name of the entity | Relation | Amount Outstanding Rupees | Purpose for which the loan and guarantee are to be utilised | Particulars of loans and guarantees |
|---|-----------------|---------------------------|---|--|
| CRISIL Irevna UK Limited | 100% subsidiary | 1,402,365,125 | Acquisition | Loan given by CRISIL to CRISIL Irevna UK Limited for financing acquisition |
| Pipal Research Analytics and Information Services India Private Limited | 100% subsidiary | 179,703,000 | Pipal has issued Bank Guarantee to Income Tax Department | Corporate guarantee from CRISIL to Bank |

32. OPERATING LEASE

The Company has taken certain office premises on non-cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

| Particulars | (Rupees) | |
|--|---------------------------------|---------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Lease Payment recognised in the Statement of Profit and Loss | 353,374,896 | 355,154,400 |
| Future Minimum Lease Payments : | | |
| Not later than One Year | 375,024,572 | 393,980,173 |
| Later than One Year & not later than Five Years | 752,409,905 | 1,072,686,111 |
| Later than Five Years | 44,830,650 | 95,205,654 |
| Total | 1,172,265,127 | 1,561,871,938 |

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 of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, 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, 2015 | Year Ended December 31, 2014 |
| Current service cost | 38,667,855 | 35,481,580 |
| Interest cost on defined benefit obligation | 16,376,703 | 15,264,180 |
| Expected return on plan assets | (8,987,500) | (8,802,317) |
| Net actuarial (gain)/ loss recognised in the year | 9,064,646 | 17,713,830 |
| Net gratuity benefit expense | 55,121,704 | 59,657,273 |

Balance Sheet:

Details of Provision for Gratuity Benefit

| Particulars | (Rupees) | | | | |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Present value of funded obligations | 234,964,000 | 201,897,000 | 162,622,860 | 150,986,640 | 118,386,100 |
| Less : Fair value of plan assets | (107,563,616) | (99,247,000) | (87,602,133) | (78,806,061) | (72,584,782) |
| Net liability | 127,400,384 | 102,650,000 | 75,020,727 | 72,180,579 | 45,801,318 |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | (Rupees) | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Opening defined benefit obligation | 201,897,000 | 162,622,860 | 150,986,640 | 118,386,100 | 108,091,000 |
| Current service cost | 38,667,855 | 35,481,580 | 34,505,570 | 28,630,960 | 26,330,470 |
| Interest cost | 16,376,703 | 15,264,180 | 12,996,350 | 9,679,000 | 8,494,560 |
| Plan amendment cost | - | - | - | - | (26,151,020) |
| Acquisition cost/(credit) | - | - | (271,450) | - | - |
| Actuarial (gain)/loss | 10,026,823 | 16,186,560 | (13,242,500) | 3,316,830 | 10,618,610 |
| Benefits paid | (32,004,381) | (27,658,180) | (22,351,750) | (9,026,250) | (8,997,520) |
| Closing defined benefit obligation | 234,964,000 | 201,897,000 | 162,622,860 | 150,986,640 | 118,386,100 |

Changes in the fair value of plan assets are as follows:

| Particulars | (Rupees) | | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Opening fair value of plan assets | 99,247,000 | 87,602,133 | 78,806,061 | 72,584,782 | 51,130,570 |
| Expected return on plan assets | 8,987,500 | 8,802,317 | 7,410,950 | 6,017,529 | 5,183,522 |
| Actuarial gain/ (loss) | 962,177 | (1,527,260) | 1,041,330 | (1,107,950) | 1,056,890 |
| Contribution by employer | 30,371,320 | 32,027,990 | 22,979,812 | 10,337,950 | 24,211,320 |
| Asset acquired on acquisition | - | - | (284,270) | - | - |
| Benefits paid | (32,004,381) | (27,658,180) | (22,351,750) | (9,026,250) | (8,997,520) |
| Closing fair value of plan assets | 107,563,616 | 99,247,000 | 87,602,133 | 78,806,061 | 72,584,782 |

Details of experience adjustment on plan assets and liabilities are as follows :

| | (Rupees) | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended December 31, 2015 | Year Ended December 31, 2014 | Year Ended December 31, 2013 | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
| Experience adjustment on plan assets | 962,177 | 1,527,260 | 1,041,330 | (1,107,950) | 1,056,890 |
| Experience adjustment on plan liabilities | (898,823) | 9,780,440 | (1,566,020) | (396,720) | (15,410,000) |

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, 2015 | Year Ended December 31, 2014 |
| Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2015/2014) | 8.75% | 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, 2015 | | Year Ended December 31, 2014 | |
|--|---------------------------------|--------|---------------------------------|-------|
| | Discount rate | 7.90% | | 8.10% |
| Estimated rate of return on plan assets | 8.50% | | 8.50% | |
| Expected employee turnover | Service years | Rates | Ages | Rates |
| | Service < 5 | 20.00% | Age : 20-44 | 6.50% |
| | Service => 5 | 10.00% | Age : 45-58 | 6.00% |
| Expected employer's contribution next year (Rupees) | 38,500,000 | | 35,000,000 | |

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, 2015 | Year Ended December 31, 2014 |
|------------------------------------|---------------------------------|---------------------------------|
| | Government securities | 52.24% |
| Fixed deposit, debentures and bond | 42.26% | 49.06% |
| Others | 5.50% | 5.45% |
| Total | 100.00% | 100.00% |

Based on information declared by the insurer as at 31st March 2015/2014

34. DETAILS OF UNHEDGED FOREIGN EXPOSURE

(Rupees)

| Particulars | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
|--------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | Assets | Liabilities | Assets | Liabilities |
| USD | 567,664,648 | 20,712,575 | 547,728,055 | 27,056,633 |
| GBP | 2,965,315,842 | 377,599 | 3,225,481,235 | 628,524 |
| EUR | 95,040,803 | 221,647 | 90,981,222 | 207,512 |
| Others | 11,222,888 | 24,329,429 | 11,525,429 | 69,053,328 |
| Total | 3,639,244,181 | 45,641,250 | 3,875,715,941 | 96,945,997 |

35. The Company has a hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles of AS 30 "Financial Instruments : Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedge reserve account. Details of currency hedge and forward contract value are as under :

| Particulars | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
|-------------|----------------------------------|------------------|----------------------------------|------------------|
| | Amount in foreign currency | Amount in INR | Amount in foreign currency | Amount in INR |
| USD | 38,547,800 | 2,654,392,345 | 31,658,000 | 2,079,242,287 |
| GBP | 9,210,520 | 960,628,986 | 10,211,160 | 1,097,814,237 |
| EUR | 4,526,400 | 342,785,848 | 4,233,880 | 368,419,357 |

- 36.** In accordance with provisions of the Companies Act, 2013 and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back of shares from the open market through stock exchanges. Details of the buy back are as under :

| Particulars | Year Ended December 31, 2015 |
|---|---------------------------------|
| Date of public announcement | 23-Jun-15 |
| Number of shares purchased | 511,932 |
| Face value of shares purchased | 1 |
| Consideration paid towards buy back | 1,019,780,638 |
| Share capital reduction | (511,932) |
| Share premium utilised | 982,795,506 |
| General reserve utilised | 36,985,132 |
| Amount transferred to capital redemption reserve on extinguishment of share capital | 511,932 |
| | 1,019,780,638 |

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 (Rs.) | Graded vesting period : | | | Weighted average price (Rs.)** |
|---------------|---------------|------------------------|----------------------|-------------------------|----------|----------|--------------------------------|
| | | | | 1st Year | 2nd Year | 3rd Year | |
| ESOP 2014 (1) | 17-Apr-14 * | 2,860,300 | 1,217.20 | 953,433 | 953,433 | 953,434 | 469.48 |
| ESOP 2014 (2) | 01-Jun-15 * | 71,507 | 2,101.10 | 23,835 | 23,835 | 23,837 | 708.36 |
| ESOP 2012 (1) | 16-Apr-12 | 903,150 | 1,060.00 | 180,630 | 361,260 | 361,260 | 320.59 |
| ESOP 2012 (2) | 16-Apr-12 | 5,125 | 1,060.00 | 5,125 | - | - | 230.97 |
| ESOP 2012 (3) | 14-Feb-14 | 123,000 | 1,119.85 | 24,600 | 49,200 | 49,200 | 334.20 |
| ESOP 2011 (1) | 14-Feb-11 | 1,161,000 | 579.88 | 232,200 | 464,400 | 464,400 | 185.21 |
| ESOP 2011 (2) | 14-Feb-11 | 23,750 | 579.88 | 23,750 | - | - | 149.41 |
| ESOP 2011 (3) | 03-Oct-14 | 33,000 | 1,985.95 | 6,600 | 13,200 | 13,200 | 583.69 |
| ESOP 2011 (4) | 25-Feb-15 | 22,000 | 2,025.20 | 4,400 | 8,800 | 8,800 | 515.78 |

* 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 ESOP 2011 and ESOP 2012 option vest over three years at each of the anniversaries. Under ESOP 2014 options vest over five years starting from third anniversary of the grant. All options are exercisable within two years from the date of vesting and are settled in equity on exercise.

| Particulars | ESOP - 2011 | | ESOP - 2012 | | ESOP - 2014 | |
|--|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
| | Number of options | Wtd. avg. exercise price (Rs.) | Number of options | Wtd. avg. exercise price (Rs.) | Number of options | Wtd. avg. exercise price (Rs.) |
| Outstanding at the beginning of the period | 76,863 | 1,183.56 | 464,682 | 1,070.30 | 2,577,250 | 1,217.20 |
| Granted during the period | 22,000 | 2,025.20 | - | N.A. | 71,507 | 2,101.10 |
| Forfeited during the period | - | N.A. | 32,965 | 1,060.00 | 373,850 | 1,217.20 |
| Exercised during the period | 32,763 | 579.88 | 226,907 | 1,060.00 | 79,100 | 1,217.20 |
| Expired during the period | - | N.A. | - | N.A. | - | N.A. |
| Outstanding at the end of the period | 66,100 | 1,762.90 | 204,810 | 1,083.38 | 2,195,807 | 1,245.98 |
| Exercisable at the end of the period | 17,700 | 1,104.18 | 97,810 | 1,069.79 | - | N.A. |

| Particulars | Date | Wtd. avg. exercise price (Rs.) |
|---|------------------|--------------------------------|
| Weighted average share price at the date of exercise. | April 17, 2015 | 2,208.59 |
| | October 17, 2015 | 1,983.27 |

| Particulars | Range of exercise prices Rupees | Wtd. avg. remaining contractual life |
|---|---------------------------------|--------------------------------------|
| Range of exercise prices and weighted average remaining contractual life. | 579.88 | 45 days |
| | 1,060 to 1,217.20 | 1,852 days |
| | 1,985.95 to 2,101.10 | 1,945 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 | |
|----------------------------------|-------------------|--------------|
| | February 25, 2015 | June 1, 2015 |
| Stock price | 2,025.20 | 2,090.90 |
| Volatility | 25.80% | 27.43% |
| Riskfree rate | 7.73% | 7.82% |
| Exercise price (Rs.) | 2,025.20 | 2,090.90 |
| Expected life (Time to Maturity) | 3.2 | 5.0 |
| Dividend yield | 1.57% | 2.00% |
| Fair value per option (Rs.) | 515.78 | 708.36 |

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 annualised 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.

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 average of dividend yields for the Financial years 2014, 2013 and 2012. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

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. 360,854,250 (P.Y. Rs. 284,857,244) and EPS would have been as under :

| Earnings per share : Nominal value of Re.1 per share : | Year Ended | Year Ended |
|--|-------------------|-------------------|
| | December 31, 2015 | December 31, 2014 |
| Basic (Rupees) | 26.10 | 26.36 |
| Diluted (Rupees) | 25.76 | 26.06 |

Cash inflow on exercise of options.

| Particulars | Year Ended | | Year Ended | |
|---------------------------|-------------------|------------------|-------------------|------------------|
| | December 31, 2015 | | December 31, 2014 | |
| | (Nos) | Amount in Rupees | (Nos) | Amount in Rupees |
| Exercised during the year | 363,980 | 375,954,050 | 704,165 | 551,194,748 |

There are no cash settled plans implemented by the company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

| Particulars | Year Ended | | Year Ended | |
|---|-------------------|----------------------|-------------------|----------------------|
| | December 31, 2015 | | December 31, 2014 | |
| | (Nos) | Amount in Rupees | (Nos) | Amount in Rupees |
| Not later than Two Year | 931,129 | 1,138,037,385 | 496,345 | 526,272,806 |
| Later than Two Year & not later than Five Years | 1,535,588 | 1,936,317,951 | 2,622,450 | 3,199,078,440 |
| Total | 2,466,717 | 3,074,355,336 | 3,118,795 | 3,725,351,246 |

38. EARNING PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computations:

| Particulars | (Rupees) | |
|---|-------------------|-------------------|
| | Year Ended | Year Ended |
| | December 31, 2015 | December 31, 2014 |
| Net profit for calculation of basic/diluted EPS | 2,220,076,625 | 2,155,132,833 |

| Particulars | (Nos.) | |
|---|-------------------|-------------------|
| | Year Ended | Year Ended |
| | December 31, 2015 | December 31, 2014 |
| Weighted average number of equity shares in calculating basic EPS | 71,239,290 | 70,952,575 |
| Effect of dilution: | | |
| Add : weighted average stock options granted under ESOP | 930,975 | 808,102 |
| Weighted average number of equity shares in calculating diluted EPS | 72,170,265 | 71,760,677 |

| Earnings per share : Nominal value of Re.1 | (Rupees) | |
|---|-------------------|-------------------|
| | Year Ended | Year Ended |
| | December 31, 2015 | December 31, 2014 |
| Basic | 31.16 | 30.37 |
| Diluted (On account of ESOS, refer note 37) | 30.76 | 30.03 |

- 39.** The Board of Directors, at their meeting held on October 17, 2015 , have approved the Scheme of Amalgamation for amalgamating 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 the Company, pursuant to section 391-394 of the Companies Act 1956 and the corresponding sections of the Companies Act 2013, subject to the necessary approvals and sanction by the Hon'ble Bombay High Court. The Appointed Date of the said amalgamation is proposed to be 1st April 2016 .
- 40.** Other expenses for the year ending 2015 include Rs. 41,402,075 (P.Y. Rs. 2,930,265) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The areas for CSR activities are “empowerment of rural women” and “conservation of environment”. During the year funds were allocated and utilised for these activities.

41. 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
 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 F. Callahan Jr.
 Director

Date: February 09, 2016
 Place: Mumbai

Douglas L. Peterson
 Chairman

Ashu Suyash
 Managing Director
 and Chief Executive Officer

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

Date: February 09, 2016
 Place: Mumbai

NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of CRISIL Ltd. (the Company) will be held on Tuesday, April 19, 2016 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 the audited financial statement of the Company, including the audited Balance Sheet as at December 31, 2015, the statement of Profit and Loss for the year ended on that date, together with the report of the Board of Directors and the Auditors thereon and the consolidated audited financial statement of the Company for the financial year ended December 31, 2015.

2. Declaration of dividend

To declare final dividend of Rs. 7 and special dividend of Rs. 3, per equity share of face value Re. 1 each of the Company and, to approve and confirm the declaration and payment of three interim dividends aggregating Rs. 13 per equity share for the year ended December 31, 2015.

3. Re-appointment of Mr. Yann Le Pallec

To appoint a Director in place of Mr. Yann Le Pallec (DIN 05173118), who retires by rotation and being eligible, seeks re-appointment.

4. Ratification of the appointment of Statutory Auditors

To ratify the appointment of S. R. Batliboi & Co. LLP (Firm Reg. No. 301003E), Chartered Accountants, as Statutory Auditors of the Company, and to authorise the Audit Committee and the Board of Directors to fix their remuneration, and for this purpose, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142, and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, the appointment of S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Reg. No. 301003E), as Statutory Auditors of the Company be and is hereby ratified, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorised to fix their remuneration for the said period and permit reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

SPECIAL BUSINESS:

5. Appointment of Mr. John Francis Callahan Jr. 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 Francis Callahan Jr. (DIN 07314618), who was appointed as an Additional Director of the Company with effect from October 18, 2015, 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.”

By order of the Board
For CRISIL Ltd.

Minal Bhosale
Company Secretary
ACS 12999

Mumbai, February 9, 2016

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 / HERSELF 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. 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.
4. The Register of Members and share transfer books of the Company will remain closed from Thursday, March 10, 2016 to Friday, March 11, 2016 (both days inclusive), for determining the names of members eligible for dividend on equity shares, if declared at the Annual General Meeting.
5. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on May 6, 2016:
- (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 9, 2016; 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 Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) at the close of business hours on Wednesday, March 9, 2016.
6. 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 Service (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.
7. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or un-encashed dividends paid up to the year 2008 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 and is also published in this Annual Report under the section titled, 'Report on Corporate Governance'. Further, pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on April 17, 2015, i.e., the date of last Annual General Meeting, in respect of dividends paid since 2009 up to financial year 2014, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company in respect of dividends declared in the financial year 2015, on the website of the Company.

8. 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 the 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.
9. 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.
10. 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 2015, 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.**
11. Brief resume of all Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended. The Company is in receipt of relevant disclosures from the Directors pertaining to their appointment / re-appointment.
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 during normal business hours on all working

days (excluding Saturdays) from the date hereof up to the date of the Meeting.

14. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready for responding at the Annual General Meeting.

15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the 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 Pvt. Ltd. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e., user-id & password) 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-digit Client ID b) For CDSL: 16-digit beneficiary ID For Members holding shares in physical form: Event number, followed by Folio Number registered with the Company |
| Password | Your unique password is printed on the form / forwarded via email through the electronic notice |
| Captcha | Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) The e-voting period shall commence on Friday, April 15, 2016, at 10:00 a.m. and end on Monday, April 18, 2016, at 5:00 p.m. Members, holding shares either in dematerialised form or physical form as on cut-off date, Wednesday, April 13, 2016, may cast their vote electronically during this period. The remote e-voting module shall be disabled at 5.00 p.m. on April 18, 2016. Once the vote on a resolution is cast by a Member, he/she 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 Pvt. Ltd. e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) You need to login again with the new credentials.

vii) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.

viii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.

ix) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.

x) After selecting the resolution you have decided to vote on, click 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 / FII's / 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 number'.
- xiii) If you are already registered with Karvy Computershare Pvt. Ltd. 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 Karvy Computershare Pvt. Ltd.'s toll-free number 1-800-34-54-001 for any further clarifications.
16. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on Wednesday, April 13, 2016 ('cut-off date'). Any person who acquires shares of the Company after despatch of this Notice and holds shares as of the cut-off date i.e., as on April 13, 2016, may obtain login ID and password by sending a request to evoting@karvy.com with a copy to investors@crisil.com by mentioning her / his folio number 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, Company Secretary in Practice, 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 two 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 or to any other person authorised by the Chairman in this regard.
19. The results of e-voting and voting at the meeting, if any, on resolutions shall be aggregated and declared on or after the Annual General Meeting of the Company and, the resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite numbers of votes in favour of the resolutions.
20. The results declared, along with the Scrutiniser's Report, shall be placed on the Company's website, www.crisil.com and on the website of Karvy Computershare Pvt. Ltd. within two working days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the shares of the Company are listed – the National Stock Exchange of India Ltd. and BSE Ltd.
21. The route map of the venue of the Annual General Meeting is appended to this Notice. The prominent landmark near the venue is Mantralaya.
- 22. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following information is furnished about the directors proposed to be appointed / re-appointed:**
- 1. Mr. Yann Le Pallec:**
- Mr. Yann Le Pallec, (age 47 years), retires by rotation and being eligible, seeks re-appointment. He was first appointed on the Board of CRISIL Limited on February 17, 2012. Yann Le Pallec is Global Practice Leader for Corporates and Infrastructure and Executive Managing Director, Standard & Poors' (S&P) Ratings Services in EMEA. He is a member of S&P's Ratings Services Executive Committee. Based in Paris, Mr. Le Pallec leads a team of over 800 ratings analysts and support staff operating from 12 global offices.
- Before his current role, Mr. Le Pallec occupied various managerial and analytical positions at S&P, including Head of EMEA Corporate and Government Ratings, Regional Practice Leader for EMEA Sovereign, International Public Finance and Insurance Ratings, and Regional Practice Leader for EMEA Insurance Ratings.
- Mr. Yann Le Pallec is also a director of Company's wholly owned subsidiary, CRISIL Risk and Infrastructure Solutions Limited. He is the member of the Stakeholders' Relationship

Committee of CRISIL Ltd. and a member of the Corporate Social Responsibility Committee of CRISIL Risk and Infrastructure Solutions Ltd. 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. Mr. Yann Le Pallec 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 that may be approved by the Board of Directors and / or the Nomination and Remuneration Committee of the Company, from time to time. The details of Mr. Yann Le Pallec's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

The Board considers it in the interest of the Company to re-appoint Mr. Yann Le Pallec as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Yann Le Pallec, is in any way, interested or concerned in this resolution.

2. Mr. John Francis Callahan Jr.:

Mr. John Francis Callahan Jr. (age 57 years) is Executive Vice President and Chief Financial Officer for McGraw Hill Financial since December 2010. In addition, he is also responsible for managing Investor Relations, Strategy and Corporate Development. He was appointed as an Additional Director of CRISIL Ltd. with effect from October 18, 2015.

Mr. Callahan was the Executive Vice President and Chief Financial Officer of Dean Foods Company from 2006 to 2010. Previously, he spent a decade with PepsiCo as the Senior Vice President of Corporate Strategy and Development for PepsiCo, Chief Financial Officer for Frito Lay International, and Senior Vice President of Strategy and Planning at Frito Lay North America. Before joining PepsiCo, he held various positions at The General Electric Company and McKinsey & Company.

Mr. Callahan served as a member of the Board of Directors of Metro PCS from 2008-2013 until its merger with T-Mobile US. He was a member of the Audit Committee.

Mr. Callahan holds an undergraduate degree from Yale University and an MBA from The Amos Tuck School at Dartmouth College.

Mr. Callahan has been inducted as a member of the Audit Committee and the Investment Committee of the Board of Directors of CRISIL Ltd. with effect from October 18, 2015.

Mr. Callahan 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 that may be approved by the Board of Directors and / or the Nomination and Remuneration Committee of the Company, from time to time. 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. Callahan's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5:

Mr. John Francis Callahan Jr. who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective October 18, 2015, 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 Francis Callahan Jr. for the office of Director.

A brief resume of Mr. John Francis Callahan Jr. 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 Francis Callahan Jr. is not a director of any other public limited company in India. He is a member of the Audit Committee and the Investment 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 Francis Callahan Jr. as a Director.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. John Francis Callahan Jr. is in any way, interested or concerned in this resolution.

By order of the Board
For CRISIL Ltd.

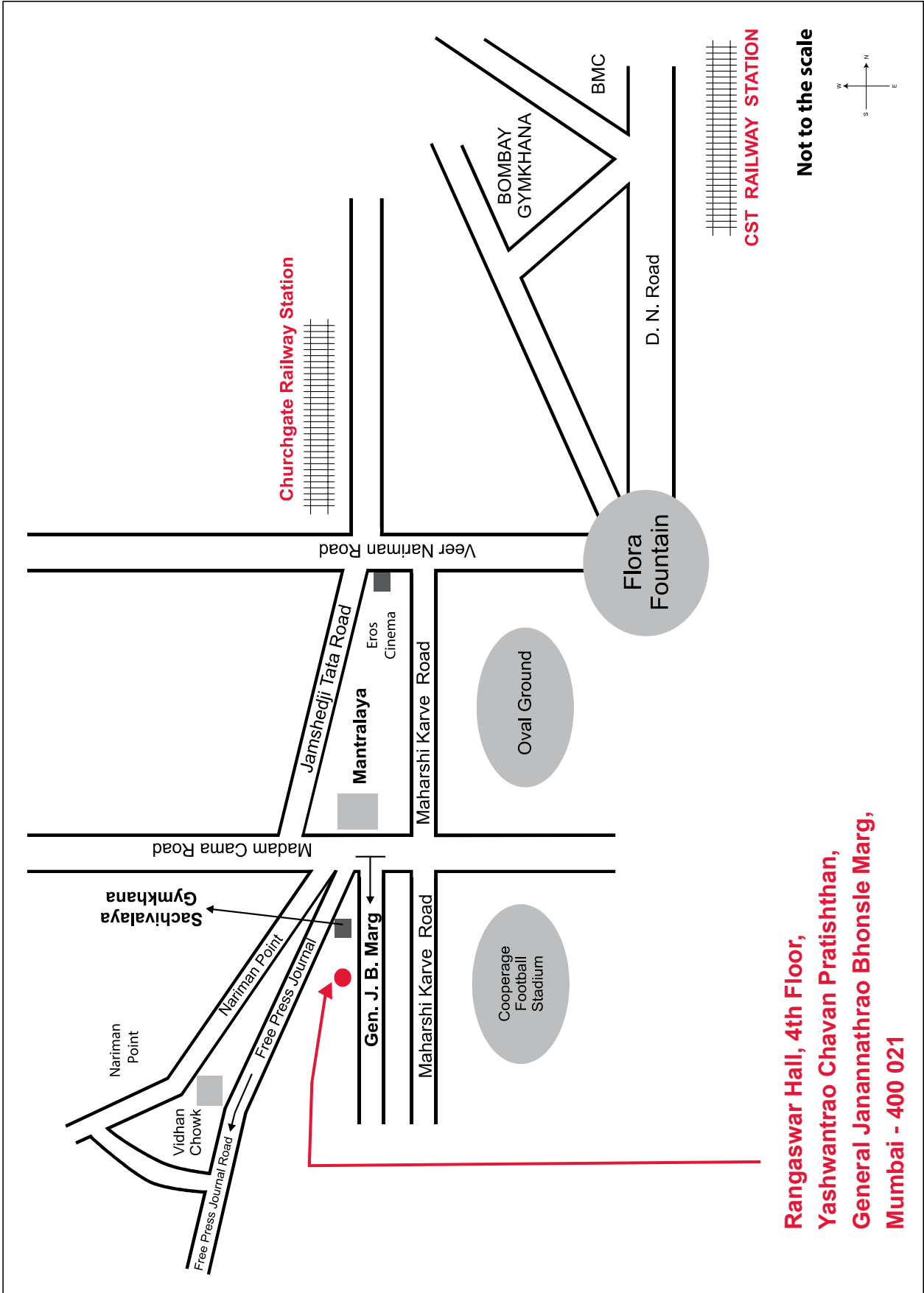
Minal Bhosale

Company Secretary

ACS 12999

Mumbai, February 9, 2016

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



CRISIL Ltd.

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076
 Corporate Identification Number (CIN) : L67120MH1987PLC042363
 Tel.: 022-3342 3000 Fax: 022-3342 3810
 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 Number/ DP ID- Client ID :

I / We, being the Member(s) holding shares of CRISIL Ltd., 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 TWENTY NINTH ANNUAL GENERAL MEETING of CRISIL Ltd. to be held on Tuesday, April 19, 2016, 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. Yann Le Pallec
4. Ratification of the appointment of Statutory Auditors

SPECIAL BUSINESS:

5. Appointment of Mr. John Francis Callahan Jr. as a Non-Executive Director, liable to retire by rotation

Signed this day of, 2016

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 Proxyholder 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 -Belicia 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

Coalition Development Systems (I) Private
Limited
Unit 2, 5th Floor, Building 5 and 6,
MindSpace SEZ, Thane-Belapur Road,
Airoli, Navi Mumbai 400 708
Phone : +91 22 3911 6400 / 4151 6764
Fax : +91 22 6673 3721

Mercator Info-Services India Private Limited
Unit 2A, 5th Floor, Building 5 and 6,
MindSpace SEZ, Thane-Belapur Road,
Airoli, Navi Mumbai 400 708
Phone : +91 22 3911 6400 / 4151 6764
Fax : +91 22 6673 3721

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
(Hangzhou) Co. Ltd.
Room 1606, 16th floor, Hengxin Mansion,
Jiangnan Avenue 588, Hangzhou
Phone: +86 571 8106 9801
Fax: +86 571 8106 9802

SINGAPORE

CRISIL Global Research & Analytics
Level 30, Six Battery Road,
Singapore 049909
Phone: +65 6322 0874

Coalition Development Singapore Pte. Ltd.
60 Robinson Road, # 11-01, BEA Building,
Singapore 068892
Phone: +65 6222 1845 / 6227 6123 /
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