

March 22, 2021

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

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

Dear Sirs,

Sub.: Annual Report including the Notice of 34th Annual General Meeting

Kindly be informed that the 34th Annual General Meeting of the Company (“AGM”) will be held on Tuesday, April 20, 2021 at 4.00 p.m through Video Conferencing (VC) and other audio visual means (OAVM) in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Please find enclosed herewith Annual Report of the Company for the financial year ended December 31, 2020 including the Notice of the 34th AGM.

The Notice of the 34th AGM and the Annual Report are also being uploaded on the website of the Company at www.crisil.com.

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

Yours faithfully,
For CRISIL Limited

Minal Bhosale
Company Secretary
ACS 12999

Encl.: a/a

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

CRISIL

An S&P Global Company



Going Beyond

CRISIL Limited

Annual Report 2020

Inside the report

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Message from the Chairman



Dear Shareholders,

The Covid-19 pandemic disrupted the world order during 2020 causing large-scale humanitarian, social and economic impact across nations. But I note with great pride that your Company stayed resilient and relevant through it all. Our people-first approach ensured we moved to 'work from home' proactively and enhanced employee support, safety and information security measures. Investments in technology, strong risk management and business continuity discipline cultured over the years ensured we remained fully operational, serving and meeting the needs of our stakeholders.

Among our businesses, Ratings, Global Analytical Centre (GAC) and Global Research and Analytics (GR&A) put in strong performance despite the external environment. Ratings consolidated its market leadership, driven by its best-in-class ratings quality, market coverage and client engagement. GAC increased surveillance delegation and coverage on research and criteria support for S&P Global Ratings. GR&A, on its part, witnessed good growth in traditional areas such as model and traded risk, and expanded its offerings in the non-financial and credit risk space. Your Company also introduced new analytics such as district-level tracking dashboards and alternative investment fund or AIF benchmarks for the Indian market.

During the year, we completed the acquisition of Greenwich Associates, a leading provider of proprietary benchmarking data, analytics and qualitative insights to financial services firms worldwide. This complements the strengths of our Coalition business and positions us well to expand our suite of global benchmarking analytics.

“ We completed the acquisition of Greenwich Associates, a leading provider of proprietary benchmarking data, analytics and qualitative insights to financial services firms worldwide. This complements the strengths of our Coalition business and positions us well to expand our suite of global benchmarking analytics. ”

The Advisory business won us new mandates in areas of regulatory reporting, credit risk and select city infrastructure projects. However, the pandemic-induced client delays and budgetary constraints created some headwinds for the segment.

Employee experience and engagement took on a new dimension with people care and safety being a key priority on our agenda through 2020. We redefined the way we engaged, on-boarded new employees and conducted training programmes – all virtually.

We amplified our interactions, franchise and thought-leadership, thus enabling stakeholders to decrypt volatile trends across markets and witnessed record participation at our webinars and events.

Pursuant to changes in the Securities and Exchange Board of India (SEBI) regulations, we completed the segregation of our credit ratings business into a wholly owned subsidiary, CRISIL Ratings Ltd.

As a socially conscious corporate citizen, we devoted efforts to serve those impacted by the pandemic. We served over 500,000 meals to migrant workers and labourers in Mumbai, extended treatment support across several locations, even as we continued to expand Mein Pragati-our financial inclusion programme and CRISIL RE-our environment conservation initiative.

Our efforts and unwavering commitment to stakeholders, governance, compliance and ethics earned strong recognition – The Great Place to Work™ certification and the Most Ethical Business Group honour at the Compliance 10/10 Awards, to name some.

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

Wish you good health and success.

Warm regards,



John L Berisford

Chairman

About CRISIL

Who we are

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics, and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers. Our businesses operate from India, Argentina, Australia, China, Hong Kong, Poland, Singapore, Switzerland, and the United Arab Emirates (UAE), the United Kingdom (UK), the United States of America (USA). We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

Who we serve

Our clients range from large corporates to investors and top global financial institutions. We work with commercial and investment banks, insurance companies, private equity players, and asset management companies globally. We also engage with governments and policy makers in the infrastructure space in India and other emerging markets.

How we add value

Our market leading ratings, benchmarks, analytics, and solutions empower lenders, borrowers, issuers, investors, regulators, and intermediaries to make decisions with conviction. We help clients manage and mitigate risks, take pricing and valuation decisions, reduce time to market, generate more revenue, and enhance returns. By helping shape public policy on infrastructure in emerging markets, we help catalyse economic growth and development.





Board of Directors



John L Berisford

Chairman

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

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

Previously, Mr Berisford was the Executive Vice President of Human Resources for S&P Global Inc (formerly known as The McGraw-Hill Companies). In this role, he was instrumental in creating and executing the Company's growth and value plan, resulting in the creation of McGraw Hill Financial and the sale of McGraw Hill Education. He led the initiative to create the Company's focused business unit operating model, while strengthening the human resource function with new capabilities to support growth and performance goals.

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

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



M Damodaran

Independent Director

► Mr M Damodaran, a former Indian Administrative Service officer, has held a number of important positions in both central and state governments, and in India's financial sector, before demitting office as the Chairman of the Securities and Exchange Board of India (SEBI) in February 2008.

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

Prior to SEBI, he was the Chairman of the Unit Trust of India and Industrial Development Bank of India, and led the successful restructuring of both these institutions. His earlier roles included Joint Secretary (Banking), Ministry of Finance, Government of India; Joint Secretary, Ministry of Information and Broadcasting, Government of India; and Chief Secretary, Government of Tripura.

Furthermore, he was the Chairman of the Committee for Reforming the Regulatory Environment for Doing Business in India, Ministry of Corporate Affairs. He was also the first Chairman of the Society and Board of Governors of the Indian Institute of Management, Tiruchirappalli.

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



Vinita Bali

Independent Director

► Ms Vinita Bali is a global business leader with extensive experience in leading large companies both in India and overseas. She brings a global and pragmatic perspective to strategy, marketing, innovation and operations, having worked with eminent multinational companies such as The Coca-Cola Company and Cadbury Schweppes PLC in a variety of marketing and chief executive roles in the UK, Nigeria, South Africa, Latin America, and the US, in addition to Britannia Industries Ltd in India.

Effective April 2014, she moved from a full-time operational role as MD & CEO of Britannia to pursue her wide-ranging interests in the corporate and development sectors. She is a Non-Executive Director on the global boards of Bunge Limited and Cognizant Technology Solutions. She has also served on the global boards of Smith and Nephew Plc, Syngenta International AG and GAIN (Global Alliance for Improved Nutrition), a Swiss foundation, based in Geneva.

In India, Ms Bali serves as a Non-Executive Director on the Board of Syngene International Limited, is a Member of the Board of Governors of the Indian Institute of Management, Bengaluru and chairs the CII National Committee on Nutrition.

Ms Bali holds a graduate degree in economics from the University of Delhi and a master's degree in management studies from the University of Mumbai.



Ewout Steenbergen

Director

► Mr Ewout Steenbergen is the Executive Vice President and Chief Financial Officer (CFO) of S&P Global. As CFO, Mr Steenbergen is responsible for all aspects of the finance department, focused on growth and sustainable shareholder value. He is also responsible for strategy & corporate development and Kensho.

Before being appointed as the CFO of S&P Global in 2016, he was the Executive Vice President and CFO of Voya Financial Inc. Before that, he was the CFO and Chief Risk Officer for ING Asia-Pacific and held a number of management roles in the ING Group, including serving as Regional General Manager in Hong Kong and the CEO of RVS, an ING Group company based in the Netherlands.

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

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

He also serves as a Co-Chair of the Board of Directors of United Nations International Children's Emergency Fund, US.



Girish Paranjpe

Independent Director

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

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

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

Mr Paranjpe is an Operating Partner in Advent International, a Boston-headquartered private equity firm. He is also on Advent's advisory board and serves on the boards of two Advent-invested companies — Dixcy Textiles and ASK Investment Managers. He also serves as an Independent Director on the Board of Axis Bank.

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



Martin Fraenkel

Director

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

He was appointed as the President of Platts in September 2016, after joining as the Global Head of Content in 2015.

Previously, he was the Managing Director and Global Head of Energy at CME Group. Before that, he held senior roles managing global sales and trading businesses for top-tier investment banks such as Credit Agricole CIB, NM Rothschild and Dresdner Kleinwort as the Global Head of Commodities and at JP Morgan Chase as the Global Head of Energy, Agriculture and Base Metals Trading and Head of Commodities for EMEA. He has also provided consulting services to leading exchanges, hedge funds, trade houses and proprietary traders.

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

He has an MBA from INSEAD in Fontainebleau (France), a master's degree from the School of Advanced International Studies of The Johns Hopkins University in Washington, DC (US) and Bologna (Italy), and a bachelor's degree in philosophy, politics and economics from Balliol College, University of Oxford (UK).

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



Shyamala Gopinath

Independent Director

► Ms Shyamala Gopinath has 41 years of rich experience in financial sector policy formulation in different capacities at The Reserve Bank of India (RBI). At the RBI, she held key positions, guided and influenced national policies in diverse areas of financial sector regulation and supervision, was involved in the development and regulation of financial markets, capital account management, management of government borrowings, foreign exchange reserve management and payment and settlement systems. She has served on several committees during her tenure at the RBI. During 2001-03, she was deputed as the Senior Financial Expert at the International Monetary Fund. Ms Gopinath retired as Deputy Governor of the RBI, a position she held for nearly seven years. She served as the Chairperson of the Advisory Board on Bank, Commercial and Financial Frauds during 2012 to 2014.

Ms Gopinath was also the Chairperson of the Board of Corporate Bonds and Securitisation Advisory Committee of SEBI.

Since 2012, Ms Gopinath has held several board positions in large corporates and public sector undertakings such as Clearing Corporation of India, Indian Oil Corporation Limited, GAIL, Ernst & Young (Global Governance Council) and has also served as a Non-Executive Chairperson of HDFC Bank Limited. Presently, Ms Gopinath serves as an Independent Director on the boards of other renowned companies. She is a Chairperson of the Board of Governors of the Indian Institute of Management, Raipur. Ms Gopinath is member, Finance, India Sanitation Coalition and also a member of Advisory Board of the WinPE ProClub Mentorship Programme.

Ms Gopinath is a Certified Associate of the Indian Institute of Banking and Finance and holds a master's degree in commerce from the University of Mysore.



Ashu Suyash

Managing Director and CEO

► Ms Ashu Suyash is the Managing Director and CEO of CRISIL and is a member of the CRISIL Board. She also serves as a member of the Operating Committee of S&P Global.

Ms Suyash leads CRISIL's Indian and global businesses, steering its efforts to deliver high-quality analytics, opinions and solutions to corporations, investors, financial institutions, policy makers and governments.

Ms Suyash has spent 30+ years in the financial services sector. Before joining CRISIL in 2015, she served as the Chief Executive Officer of L&T Investment Management Limited and L&T Capital Markets Limited. During 2003-12, she was Country Head and Managing Director of Fidelity's Indian mutual fund business, which she helped set up. Previously, she held several key positions across the corporate, consumer and investment banking divisions during her 15+ years' tenure at Citibank.

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

Ms Suyash is a Chartered Accountant and holds a bachelor's degree in commerce. She is a member of the Primary Market Advisory Committee of SEBI and the Advisory Committee on Corporate Insolvency and Liquidation of Insolvency and Bankruptcy Board of India. She is a member of the Corporate Governance Council of The Confederation of Indian Industry. She is also a member of the governing board of the National Institute of Securities Markets, established by SEBI.

Ms Suyash has a keen interest in the education sector and is on the Advisory Board of the Chartered Institute for Securities & Investment. She is associated with the Board of Studies at NMIMS, NM College, and is also on the Advisory Board of Aseema Charitable Trust, an NGO that provides education to underprivileged children.

► Senior Management Team

Ashu Suyash

Managing Director and CEO

Gurpreet Chhatwal

Managing Director,
CRISIL Ratings Limited

Stephane Besson

President & Business Head,
CRISIL Coalition

Priti Arora

Business Head - CRISIL Global Analytical
Centre & Chief Strategy Officer

Sanjay Chakravarti

President & Chief Financial Officer

Pawan Agrawal

Chief Risk Officer

Maya Vengurlekar

Chief Operating Officer, CRISIL Foundation &
Senior Director, Marketing & Communications

Amish Mehta

Chief Operating Officer & President

Dimitri Londos

President & Business Head,
CRISIL Global Research & Analytics

Sameer Bhatia

President, CRISIL Infrastructure Advisory and
CRISIL Business Intelligence & Risk Solutions

Subodh Rai

Chief Ratings Officer,
CRISIL Ratings Limited

Zak Murad

Chief Technology & Information Officer

Vivek Saxena

General Counsel

Anupam Kaura

President & Chief Human Resources Officer

► Board Committees

Audit

M. Damodaran

Chairman

Vinita Bali

Girish Paranjpe

Martin Fraenkel

Corporate Social Responsibility

Vinita Bali

Chairperson

Girish Paranjpe

Ashu Suyash

Stakeholders' Relationship

Girish Paranjpe

Chairman

Ewout Steenbergen

Ashu Suyash

Nomination and Remuneration

Vinita Bali

Chairperson

M. Damodaran

John Berisford

Risk Management

Girish Paranjpe

Chairman

Shyamala Gopinath

Ashu Suyash

Company Secretary

Minal Bhosale

Statutory Auditors

Walker Chandiook & Co LLP

Solicitors

Wadia Ghandy & Co

Main Bankers

ICICI Bank

CitiBank NA

HSBC

Union Bank of India

Indian Overseas Bank

Share Transfer Agent

KFin Technologies Private Limited

Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad - 500 032

Email: einward.ris@kfintech.com

Phone No: +91 40 6716 2222

Toll Free No: 1800 34 54 001

Registered Office

CRISIL House, Central Avenue,

Hiranandani Business Park, Powai,

Mumbai - 400 076

Going Beyond

in people engagement



Unleashing growth through unlimited digital learning

- Employees certified through **10,000+** digital learning sessions
- **900** employees participated in 6 knowledge café sessions



Raising the bar on well-being

- CRISIL Care for hospitalisation support, enhanced medical benefits
- Frequent webinars on health and fitness



Enabling the home office

- One-time well-being allowance to over **1,400** employees
- Ask HR Bot launched for real-time response to queries



Unlocking opportunities in a lockdown

- **150+** internal job posts presented through virtual fairs



01 ➤

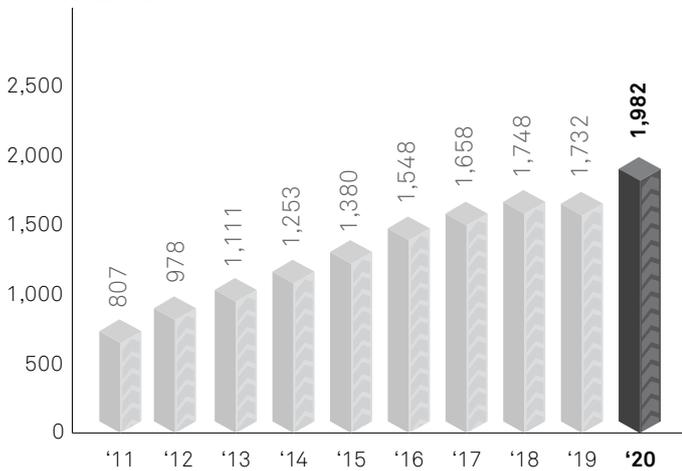
Corporate Overview

Performance Highlights

Income from Operations*

Rupees in Crore

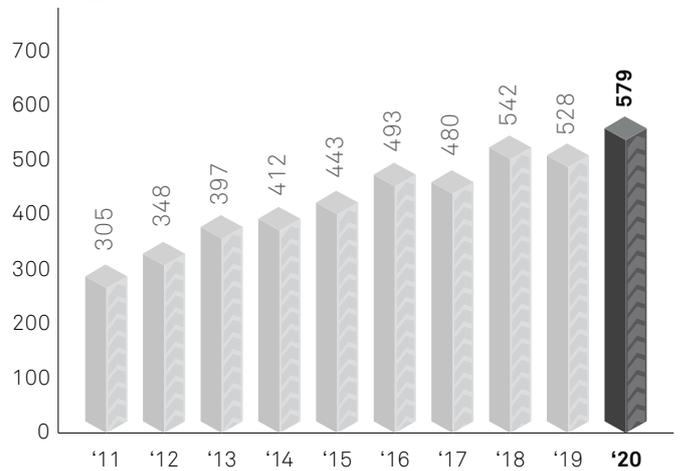
CAGR 10%



Profit Before Depreciation and Tax*

Rupees in Crore

CAGR 7%



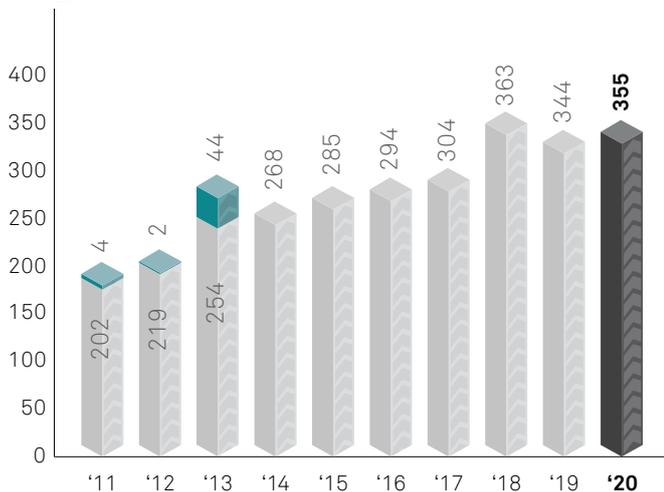
Profit After Tax*

Rupees in Crore

CAGR 6%

■ Profit After Tax (excluding one time revenue)

■ One time revenue

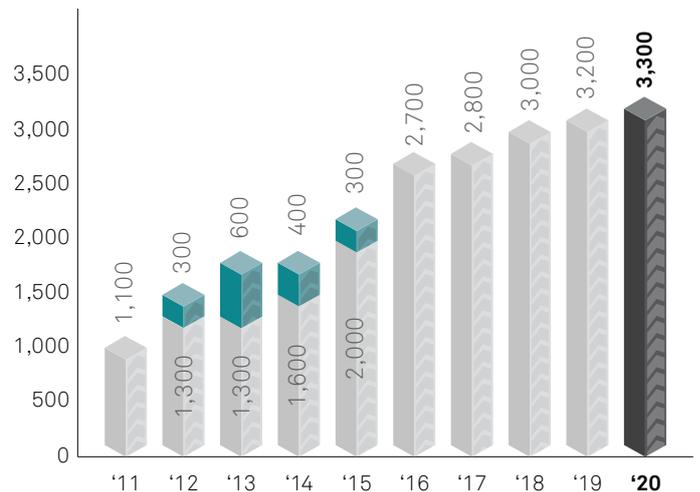


Dividend

Dividend (%)

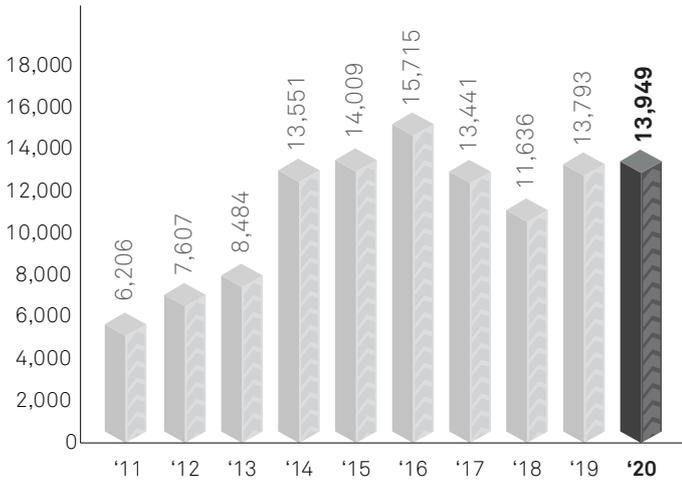
■ Normal Dividend %

■ Special Dividend %



Market capitalisation

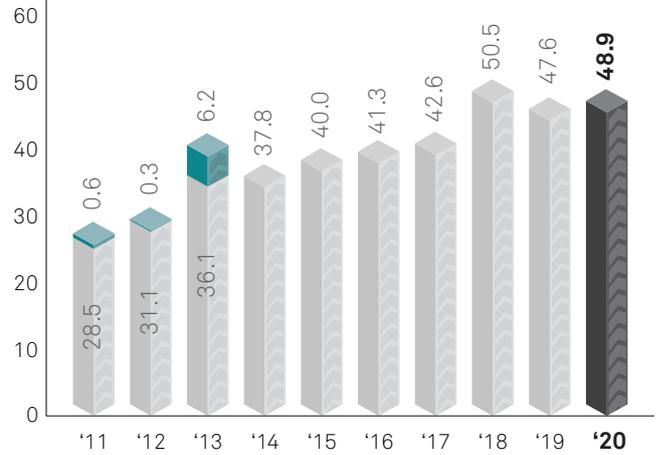
Rupees in Crore
CAGR 9%



Earnings Per Share (EPS)*

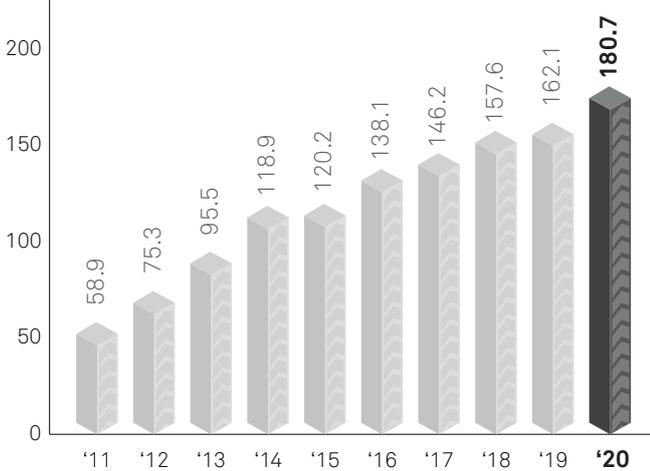
In Rupees

■ EPS
■ One time Impact



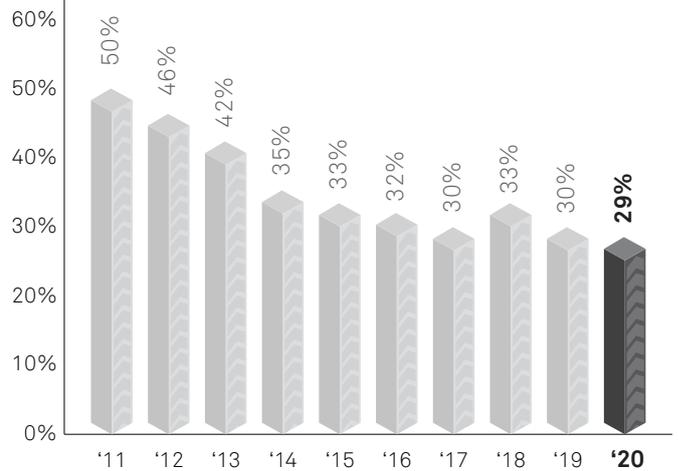
Net worth per share*

In Rupees



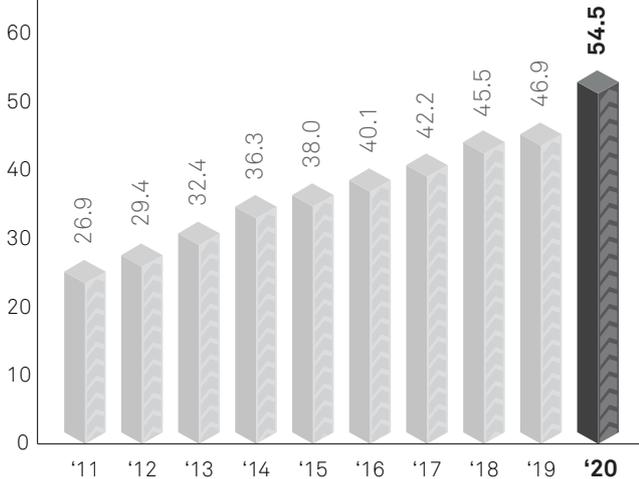
Return on average net worth*

In %



Income Per Employee*

Rupees in Lakhs



* Figures for 2020 to 2016 are as per Ind AS and for the earlier years as per IGAAP.

CRISIL Businesses

► CRISIL Ratings

We have ratings outstanding on over 8,000 large and mid-scale corporates and financial institutions.

Our capabilities span the entire range of debt instruments. We improve access to funding for issuers and borrowers, and help optimise their cost of funds. For investors and lenders, we supplement internal evaluation processes and benchmark credit quality across investment options. We help markets function better and assist regulators in measuring and managing credit risks at the systemic level.

Through our Global Analytical Centre (GAC), we provide analytical, research and data services to S&P Global Inc. GAC partners with S&P Global Ratings Services (SPGRS) on data analytics, research and analysis, modelling assignments, risk and regulatory services, sales and marketing support, developing tech-enabled solutions including usage of data science and in improving workflow efficiencies. GAC operates as a centralised research and analytics hub for SPGRS teams spread across the US, EMEA and APAC regions.

► CRISIL Global Research & Analytics (GR&A)

We are a leading provider of high-end risk, analytics and bespoke research services to over 140 global and regional financial institutions.

We serve leading investment and commercial banks, private equity players, hedge funds, and asset management and insurance companies globally. Our domain expertise and execution excellence backed by augmented intelligence enables customers to achieve goals and manage risks, complexity and change. We have offshore delivery centres in Argentina, China, India and Poland and onsite delivery centres in London, Melbourne, Sydney, and New York, supporting clients across time zones and languages. We support 17 of the top 20 global investment banks, 19 of 35 bank holding companies, 4 of the top 10 asset managers, 3 of the top 15 global insurers, 2 of the top 10 global consultants, and 26 credit risk teams of global banks, including several global and domestic systemically important financial institutions.

We focus on reinventing our business model according to changing market needs and transforming client requirements. We have made significant investments in technology and have developed utilities, platforms, tools, and frameworks to remain the preferred partner across the services we provide. We have more than 40 technology-enabled analytical solutions and continue to invest in innovations. Our rapidly evolving data analytics and automation-based solutions provide a distinct competitive edge to our clients. Our services empower them to make key strategic and tactical business decisions to drive objectives such as cost reduction, business transformation, alpha generation, increased revenue, and growing their assets under management.

► CRISIL Coalition

We are a leading business intelligence provider to more than 25 corporate and investment banks across the global financial services industry.

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

Our competitive performance analytics includes revenue and headcount productivity analytics. The financial resources analytics offering includes operating cost and margin analytics, and risk-weighted assets (RWA), exposure and returns analytics. CRISIL Coalition's client analytics offering includes franchise revenue pools, wallet, share of wallet for institution and corporate clients. It also includes ranking and gap for institutional clients. The country analytics offering includes franchise revenue pools by product, market concentration and client type, named franchise competitor revenue and country-wise client wallet analytics.

► Greenwich Associates

Acquired in 2020, Greenwich Associates is a 100% subsidiary of CRISIL.

We are a leading global provider of data, analytics and insights to the financial services industry. We specialise in providing unique high-value data and actionable recommendations to help our clients improve their business results. Our data focuses on the key metrics required for effective business management: service quality, sales effectiveness, share of wallet, market share, brand, technology, operations performance, and behavioural trends. We operate from Stamford, Connecticut (US) with additional offices in London, Singapore, Tokyo and Toronto.

► CRISIL Research

As the leading independent research house, we are India's most credible provider of economy and industry research.

We cover 77 sectors and work with nearly 1,200 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 domestic companies by market capitalisation, all domestic mutual fund and life insurance companies, and 4 of the world's leading consulting firms.

We are also the leading providers of valuation of fixed income securities to mutual funds, insurance companies, alternative investment funds (AIFs), corporates and banks, valuing over \$1.83 trillion of Indian debt securities. We maintain over 98 standard indices in India, 13 in Sri Lanka and 100+ customised indices. We provide due diligence and ranking services to mutual funds and insurers. We are the sole providers of benchmarks to the three AIF categories in India. We provide high-end customised research and tailor-made studies for many leading Indian and global corporates across sectors. Also, with deep domain expertise built over the years, we offer tailor-made solutions to clients for their training and skill development needs.

Our access to proprietary and public data across the economy, industries, companies and capital markets gives us an edge in developing analytics, which can be leveraged to provide deep and actionable insights to customers. Quantix, our comprehensive, differentiated and client-centric data platform, offers high-end analytics and tools to empower high-quality and efficient decision-making.

► CRISIL Infrastructure Advisory

We help shape public policy and enable infrastructure development.

We offer a wide array of services across the infrastructure development cycle. We aid creation of a vibrant ecosystem for infrastructure development through our work in the areas of policy and regulatory advisory, public-private partnership frameworks, infrastructure financing mechanisms, business / commercial diligence and strategic advice, programme management, monitoring and evaluation, and institutional strengthening for infrastructure agencies.

Our teams have expertise across the infrastructure sectors of urban development, energy and natural resources, transport and logistics, and cross-sectoral expertise on infrastructure and public finance in India and other emerging countries, mainly in Asia and Africa.

► CRISIL Business Intelligence & Risk Solutions (BIRS)

We are a leading global risk and analytics solutions provider.

We are a leading provider of regulatory and business analytics solutions to banks and financial institutions.

Leveraging our strong domain and cutting-edge offerings in the risk and analytics space, we are uniquely placed to support the evolving credit, risk and regulatory needs of the banking and financial sector. Our unique set of offerings enables financial institutions to make informed decisions across the verticals of corporate and investment banking, commercial and retail banking, cards, asset management, and insurance.

Reports & Publications

► Global markets

Global Research & Analytics **CRISIL**
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The hour to rejuvenate credit-risk data models

Covid-19 pandemic presents lenders an opportunity to retune their data collection processes

April 2020



▲ **The hour to rejuvenate credit-risk data models**
An overview of the pandemic's impact on credit-risk data collection and modelling with respect to the definition of default, International Financial Reporting Standard 9 (IFRS 9) provisioning and internal ratings-based (IRB) modelling.

Global Research & Analytics **CRISIL**
An SSP Global Company

Steering the IBOR transition

Insight | November 2020



◀ **Steering the IBOR transition**
With just a year left for interbank offered rate (IBOR) transition, a look at the immediate issues financial institutions face and the areas of focus to ensure that they are well placed for the transition.

► **Corporates look to digital solutions as Covid disrupts trade finance in India**
How large Indian companies, battered by the Covid-19 crisis, are looking to their banks for digital solutions to make their supply chains more resilient.

Coalition Greenwich **CRISIL**
An SSP Global Company

Corporates Look to Digital Solutions as COVID Disrupts Trade Finance in India



04 2020

Global Research & Analytics **CRISIL**
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Rising to the ESG challenge

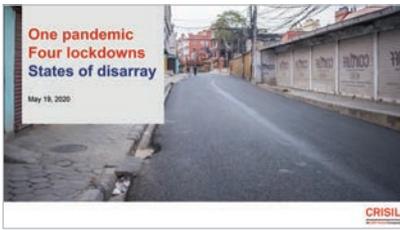
Asset managers need to upgrade operational capabilities to meet investor expectations

June 2020



▲ **Rising to the ESG challenge: Asset managers need to upgrade operational capabilities to meet investor expectations**
Insights into the operational gaps and insufficient investment in environmental, social, and corporate governance (ESG) capabilities, best-in-class ESG practices and the steps to be taken by asset managers to address challenges by streamlining the investment process.

► Indian economy



◀ One pandemic, four lockdowns
States of disarray
How states fared on economic and fiscal parameters when India entered the fourth phase of lockdown necessitated by the Covid-19 pandemic.



◀ Tracking financial conditions
Deep dive into key parameters across various financial markets in India – equity, debt, money and forex markets – to understand the state of the economy, the impact of policy and, eventually, to assess the economy's future.

► Industry & Corporates

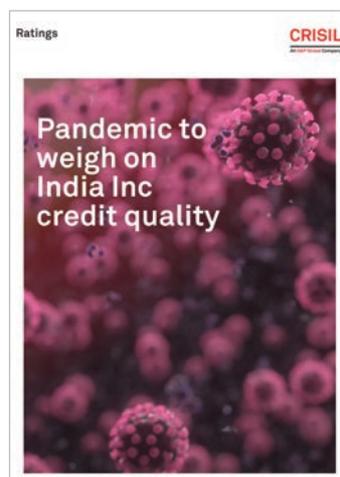
► By 2024, nearly half of new 3-wheelers sold will be e-autos
An analysis by CRISIL Research shows that while the second instalment of the government's policy – Faster Adoption and Getting Charged Manufacturing of Electric Vehicles in India (FAME II) – and numerous efficiency and emission regulations have created the policy push for EVs, they will hit the roads slower than envisaged over the next five years



► CMFR@20
2020 marked the completion of two decades of CRISIL Mutual Fund Ranking (CMFR) in India. This comes at an opportune moment – CRISIL's estimate shows the mutual fund industry can potentially top the ₹50 trillion assets under management mark by 2025. For this growth to materialise and sustain, however, it is imperative that independent research, as epitomised by CMFR, continues to be the cornerstone.



◀ Doing good in bad times: CRISIL CSR Yearbook 2020
Findings show corporates in India have allocated a bulk of their funds to alleviating concerns triggered by the pandemic.



◀ Pandemic to weigh on India Inc. credit quality
Detailed analysis on the trends in rating actions coupled with correlation of macroeconomic parameters with systematic credit quality.



◀ The epicentre of an existential crisis
Details of the impact on SME-dominated sectors, which account for nearly a third of India's GDP, and gives space to voices from the upstream and downstream sectors, and lenders.

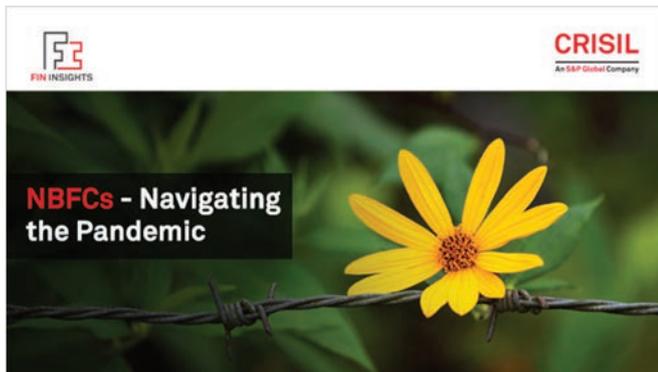
Franchise Highlights

► CRISIL Ratings

CRISIL Ratings participated at the CIO Dialogue with Rating Agencies organised by Institutional Investor Advisory Services (IIAS) and the National Stock Exchange (NSE).



► Gurpreet Chhatwal, Managing Director, CRISIL Ratings, and Raman Uberoi, Senior Advisor, CRISIL, at the roundtable discussion



CRISIL Ratings hosted its fifth annual seminar on the non-banking financial companies (NBFC) sector themed around 'NBFCs – Navigating the Pandemic'. The seminar was a part of our unique and distinct platform, CRISIL Fin Insights, which aims at fostering ongoing dialogues and discussions on the developments in the domestic banking and financial space.

The seminar commenced with Ashu Suyash, MD & CEO, CRISIL, setting the context with her opening address. This was followed by CRISIL's presentations across various themes on the NBFC sector and panel discussions on overall NBFC sector outlook; deep-dive into evolving trends in NBFCs' asset quality; and liquidity, fund raising and profitability at NBFCs.

CRISIL Research participated at the Threefold CVF Off Highway event. The discussion covered industry trends, developments and issues facing the Indian off highway equipment markets, such as Agriculture, Industrial, Construction, Earthmoving and Mining. Commercial Vehicle Forum (CVF) is a unique independent platform for conversations around issues of top concern to senior executives across the CV industry.



► Hetal Gandhi, Director, CRISIL Research, moderated the panel discussion on Emission Standards at the Threefold CVF Off Highway forum.



CRISIL was the knowledge partner at The Economic Times Global Business Summit. Ashu Suyash, MD & CEO, CRISIL, shared her views at the panel discussion on 'Women in Leadership – Creating Leaders for the world of Change'.

CRISIL Ratings hosted a webinar on 'Reinforcing Renewables', which discussed the outlook on capacity additions, photovoltaic module pricing trends and impact on tariffs, funding support for the sector, credit view on renewable infrastructure investment trusts (InvIT) and the overall credit outlook over the medium term.

The eminent panellists at the webinar comprised Ramesh Subramanyam, CFO, Tata Power; Peeyush Mohit, COO, O2 Power; Shailesh Kumar Mishra, Director, SECI; and Pawan Agrawal, CFO, Azure Power.



► CRISIL Research

CRISIL Research was the knowledge partner at the ASSOCHAM 7th MSMEs Excellence Award & Summit. The objective was to acknowledge the inestimable contributions made by micro, small and medium enterprises (MSMEs) to various sectors of the economy.



▲ Shri Nitin Gadkari, Minister of Micro, Small and Medium Enterprises, Govt. of India, releasing the CRISIL ASSOCHAM knowledge report along with other key dignitaries at the Summit.



▲ Hetal Gandhi, Director, CRISIL Research, inaugurating the CRISIL ASSOCHAM knowledge report titled 'Fastening MSME Fortunes'.

CRISIL Research associated with HSBC Bank as a knowledge partner to host SME Knowledge Series – an exclusive series of eight sectoral webinars for HSBC Bank’s SME clients.

Indian Packaged Food & Dairy Industry- Impact of COVID-19 and Emerging opportunities

Speakers

- Dharmakirti Joshi**
Chief Economist,
CRISIL Ltd.
- Prakash Jaiswal**
Country Head, Business
Banking, HSBC India
- Hetal Gandhi**
Director,
CRISIL Research
- Pushan Sharma**
Associate
Director, CRISIL
Research

Logos: HSBC, CRISIL (Knowledge Partner, An S&P Global Company), SME KNOWLEDGE SERIES

◀ In the webinar themed around ‘Indian Packaged Food & Dairy Industry – Impact of Covid-19 and Emerging opportunities’, DK Joshi, Chief Economist, CRISIL, delivered the keynote address where he touched upon outlook for the Indian economy, followed by a sectoral presentation on the post pandemic Indian food industry titled, ‘Sweet and Sour’ by Pushan Sharma, Associate Director, CRISIL Research. Hetal Gandhi, Director, CRISIL Research, shared the concluding remarks at the session.

CRISIL Research associated with the Federation of Indian Industry (FICCI) for their the webinar titled, ‘Impact of Covid19 on Worldwide Steel Industry - Challenges & Opportunities for India.’

The webinar was exclusively hosted for FICCI members and Isha Chaudhary, Director, CRISIL Research, delivered a presentation on the topic ‘Demand for Steel & Consumer Insights.’

Webinar on Impact of nCovid19 on Worldwide Steel Industry: Challenges & Opportunities for India

CRISIL
An S&P Global Company

INDIA OUTLOOK

CRISIL Research webinar:
Peering through the grave storm
India macroeconomic and corporate outlook

CRISIL Research hosted a webinar titled ‘Peering through the grave storm: India macroeconomic and corporate outlook’, which discussed trends and outlook for the global and Indian economy along with an outlook on India Inc’s revenue and margin. The panellists for the webinar included Shaun Roache, Chief Asia-Pacific Economist, S&P Global Ratings; Dharmakirti Joshi, Chief Economist, CRISIL; and Prasad Koparkar, Senior Director, Head - Growth, Innovation & Excellence Hub CRISIL.

S&P Global Ratings

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You are Invited for
S&P-CRISIL Economist forum

CRISIL & S&P jointly hosted a roundtable for senior economists. The forum aimed to have top economists on a common platform to discuss various aspects of domestic and global economy. Shaun Roache, APAC Chief Economist, S&P Global Ratings, delivered a presentation on the topic titled ‘Asia Pacific’s Recovery: Hard work begins’ where he spoke about the Asia-Pacific Outlook.

► **CRISIL Infrastructure Advisory**



CRISIL Infrastructure Advisory hosted a webinar titled 'RE'-infusing vigour'. In this webinar, industry experts delved into the impact of recent policy and market measures announced by the Government of India, and the measures to tide over the pandemic, to help stakeholders gauge the evolving situation and chart the path forward. Vivek Sharma, Senior Director, CRISIL Infrastructure Advisory and Pranav Master, Director, CRISIL Infrastructure Advisory, delivered a presentation at the session.

CRISIL Infrastructure Advisory organised a webinar titled 'A grinding halt and the grind ahead, Impact of the pandemic on the transport sector and mitigants thereof'.

In this webinar, experts shared their views and outlook on the impact of the pandemic on the aviation and highways sectors. Anshuman Chauhan, Associate Director, CRISIL Infrastructure Advisory and Meghna Goradia Manager, CRISIL Infrastructure Advisory delivered a presentation.

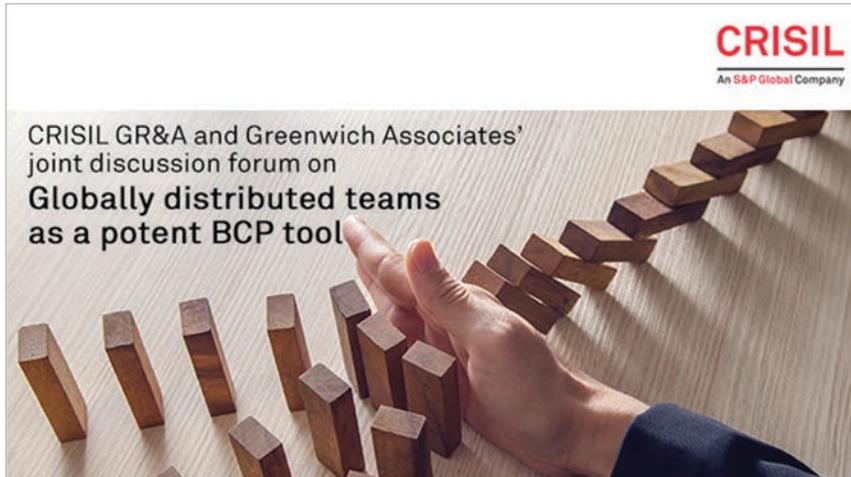


CRISIL Infrastructure Advisory participated at the, BITU-CON 2020: BITUmen and Road Construction Industry: Virtual Conference and Expo', organised by Federation of Indian Chambers of Commerce & Industry (FICCI). The objective of this conference was to bring together the leading market participants from across the bitumen and road construction value chain to learn, explore, share experiences and build connections to find new and potential partners.

CRISIL logo (An S&P Global Company) in the top right corner. The text on the banner reads: "BITU-CON 2020", "BITUmen and Road Construction Industry: Virtual Conference & Expo", "September 10-11, 2020 | 10:30 AM - 2:30 PM", "Business Session 1: Emerging Trends in Road and Highway Construction", "Session Moderator:", "Mr. Jagannarayan Padmanabhan", "Practice Leader and Director- Transport & Logistics", "CRISIL Infrastructure Advisory". A circular portrait of Mr. Jagannarayan Padmanabhan is shown in the bottom right corner of the banner.

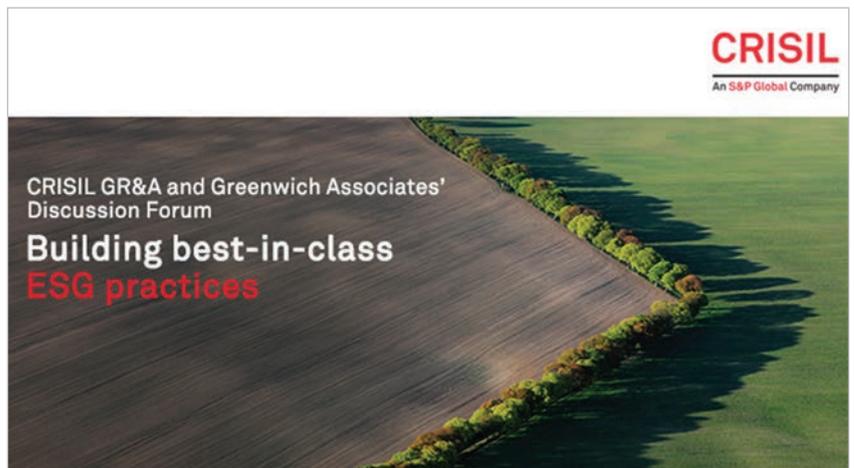
◀ Jagannarayan Padmanabhan, Director and Practice Leader - Transport & Logistics, CRISIL Infrastructure Advisory, moderated the session titled, 'Emerging Trends in Road and Highway Construction'.

► CRISIL Global Research & Analytics (GR&A)



CRISIL GR&A and Greenwich Associates jointly hosted a discussion forum on 'Globally distributed teams as a potent BCP tool'. The webinar focused on understanding how global banks and asset managers have managed the pandemic-induced crisis and how they are preparing for an extended spell of working remotely. CRISIL was represented by Danielle B Tierney, Senior Advisor, Market Structure & Technology, Greenwich Associates and Dimitri G Londos, President and Business Head, CRISIL GR&A.

CRISIL GR&A and Greenwich Associates jointly hosted a discussion forum on 'Building best-in-class ESG practices'. In the discussion, industry experts shared their experiences of, and insights on the current industry wide, best-in-class ESG integration practices across investment and lending, challenges and the way forward. The speakers included Sara Sikes, Principal, Investment Management, Greenwich Associates; Chris Perceval, Director, Head of ESG, Business Development EMEA, S&P Global Market Intelligence; Dimitri G Londos, President and Business Head, GR&A, CRISIL; and Abhik Pal, Director, GR&A, CRISIL.



CRISIL GR&A and Professional Risk Managers' International Association (PRMIA) co-hosted a roundtable to discuss some of the notable industry challenges surrounding the LIBOR transition. The discussion focused on key issues and alternative solutions that are being pursued to meet the challenges around changes needed across a plethora of models impacting risk measurement, asset-liability mismatch estimation and transfer pricing.

Global Research & Analytics **CRISIL**
An S&P Global Company

Challenges and Roadmap for LIBOR Transition

Date: November 05, 2020

Speakers				Moderator
				
Antoine Bouvet Senior Rates Strategist ING	Maurizio Garro Senior Lead - IBOR transition programme Lloyds Banking Group	Vladimir Piterberg MD, Head of Quantitative Analytics and Quantitative Development NatWest Markets	Kshitij Bhatia Practice Head, Traded Risk CRISIL Global Research and Analytics	Navin Rauniar Event Moderator and Risk Advisory Partner TCS, PRMIA London Steering Committee Member

◀ Kshitij Bhatia, Practice Head, Traded Risk, CRISIL Global Research and Analytics was a speaker at this event. The event was moderated by Navin Rauniar, Risk Advisory Partner, TCS, PRMIA London Steering Committee Member.

CRISIL held its first 'India Investment Research Conclave' to celebrate the completion of 20 years of CRISIL Mutual Fund Ranking (CMFR) and discuss the growth of wealth management industry in the country. The event began with Ashu Suyash, MD & CEO, CRISIL, presenting her views on the future of the capital and mutual fund market. The event saw participation from eminent industry leaders like Nilesh Shah, Group President & MD, Kotak Mahindra AMC Ltd, A Balasubramanian, MD & CEO, Aditya Birla Sun Life AMC Ltd, Sharad Mohan, Country Head, Retail Banking, Citibank India, Karan Bhagat, Founder, MD & CEO, IIFL Wealth & Asset Management, Nithin Kamath, Founder & CEO, Zerodha and Manoj Nagpal, MD & CEO, Outlook Asia Capital.



► CRISIL in the Media

Vivek Sharma, Senior Director, CRISIL Infrastructure Advisory and Pranav Master, Director, CRISIL Infrastructure Advisory hosted a webinar on 'Re-assuring growth in times of Covid-19' organised by ET-Energyworld. The webinar covered the pandemic's impact on the renewable energy sector and the outlook.

Ashu Suyash, MD & CEO, CRISIL, participated at the seventh SBI Banking & Economics Conclave where she shared her views at the panel discussion, along with Rajnish Kumar, Chairman, Former SBI Chief; Dr. Randeep Guleria, Director, AIIMS; Ajay Piramal, Chairman Piramal Group; Sunil Kant Munjal, Chairman, Hero Enterprise; Ronojoy Dutta, CEO Interglobe Aviation.

CRISIL research participated in a webinar on 'Managing your debt mutual fund investments' organized by The Hindu Business Line. Piyush Gupta, Director, CRISIL Research gave insights on various categories of debt funds, what factors drive the NAVs of debt funds and the risks investors must take note of while investing in these funds. The panel discussion saw 700+ participants and was widely covered across the Hindu Business Line publication and platforms.

CRISIL Ratings participated at the third edition of Corporate Bonds for Infrastructure conference organised by Indian Infrastructure magazine. Gurpreet Chhatwal, Managing Director, CRISIL Ratings, discussed about recent trends in bond financing for infrastructure and how has the Covid-19 outbreak affected fund-raising activity via bonds.

Rahul Prithiani, Director, CRISIL Research, participated at the ETEnergyworld Energy Transition Summit. The event was a joint digital initiative of ETEnergyworld and CarbonCopy and comprised two discussions – future of coal in India and the way ahead for a successful integration of renewable energy in the country's energy basket.

CRISIL was the knowledge partner for the prestigious ET FMCG Summit and Rahul Prithiani, Director, CRISIL Research, moderated two key sessions at the virtual event. The first panel discussion topic was 'Is the Virus Propelling Supply Chain & Distribution Models Reinvention in FMCG & Retail?' The second session was on 'How e-Commerce Will Boost the FMCG Sector Post Covid-19'.

Ajay Srinivasan, Director, CRISIL Research, was part of a panel discussion organised by ET Now titled 'Leaders of Tomorrow'. The discussion was hosted by Sonali Krishna, Anchor & Senior Editor at ET Now. This overarching theme of the discussion was the alternate financing solutions in the stressed MSME sector.

CRISIL participated in a webinar jointly presented by Hindu Business Line and CFA Institute on 'Career Opportunities in Investment Management'. Miren Lodha, Director, CRISIL Research, was a panelist at the event where he discussed multiple aspects about making a career in the field and how the time is apt to make a career in risk management. The panel discussion witnessed 800+ participants

Employee Engagement Initiatives

➤ Employee connect

CRISIL China organised its annual Family Day, which saw employees and their loved ones bond over interactive games and scrumptious food.



▲ Glimpses from Family Day in Hangzhou

Team Poland's Employee Day celebrated diversity within the team and showcased the cultural traditions of different countries.



▲ Colleagues from the Poland office pose for a group photo

CRISILites in India took part in virtual Diwali celebrations. The event saw employees participate in fun games and share beautiful and vibrant pictures with family members.



With the pandemic forcing unprecedented restrictions, it has been the children that have suffered the most. To boost their morale and channel their bountiful energy, The Parent Hive, our employee resource group for working parents, organised a virtual session on yoga and mindfulness for the children.



▲ Glimpses from the workshop

CRISILites across the globe participated in the virtual CRISIL Funtastic show with the theme 'Decoding Happiness'. The event also comprised of talent showcase from employees along with fun and interactive games.

► Engaging employees while remote working

The company transitioned to 100% WFH across all locations well before March end, and that too with complete infrastructure support. In order to stay connected with employees, we have hosted town halls to share organisation-wide updates and resolve employee queries, 15 Covid-19 town halls were organised over a period of 9 months. A number of wellness sessions were also organised for our employees.

We launched CRISIL Care, a medical assistance scheme, in partnership with Connect & Heal, for our employees. The objective is to augment primary care and urgent response for employees and their families, and also to enable seamless access to medical support.

► Recognising talent

The CEO Awards celebrate outstanding contributions made by employees, who have exemplified the culture of excellence at CRISIL. In 2020, 41 employees were awarded CEO Awards across 10 categories.

The 11th batch of the CRISIL Certified Analyst Programme, or CCAP, saw 33 associates graduate. The two-year intensive work-cum-study programme is aimed at developing world class finance professionals for various analyst roles in CRISIL and the industry.

► Awards and recognition

- CRISIL was recognised as a great workplace by Great Place to Work Institute (India).
- Ms Ashu Suyash, MD & CEO, CRISIL featured among Fortune India's Most Powerful Women in Business in 2020. The magazine recognised her leadership qualities that have helped CRISIL stay resilient and relevant during these turbulent times.
- CRISIL was recognised as one of the 100 Best Companies for Women in India in 2020 for the fifth time in a row by Working Mother Media and Avtar Group. This award is a recognition of CRISIL's strong focus on creating an inclusive workplace, where our women workforce is empowered, enabled and inspired to excel in their careers.
- CRISIL received the Jury Commendation certificate at the FICCI CSR 2018-19 Awards under the 'Women Empowerment' category.
- CRISIL was recognised as one of the Top Employers 2020 (Bronze category) by the India Workplace Equality Index, India's first comprehensive index for LGBTQIA+.
- CRISIL was recognised as the 'Most Ethical Business Group' at Compliance 10/10 Awards.
- CRISIL won the Jamnalal Bajaj Award for Fair Business Practices.

► Commitment to diversity and inclusion

To celebrate International Women’s Day, our colleagues across the globe shared personal stories and experiences online on how an ally contributed to their growth story and their pursuit to create a gender-equal world.



▲ CRISILites strike a pose for ‘Each for Equal’ to highlight our commitment to a gender-equal workplace



CRISIL launched The Parent Hive, a new employee resource group dedicated to all parents at CRISIL. The platform aims to provide an opportunity for parents to connect, network as well as navigate the exciting and challenging journey of parenting.



CRISIL celebrated Global Pride Month in June to recognize the influence of the LGBTQ community across the world. CRISIL employees across the globe participated for the celebrations to promote dignity, equal rights and raised awareness about the community and encouraged inclusiveness.

To celebrate and increase awareness about the diversity of cultures and ethnicities, CRISILites across the globe celebrated Diversity Awareness Month, and shared videos about what diversity means to them.

► Learning and development

- CRISIL launched **Knowledge Café**, a knowledge sharing platform for employees by employees, to promote cross business learning and collaboration among businesses. 900 employees participated in six sessions.
- A renowned D&I expert conducted **‘Inclusion Unplugged,’** a session on diversity and inclusive workplaces for CRISIL Execom members. This was followed by 3 webinars and workshops to enhance managerial awareness of inclusive behaviour at work. Approximately 140 people managers participated in these workshops.
- CRISIL launched **Fireside Chats**, an initiative that allows employees to receive insights from business leaders through stories, anecdotes and experiences. 1400+ employees were covered through newer formats of learning such as Knowledge Café and Fireside Chat sessions.
- **Digital learning took a quantum leap in 2020.** We saw a 400% increase in the e-learning hours and a 500% increase in the courses completed by employees. Blended learning formats were also introduced during the year.

► **RE-imagining the concept of employee engagement**

Aimed at keeping employees engaged in conversations related to bio-diversity, environment conservation, sustainability and responsible volunteering, CRISIL Foundation, the CSR arm of CRISIL Limited, organised a series of virtual knowledge sessions on environment protection, bio-diversity conservation and social leadership.

World Environment Day (June 5) and World Ocean's Day (June 8) was observed through a series of speaker sessions in collaboration with S&P Global India, focusing on environment, climate change and bio-diversity conservation.

S&P Global **re**

On the occasion of **World Environment Day** join us for a session on

Use and Misuse of Biodiversity

by veteran speaker **Dr. Erach Bharucha**

re

Mentoring as a sustainable volunteering opportunity

Join us for a session with
Trishya Screwvala
Founder, The Lighthouse Project

Date: June 25, 2020
Time: 4:00 – 5:00 pm

Registration link mentioned in the description box

re

Join the session
Insights into rural India
Know how individual philanthropy can touch millions of lives

Date: October 7, 2020
Time: 3:00 pm - 4:00 pm

Speaker:
Anshu Gupta,
Founder, Goonj

Join the session
**Zoom details mentioned in the description box*

S&P Global **re**

Native Indian Plants and its role in biodiversity Conservation

As part of heightening the larger social consciousness among the employee base, CRISIL Foundation also organised a series of live virtual interactions with over prominent social change leaders such as Deane de Menezes (Queen's awardee, 30 Under 30 Forbes Asia); Anshu Gupta (Goonj); Trishya Screwvala (The Lighthouse Project); Shalabh Sahai (iVolunteer); and Abhishek Dubey (Muskaan Dreams), among others.

S&P Global **re**

Evolving trends in volunteering

Speaker:
Shalabh Sahai
Co-Founder & Director of
iVolunteer & JobsForGood

Going Beyond

in **servicing communities**

Being good at doing good



Delivering on the social contract

➤ Served **500,000** meals to the bottom of the pyramid



Augmenting healthcare for pandemic fight

➤ Delivered oxygen cylinders, HFNC devices and ventilators in **6 cities**



Staying true to the green credentials

➤ Planted **40,000** trees which helped reduce **800 MT** of CO₂ emissions annually



Bridging the financial literacy chasm

➤ **300,000** beneficiaries linked to formal financial services and welfare schemes till date



Corporate Social Responsibility

Corporate Social Responsibility

➤ CRISIL recognises the growing importance and relevance of **environmental, social and governance (ESG) practices**. While we are known for following the highest standards of governance across businesses, our corporate social responsibility (CSR) projects seek to effectively address pertinent social and environmental issues.

Mein Pragati and CRISIL RE are two of our flagship CSR initiatives. While the first one aims to build financial capability among the socially and economically disadvantaged sections of the society, the second one is focused on environment conservation.

➤ Mein Pragati in Assam

Launched in Assam in 2015, CRISIL Foundation continues to work with Rashtriya Gramin Vikas Nidhi (RGVN), our implementing partner, to empower rural women in six districts in the state – Barpeta, Darrang, Goalpara, Kamrup, Morigaon and Nalbari. The Phase-I of the programme empowered 1 lakh women through multi-touchpoint financial literacy workshops.

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

- Developing a strong community cadre, Sakhi, which will continue to support the community in building financial capabilities in a sustainable manner
- Continuing engagement with women beneficiaries covered under Phase-I
- Expanding outreach to other members in these communities by focusing on driving long-term behavioural changes

Through regular capacity building and handholding, the Sakhi cadre is trained to drive long-term behavioural change among rural women by easing their access to government schemes/programmes and addressing last-mile constraints in accessing financial services.

At present, more than 590 Sakhis are actively driving linkages and earning income through a service fee model and guided rate card for various banking and financial services, referred to as the Basket of Services (BoS).

Facilitating access to Covid-19 relief package



Monowara Begum, a Mein Pragati Sakhi from Darrang, helped over 100 beneficiaries get the government’s Covid-19 relief package benefit in their Jan Dhan accounts. She also assisted 70 beneficiaries to get benefits of Ujjwala Yojana. Her dedication and motivation to help her community members has truly inspired fellow Sakhis.

Sakhis bring about clear and visible transformation in their communities

Sakhis have emerged as a trusted cadre housed in the community, providing doorstep delivery and proving to be the key channel for promoting financial and welfare schemes. Villagers have benefitted significantly as accessing government schemes

through the Sakhi cadre saves cost as against taking help from other service providers and informal agents.

During the Covid-19-induced lockdown, Sakhis helped community members make transactions such

as money transfers, DTH and mobile recharge and payment of utility bills digitally. Such engagements enhanced the cadre's relevance and trust among the rural population.

Enabling long-term sustainability of the cadre

Over the past year, Sakhis have gained confidence and experience, with a majority of them expanding their coverage area to adjacent villages. The success of the model has also led to further expansion into new blocks by on-boarding over 200 fresh members. As a result, the programme has grown from 376 villages in the beginning of the year to 1,143 villages.

Further, the BoS of Sakhis has gradually grown to cover 70+ schemes/products/services, enabling them to attain a stable monthly income. This has ensured the cadre continues to remain relevant and sustainable in the long run.

To enhance the institutional ecosystem and to keep the intervention sustainable, almost 85%

of the 9,383 self-help groups (SHGs) have been linked to the Assam State Rural Livelihood Mission (ASRLM) platform. In addition, steps are being taken to create clusters of Sakhis across contiguous geographies, with an objective to strengthen their collective decision making, giving them better negotiating powers to function more sustainably as a financially independent cadre.

Deepening Mein Pragati impact through sustainable livelihoods

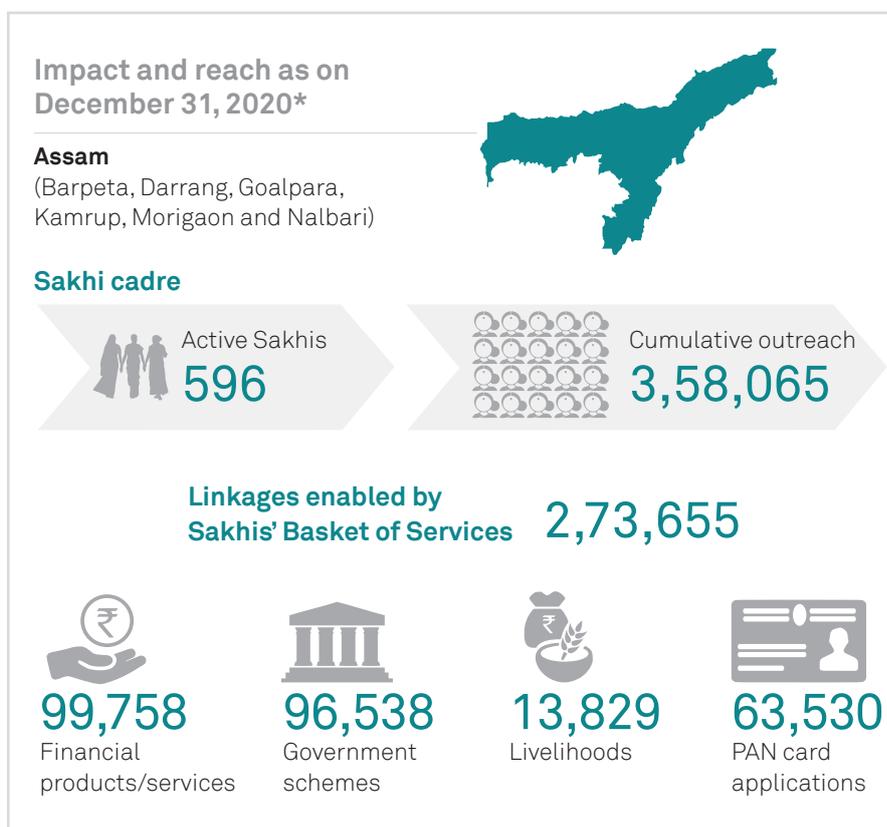
In 2018, livelihood pilots on arecanut plate manufacturing, eri silk cultivation and handloom were initiated specific locations in Assam to augment household income and strengthen entrepreneurial skills of Mein Pragati women. The objectives of these initiatives were to:

- Establish a community-owned, operated and managed arecanut plate manufacturing unit
- Set up a community-owned, operated and managed eri silk producing unit, by enhancing the value chain; and
- Set up and link production and forward marketing linkages to facilitate handloom products

These pilots, scaled up in 2019 with help from on-ground partners such as RGVN, Grameen Sahara and Antaran (Tata Trusts), have gained steady momentum through enhanced household coverage, and improved revenue and income generation for close to 750 households.

Initiatives like setting up of an Eri Resource Centre to improve overall cocoon production, creating low-cost rearing spaces to increase quantity/quality of produce, enhancing design

and business skills and leveraging online platforms (like Antaran Artisan Connect) for weavers have increased beneficiaries' returns and stabilised their income over the year.



* Cumulative data from September 1, 2018

➤ Mein Pragati in Rajasthan

Mein Pragati was launched in eastern Rajasthan (Alwar, Dausa and Sikar) in May 2016 along with an implementation partner, Humana People to People India (HPPI). During the Phase-I from May 2016 to August 2018, the programme reached out to over 60,000 rural women SHG members.

In August 2018, the project entered Phase-II, implemented directly by CRISIL Foundation in Alwar and Dausa. The key objectives of the phase are:

- Consolidating the programme in areas with higher density of Phase-I participants and SHGs in order to achieve deeper and more meaningful intervention
- Developing a strong Sakhi cadre who will continue to support the community in building financial capabilities beyond 2020
- Expanding outreach to other members in these communities with focus on driving long-term behavioural changes

Shattering the myth that finance is a man's domain



Hariram Mahawar, a resident of Sundarpur village, Lalsot, Rajasthan, had to transfer money urgently to his relative. Though he had cash in hand, he did not want to go to the crowded bank. He spotted a wall painting of Mein Pragati with contact details of Rajkumari, a Sakhi. Rajkumari, who is trained on how to use digital payments and having helped other villagers in money transfer, payment recharge and utility bill payments, helped him transfer the amount and also helped him learn how to do it all by himself.

Sakhis gain relevance

The Sakhi cadre has been instrumental in enhancing awareness about and access to banking, financial services and government schemes among the community. The efficacy, robustness and relevance of Sakhis came to the fore during the pandemic when 273 active Sakhis in 231 villages provided timely help to the community to access financial services.

During the year, Sakhis also strengthened their position by converging with key stakeholders like the district administration, sponsor banks and Rajasthan Grameen Aajeevika Vikas Parishad (RGAVP), which amplified the impact of their service to the community.

Impact and reach as on December 31, 2020*

Rajasthan
(Alwar and Dausa)



Sakhi cadre



Linkages enabled by Sakhis' Basket of Services **24,311**



10,395
Financial products/services



6,553
Government schemes



2,880
Sukanya Samriddhi Yojana (SSY)



4,483
PAN card applications

* Cumulative data from September 1, 2018

➤ MoneyWise Centres for Financial Literacy

CRISIL Foundation is the only corporate CSR arm selected by the Reserve Bank of India (RBI) to implement its pilot Moneywise Centres for Financial Literacy (CFL) project for financial inclusion in Maharashtra and Haryana during 2017. In August 2019, the RBI awarded CRISIL Foundation, 5 additional tribal blocks in Rajasthan, expanding the project's scope to 25 centres across 3 states in partnership with NABARD and 7 sponsor banks.

Since their inception, the centres have covered over 500,000 community members and facilitated over 105,000 applications for banking products and schemes. They act as hubs, actively supporting local banks and stakeholders. They have become an integral part of the financial inclusion eco-system over the years. A footfall of over 25,000 walk-ins for query resolution and handholding indicates their growing trust and acceptance among the community.

Doorstep banking for the elderly

Before the lockdown, 60-year-old Galji from Dungarpur, Rajasthan, had completed formalities to build a pucca house under the Pradhan Mantri Awas Yojana. However, he was unable to withdraw the amount from the bank due to long queues. The on-ground staff was from the same village and facilitated the banking correspondent's (BC) visit to Galji's residence for withdrawal. To ensure complete withdrawal, the BC visited him three days in a row. This has just enhanced the respect for the banking system in the village.



The hub-and-spoke approach has enabled CRISIL Foundation to field test innovative structures to build a supportive environment for financial inclusion:

- **Building ownership within panchayati raj institutions (PRI)** by forming Village-Level Financial Inclusion Committee (VLFIC)/ Block-Level Financial Inclusion Committee (BLFIC) in Maharashtra and SarpanchConnect in Haryana for advocating financial awareness and inclusion. While VLFICs/

BLFICs are formally registered with gram panchayats, the SarpanchConnect is an informal engagement with the PRI structure.

- **Community cadre**, largely comprising women present in the villages and proactively supporting the CFLs on a pro-bono/voluntary basis.

The RBI has extended the pilot project to November 2021 and formally announced¹ its intent towards expanding into all blocks in the country by 2024.

Impact and reach as on December 31, 2020*

States

(Haryana, Maharashtra and Rajasthan)



7
Districts



25
Blocks



1,613
Villages



25,846
Walk-ins to CFL offices



548,080

Cumulative outreach (through multiple touch-point trainings)



109,411

Applications mobilised for banking services (Bank accounts, social security schemes, digital linkages etc.)

* Cumulative data from October 1, 2017

¹ Formally documented in the National Strategy for Financial Inclusion 2019-24 released by the RBI (<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1154>)

► GramShakti Certification Programme

Having established a trained Sakhi cadre in Assam and Rajasthan, CRISIL Foundation has devised an online learning and certification programme called GramShakti incorporating all the best practices involved in training and development of Sakhis. This can be accessed through a tech-based learning application, customised in regional languages with interactive and engaging content. It comprises theory and practical assignments.

Launched in June 2018, GramShakti is CRISIL Foundation's attempt to provide a scalable model for creating a pan-India cadre of trained community leaders who can effectively address the issue of financial exclusion and empower women.

During the year, the programme expanded to over 1,900 end users across CRISIL Foundation's intervention areas and replicated in non-intervention locations through

partnerships, thereby enhancing the geographical coverage to 10 states. There are currently 230 Sakhis in Assam, Haryana and Maharashtra, who have been formally certified through a convocation programme and provide support to their communities through last-mile awareness and handholding.

► CRISIL RE

CRISIL RE, CRISIL's flagship environment conservation programme, is focused on preserving oceans and forests, mitigating climate change and its impact through afforestation, beach clean-up drives and other initiatives that positively impact "Life below Water" and "Life on Land" – the two key United Nations Sustainable Development Goals (UN SDGs). The programmes include centrally driven and employee-led projects, and strive to constructively engage employees and their families, friends and relatives in environment conservation.

During the year, the Foundation planted 44,630 trees in five cities, taking the total number of trees planted to over 73,000 over 2015-20. The plantations continue to be nurtured and maintained through post-plantation initiatives by our NGO partners.



Visible long-term impact in environment conversation through regenerating urban forest cover in Bhiwandi, Mumbai

Impact and reach as on December 31, 2020 *

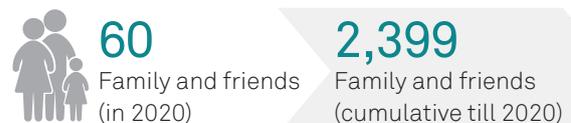
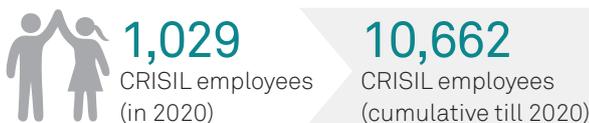
Trees planted



Trees maintained



Volunteers involved



* Cumulative data from 2015

► Covid-19 response

CRISIL Foundation responded to the Covid-19 pandemic through timely, relevant and multi-pronged interventions – targeting the most affected and vulnerable to positively impact and make a meaningful difference to over 700,000 lives in Mumbai, Delhi NCR, Assam, Maharashtra, Rajasthan and Haryana.

Despite Covid-19 having impacted on-field activities, the on-ground staff and community cadre took to virtual ways of supporting the community thereby enhancing their relevance and value.

Facilitating banking and digital transactions

60,000+ community members provided handholding support within rural bank branches and motivated to adopt digital methods of banking



Gram Sahay helpline

166,000+ SHG women, beneficiaries and community supported through dedicated helpline on banking information, Covid-19 relief package and hygiene protocols.



COVID-19 Prevention and Relief

248,800+ cloth masks, and personal protective gear distributed through our community cadre to community members



The 10k Meals Project

502,000+ freshly cooked meals to migrant workers, daily wage-earners through CRISIL's corporate kitchen in Mumbai - serving 10k meals daily for 45 days during lockdown.



Supporting S&P Global Foundation

Over 9 lakh meals and 17,000 kits distributed to communities in Rajasthan, Mumbai and Delhi NCR - channelizing S&P Global Foundation's COVID-19 grant to Akshay Patra Foundation and Sambhav Foundation/ LabourNet.



Strengthened health care infrastructure through ACT GRANTS Support

INR 50 lakh grant made to augment Oxygen Therapy capacity of hospitals in Mumbai, Pune, Chennai, Guwahati, Jorhat and Jodhpur.



Going Beyond

in customer experience



Dedicated microsite for insights and publications on Covid-19 impact

➤ Garnered well over **100,000** visits



Ratings Analytica

➤ Mobile App for personalised intelligence on the go



Wide stream of insights

➤ **300+** knowledge sharing sessions

➤ **35%** increase in publications



Virtual events dialled up **25%**

➤ Accelerated market outreach and increased participation in events across various themes



02 ➤

Statutory Reports

Directors' Report

Dear Member,

The Directors are pleased to present to you the 34th Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2020.

2020 was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals across the world. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed at the Company. Our technological investments, multi-country presence, analytical nature of offerings, and timely and decisive steps towards remote working ensured full business continuity even as the pandemic unfolded across locations of our presence.

The Company responded swiftly to the initial outbreak reported in China, where we have operations and activated a task force of senior management, risk and business continuity specialists to assess the impact of Covid-19 on operations as it spread from country to country. Keeping a people-first approach, proactive work from home was initiated for all employees by mid-March 2020. Employees at CRISIL were

equipped with a number of resources and support which enabled them to work from a remote environment, efficiently and effectively. Technological applications and processes were further significantly upgraded so that client and internal deliverables could be executed in a timely manner. Over 99% of the workforce was tech-enabled to work from home and continued to fulfill all client deliveries and assignments within agreed timelines through the pandemic.

Consequently, your Company remained fully operational and continued to function seamlessly, serving clients and meeting the needs of stakeholders through these months.

The Company and its employees also extended whole-hearted support to vulnerable sections of society during this period in a number of ways. This included: providing over 502,000 freshly cooked meals from CRISIL's corporate kitchen for migrant workers and daily wage-earners and a Rs 50 lakh grant to augment oxygen therapy capacity of hospitals in Mumbai, Pune and Chennai. More details of the Covid-19 relief work is covered in the Corporate Social Responsibility Report.

Financial Performance

A summary of the Company's financial performance in 2020:

(Rupees in crore)

Particulars	Consolidated		Standalone	
	2020	2019	2020	2019
Total income	2,064.98	1,804.56	992.73	968.82
Profit before interest, depreciation, exceptional items and taxes	593.79	528.68	290.95	221.14
Finance cost	14.39	0.23	6.94	-
Deducting depreciation of	121.11	36.86	65.68	23.96
Profit before tax	458.29	491.59	218.33	197.18
Deducting taxes of	103.56	147.64	51.61	61.67
Profit after tax from continuing operations	354.73	343.95	166.72	135.51
Profit after tax from discontinuing operations	0	0	0	130.78
Profit after tax	354.73	343.95	166.72	266.29
Other comprehensive income	(8.85)	(87.75)	(28.91)	(95.94)
Total other comprehensive income	345.88	256.20	137.81	170.35
Appropriations				
Final dividend	101.63**	94.22*	101.63**	94.22*
Interim dividend	137.81	137.35	137.81	137.35
Corporate dividend tax	0	34.89	0	34.89

**Final dividend for 2020: Rs 14 per equity share of Re 1 each

*Final dividend for 2019: Rs 13 per equity share of Re 1 each

The financial statements for the year ended December 31, 2020 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the accounting standards in preparation of the annual accounts. Accounting policies have been consistently applied, except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard

required a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis, which are subject to limited review and publishes consolidated and standalone audited financial results on an annual basis.

a) Consolidated operations

Revenue from the Company's consolidated operations for 2020 was Rs 2,064.98 crore, 14.4% higher as against Rs 1,804.56 crore in the previous year. Overall expenses were Rs 1,606.69 crore as against Rs 1,312.97 crore in the previous year. Profit before tax was Rs 458.29 crore as against Rs 491.59 crore in the previous year. Profit after tax was Rs 354.73 crore as against Rs 343.95 crore in the previous year.

b) Standalone operations

Revenue from the Company's standalone operations for 2020 was Rs 992.73 crore, compared with Rs 968.82 crore in the previous year. Overall expenses were Rs

774.40 crore as against Rs 771.64 crore in the previous year. Profit before tax was Rs 218.33 crore as against Rs 197.18 crore in the previous year. Profit after tax was Rs 166.72 crore as against Rs 135.51 crore in the previous year.

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

Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 20, 2021, payment of final dividend of Rs 14 per equity share of face value of Re 1 each, for the year under review. During the year, the Company paid three interim dividends; first and second interim dividends of Rs 6 each and third interim dividend of Rs 7 per equity share. The total dividend will be Rs 33 per share in 2020 as against a total dividend of Rs 32 per share in the previous year.

Increase in issued, subscribed and paid-up equity share capital

During the year, the Company issued and allotted 288,964 equity shares to eligible employees on exercise of options granted under the Employee Stock Option Schemes of the Company. At the end of the year, CRISIL's issued, subscribed and paid-up capital was 7,25,93,290 equity shares of Re 1 each.

The movement of share capital during the year was:

Particulars	No. of shares allotted	Cumulative outstanding capital (no. of shares with face value of Re 1 each)
Capital at the beginning of the year, i.e., as on January 1, 2020	-	7,23,04,326
Allotment of shares to employees on February 11, 2020, pursuant to exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	169,136	7,24,73,462
Allotment of shares to employees on May 6, 2020, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	24,796	7,24,98,258
Allotment of shares to employees on July 21, 2020, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	22,227	7,25,20,485
Allotment of shares to employees on October 20, 2020, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	72,805	7,25,93,290
Capital at the end of the year, i.e., as on December 31, 2020	-	7,25,93,290

Segment-wise results

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

Review of operations

A. Ratings

Highlights

- Announced over 1,200 new bank-loan ratings (BLRs) in 2020; total BLRs outstanding exceeded 8,000
- Rated seven covered bonds which were used by Non-Banking Financial Companies (NBFCs) as an alternative and innovative fund raising source this year
- Strengthened leadership position in the corporate bond market, backed by preference for quality ratings among both investors and issuers
- Continued strong focus on analytical rigour ensuring best in class ratings quality
- Gained franchise leadership through publishing high impact opinion pieces and conducting incisive webinars

Business Environment

Corporate bond issuances were tepid in 2020 and declined by ~8%. Issuances were concentrated among 'AAA' rated issuers and those with strong parentage.

The Covid-19 pandemic and resultant lockdown had led to an unprecedented disruption in demand and supply and general business activity. Private sector capital expenditure and consequent demand for credit were muted and wholesale domestic bank credit growth was around 3% for 9 months ended December 31, 2020. Besides sluggish demand for wholesale bank credit, the BLR market was affected by the guidance from five large banks, increasing the minimum exposure threshold for rating requirement to Rs 30-50 crore from Rs 5-10 crore.

Securitisation volume was highly muted from March, when the lockdown and moratorium were announced, as a result of which collections from borrowers fell sharply. While there are signs of green shoots with pick-up in economic activity and improvement in collections across asset classes, lenders and investors are gradually returning to the market.

In a challenging credit environment, we witnessed continuation of the phenomenon of flight to quality – issuers as well as investors/lenders continued to prefer working with quality-focused Credit Rating Agencies (CRAs), like CRISIL.

On the regulatory front, Securities and Exchange Board of India (SEBI) announced certain changes aimed to address issue of issuer-non-cooperation with CRAs at the beginning of the year. CRAs are required to downgrade investment-grade ratings with issuer-not-cooperating (INC) to non-investment grade after 6 months and to not assign any new ratings to issuers who have INC ratings outstanding for more than 12 months with other CRAs.

Post March 2020, regulatory changes were aimed at providing regulatory forbearance to corporates affected by the pandemic and lockdown. SEBI granted temporary relaxations from default recognition and regulatory timelines for publication of rating rationale, among others.

Operations

New client acquisitions and strong existing relationships strengthened the Company's market leadership in 2020.

We also on-boarded over 140 new large corporate clients.

Given the volatile economic environment, we further raised the intensity and quality of surveillance to minimise credit cliffs which helped in maintaining quality of rating across the rated portfolio.

On the innovation front, the Company continued to be the first port of call for innovative instruments even in the muted bond market. In 2020, CRISIL Ratings assigned a rating to the first dealer securitisation transaction in India and seven covered bond transactions.

The Company maintained its multifaceted approach towards stakeholder relationship management. To strengthen our engagement with issuers and investors, we extensively engaged with their senior management, delivered sectoral presentations and leveraged the digital channel to share our thought leadership reports, periodical publications, videos and podcasts regularly.

As a part of the Company's continuing improvement initiatives, we completed the development of a new technology-based workflow platform for the ratings' operations. We also launched Ratings Analytica, a web portal and a mobile app, which was well-received by the issuers and investors.

With interest of investors as a prime concern in a challenging credit environment, we sharply enhanced our communication with investors and market participants at large through our reports, press releases and webinars.

To navigate the volatile environment, external stakeholders were seeking credible opinion on credit risk related aspects. To cater to this need, we sharply enhanced franchise activities and published more than 100 highly incisive opinion pieces across industries, which were very well received by the external stakeholders.

Furthermore, the Company hosted its annual flagship event on non-banking financial companies (NBFCs), a virtual seminar this year titled 'NBFCs – Navigating the Pandemic', providing business leaders, issuers, investors, policymakers and other market participants a platform to deliberate and exchange perspectives on issues relevant to the sector. We strengthened our market presence by hosting 30 web conferences on trending topics and sectors of interest to investors, that included trends in rating actions ('Ratings Round Up') and credit outlook, infrastructure investment trusts (InvITs) and Real Estate Investment Trusts (REITs), agrochemicals sector among others.

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

Given the continuing and evolving nature of the pandemic situation, the Company continues to monitor changes in economic conditions and their impact on credit profiles of rated entities.

The Company continues to maintain strong client connect virtually, along with regular communication with all stakeholders.

The Global Analytical Centre (GAC) enhanced its support to SPGRS on surveillance activities. It also initiated support on environmental, social and governance (ESG) diagnostics and evaluations, and led automation and process transformation initiatives in the data, analytical and risk and compliance domains. GAC also continued to partner in market-outreach efforts and content creation for publications.

With the increasing focus on automation and optimisation, GAC stepped up its efforts on process improvement and automation by leveraging new age technologies including machine learning and use of Data Sciences. Additionally, with the environmental, social and governance (ESG) offering becoming an area of increasing priority, GAC has also strengthened its capabilities in the domain.

With focus on strengthening the first line of defence, a number of initiatives were taken to strengthen the controls framework. Adoption of lean management tools, work standardisation and process modernisation initiatives facilitated consistent support across diverse geographies and asset classes.

B. Research

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

Highlights

- Expanded our client base and geographical footprint across key global markets and service lines
- Secured key wins and strategic renewals across risk technology, FO/MO (front office/middle office) transformation, IBOR (interbank offered rate) transition, stress testing and Basel III
- Gained momentum in credit risk with several new deals globally. Focused on supporting banks across credit transformation projects through credit workflow automation tools and industry utilities
- Made significant progress in two pilot products – Scenario Expansion Manager (SEM) and Low Default Portfolios (LDP). Secured first high-value deal with a Netherlands-based bank
- Continued effort on conceiving and developing solutions in the data analytics and automation segments to support asset managers and banks with ESG (Environmental, Social and Governance) solutions
- Developed relevant partnerships to augment our offerings in the risk domain and support the end-to-end customer value chain
- Developed a new product focusing on financial crime and compliance (FCC) research, currently being piloted with a new logo in Europe

Business environment

The market environment in 2020 was dominated by the adverse impact of the Covid-19 pandemic which brought

things to a standstill during its initial phase. However, it did not take long for banks to settle down and adapt to the new normal. In addition, the changing regulatory environment especially across Europe and Australia set the tone for the year with its implications for regulatory deadlines, policy transformation and cost control.

The business closed big opportunities related to stress testing, model validation and a large IBOR transition deal. The business continues its productisation agenda with Model Infinity and Scenario Expansion Manager, both currently under implementation in different clients in the US and Europe and on track for successful go-lives in the fourth quarter. The business sentiment in the Model Risk space is also buoyed by the increasing number of conversations around market risk and credit risk modeling with European regulators increasing the pressure on banks regarding their internal models.

The business continued to tap into opportunities generated by regulatory guidelines around better credit risk management practices. The pace of conversations continue to be slower than usual owing to concerns around the pandemic. However, we expect opportunities opening up in the coming months at a faster pace with the credit risk transformation agendas gaining momentum.

The key focus areas for banks are enterprise risk management optimisation, regulatory compliance simplification, business process transformation and conduct risk management. The business has developed a strong point of value for each of these pillars with a value chain approach for delivery including relevant partnerships. The business is also enhancing the financial crime and compliance offerings to scale it up to client needs and productise with better enhancements.

The business successfully closed multiple large renewals and is actively pursuing more business opportunities across risk and finance transformation. Immediate areas of focus for the core client base include IBOR transition and front office transformation to deliver pricing and risk consistency required under the Basel IV processes. European banks are expected to significantly invest in these areas now while US banks have already taken the lead here.

Market risk continues to grab the mindshare at top investment banks during the pandemic, leading to key regulatory and transformation agendas such as DoD (Definition of Default), FRTB (Fundamental Review of the Trading Book), Basel III, CCAR (Comprehensive Capital Analysis and Review 2021) being increasingly discussed in bank boardrooms. The demand for risk technology and front office transformation is expected to rise with banks rushing to update their trading infrastructure to meet regulatory obligations. However, the delayed start of the regulatory stress testing examinations with inclusion of new risks, pandemic, climate risk, etc. and emerging needs to calibrate models factoring in the impact of the pandemic have proven to be key catalysts for SEM and LDP, the pilot products.

On the buy-side, the pandemic continued to accelerate demand for research in riskier assets such as distressed and private debt. We continue to see demand for emerging market,

credit research, alternative investments, ESG missing data and enhanced due diligence for ESG red flags. The trend of new hedge fund launches continues, with a preliminary need beginning to form for research and non-research support from wealth managers.

Operations

Client connect remains strong as we actively reach out to clients on credit risk automation solutions (including funds automation, covenant monitoring, EWS/NNA (Early Warning System/Negative News Analytics), ESG and data analytics (DA), which remain key focus areas for many in the current scenario. Clients are using ESG to differentiate themselves in this highly competitive market. Following up from a webinar for developed markets, we recently conducted an ESG webinar focused on the Asia Pacific, which garnered strong interest, attracting over 150 attendees.

Non-financial risk services are being well received by clients across geographies. There is an increased demand for business process management transformation, operational risk management, financial crime and compliance research and regulatory remediation across various geographies/businesses.

There's a substantial focus towards AI (artificial intelligence), ML (machine learning), automation and data engineering across various functional areas within the risk business, from MRM (Model Risk Management), trading and quantitative strategies to front office and middle office operations. Utilities, accelerators and products will play a big role in making the risk business future-ready, act as differentiators and help strengthen the value proposition and price-making capability. The business is strategically investing in capacity and capability building across these technologies to stay relevant and critical to our customer strategy.

Significant progress was made with the Low Default Portfolios (LDP) data pooling solution, strong data coverage across 60+ countries. There is continued focus on building industry-led product pipeline. It advanced with two new products, a Model Risk Benchmarking+ study and a scenario sharing proposition, climate risk and other utility hypotheses are under consideration. We launched aggressive go-to-market campaigns driven by global roundtables for pilot and new products and conducted an active dialogue with 25+ banks globally. Additionally, we leveraged cross-business capabilities and external synergistic partnership opportunities to gain ecosystem advantages across products. These created significant adjacency benefits for GR&A as a whole and brand awareness and visibility through digital platforms.

B.2. India Research

Highlights

- Successfully launched benchmark indices for the domestic Alternative Investment Fund (AIF) industry
- Launched a high-frequency dashboard providing deep insights into markets, commodities and various sectors impacted by Covid-19

- Continued to maintain a dominant position in the Funds and Fixed Income Research business due to significant traction in valuations for Provident Fund (PF), treasury portfolios and existing Market Linked Debentures (MLDs) issuances
- Remained the largest provider of fixed income indices in India and consolidated our position by launching two new indices in 2020, taking the total count to 98
- Enhanced the depth of company coverage on Quantix, our comprehensive, differentiated and client-centric data platform, by adding new data points such as security/collateral charges, shareholding pattern, contingent liabilities and auditor qualifications, to name a few
- Complemented the existing Financial Sensitivity Model (FSM) based on fundamental and equity price data with addition of yield spreads data
- Enriched Alphatrax, the wealth tracking solution, with six new reports and addition of two key asset classes – AIF and PMS – to go with existing direct equity, direct debt and mutual funds. The UI/UX of the platform is also being enhanced to suit client needs
- Seamlessly transitioned from traditional classroom training programmes to virtual training sessions in the wake of the pandemic, ensuring no disruption in clients' learning agenda
- Developed a new Financial Conditions Index (FCI) to regularly assess the state of domestic financial conditions. CRISIL's FCI is a monthly tracker that combines key parameters across equity, debt, money and forex markets in India, along with banking and policy conditions. This index has been instrumental in assessing the impact of RBI's unprecedented policy measures this year and how far they got transmitted to the broader economy

Business environment

2020 turned out to be one of the most eventful years of the decade, with changing market trends and business dynamics due to Covid-19 that posed a major challenge for the India Research business.

While we continued to maintain our dominant position in the flagship Industry Research business, the segment continued to face growth challenges as an after-effect of public sector bank mergers and difficulties a few key private sector banks and non-banking financial companies (NBFCs) faced.

The Funds and Fixed income segment stood out this year amid a plethora of regulatory changes and increased competition. With insurance companies and pension funds emphasising more on process and portfolio reviews and the need for valuations of MLDs expanding beyond regulatory compliance to risk monitoring and investor-mandated requirements, this vertical remains one of our key bets for the future.

We enhanced focus on agility and innovation. The launch of CRISIL AIF Benchmarks was, thus, a fructification of our continuous efforts to provide relevant products as per market needs.

Increase in demand for analytics platforms with capabilities of feeds, alternative data and automated delivery and wealth management research augurs well for our data and analytics solution offerings.

With clients restricting discretionary expenditure and their decision making cycles and execution of existing mandates seeing negative impacts, our Customised Research and Learning Solutions businesses were the worst-hit due to the pandemic. However, with all client segments stressing on strategic review in the wake of the pandemic, we successfully came up with innovative products in keeping with our customers' requirements.

Operations

In wake of the pandemic, we ensured business continuity through seamless operations across all our deliveries and maintained high quality standards.

We also augmented our offerings and launched new products during this period. Our Customised Research team launched micro-level assessments/dashboards for various segments such as passenger vehicles (PVs), light commercial vehicles (LCVs), tractors, MSMEs, housing finance and personal loans. These have garnered interest among clients looking to recalibrate business strategies, plans and policies due to the pandemic. The Learning Solutions team launched 50 unique virtual training titles this year that helped overcome the challenges traditional classroom trainings face. The state-of-the-art Learning Management System (LMS portal) continues to provide complete e-learning solutions, enabling our client user base to leverage our expertise in credit and risk management from remote locations. We also launched CRISIL Wealth Manager Certification which saw good participation from retail clients. The Industry Research team launched a high-frequency Covid-19 dashboard – a one-stop solution to all data and trends emerging due to the pandemic.

Quantix, our comprehensive, differentiated and client-centric data platform, improved its value proposition by enhancing both data coverage and strengthening the power of analytics on top of the largest company database in the country. Key data points from the company filings, such as collateral charges, shareholding pattern, auditor qualifications, statutory dues, contingent liabilities, etc., were added on Quantix to make the coverage comprehensive. The fundamental financial data and equity share price-based model, FSM that gives an early warning for a rating action, was strengthened by ingestion of yield spreads data signals.

Alphatrx was enhanced with six new reports and adding AIF and PMS over and above the existing direct equity, direct debt and mutual fund coverage. We are also working on upgrading the UI/UX of the platform to improve the user experience, which will be launched early next year.

Further, the CRISIL Centre for Economic Research (C-CER) and CRISIL Research business continued to focus on various franchise and thought-leadership activities by conducting distinctive studies and generating reports on contemporary issues. We released 15 high-impact thematic reports,

published 21 byline articles and made 16 client presentations on various sectoral and economic issues.

Year 2020 was a milestone for our business in terms of client connects through knowledge sharing sessions, webinars and franchise. We were able to leverage technology to ensure multiple client connects and reinforced our credentials as a knowledge-based organisation for our clients to look up to during challenging events that transcend business cycles. Our teams have conducted over 300 knowledge sharing sessions since the lockdown in March. These sessions saw attendance of 5,000 clients across various sectors.

This year, we hosted the first edition of 'India Investment Research Conclave' to celebrate the completion of 20 years of CRISIL's Mutual Fund Ranking (CMFR), which was attended by over 300 senior and mid-level stakeholders representing 200+ organisations across asset management companies, wealth management firms, insurance companies, treasuries, banks & NBFCs and Fintech's. The event also saw the launch of special compendium titled 'CMFR@20 - Independent research remains cornerstone of mutual fund industry's growth' as well as a CXO Panel discussion on the key growth drivers for the future of the industry (with emphasis on the role of data research, market intelligence and analytics and the changing dynamics of intermediation) which was widely appreciated.

S&P CRISIL Economist Forum, shared our opinions with the larger market through 68 external speaking engagements, hosted 30 webinars on extremely topical themes and published several high-impact opinion pieces and media releases on a regular basis, an all-time high for the business.

B.3. CRISIL Coalition

Highlights

- Added two new logos to its impressive list of global investment banks
- Deepened existing relationships in a challenging environment characterised by the pandemic, market volatility, increased competition and cost optimisation
- Extended outreach by presenting analysis and insights to leadership teams across banks, including the heads of corporate investment banking (CIB), global markets, investment banking and transaction banking and presenting at 150+ ExCo forums
- Continued automation agenda across all offerings
- Referenced in 250+ articles across 55+ global publications and in 110+ investor relations presentations made by leading global banks

Business environment

The year 2020 proved to be a very interesting one for global investment banks. After a slow start, there was a surge in trading revenues in the second quarter with the world reacting to the pandemic. This continued to generate strong flows into the third quarter and parts of the fourth. However, this was offset by a collapse in interest rates, lowering revenues in

lending- and margin-related products. For the top 12 banks (Coalition Index), revenue increased ~15% in CIB. For the broader industry (Coalition Pools), there was a 8% rise in revenue in 2020, driven by a ~40% increase in fixed income, ~20% in Investment Banking Division (IBD), ~10% increase in equities results. This was offset by decreases of ~10% across transaction banking, securities services and lending. FICC and IBD ended up the best full year results in over a decade.

However, the sizeable increase in revenue has not improved the bottom line. The pandemic led to a substantial increase in provisions and costs (+10%) for the Index banks as they grappled with the fallout.

CRISIL Coalition faced a clientele who witnessed many ups and downs through the year but turned highly risk and cost conscious towards the second half. We continue to strive and differentiate ourselves on innovation and agility.

Operations

CRISIL Coalition continued initiatives to enhance market relevance and broaden reach to include more regional players. In 2020, CRISIL Coalition added two new logos to its impressive list of global investment banks. New and more granular IP was developed to cater to new clients such as regional banks.

CRISIL Coalition reinforced its leadership with the top 15 banks by meeting most of the heads of CIBs and all heads of Global Markets/Investment Banking businesses, in addition to presenting to 150+ executive committees at various banks. More than 55 publications globally carried our views and quoted us during the year. We were referenced by leading global banks in 110+ investor relations presentations. Additionally, CRISIL Coalition participated in 'The Banker: Transaction Banking Awards 2020, webinar as one of the four panelists.

On the operations side we continued focus on automation and digitisation. The first stages of a multi-year roadmap to digitise CRISIL Coalition's core operational processes and offer deeper integration with banks' systems have been completed. This will enable better data discovery and enhanced analytics for our customers. The foundational work addresses data ingestion and data processing and will improve the speed to market of our Client Intelligence product, as well as providing a strong base to deliver enhanced customer value over 2021 and beyond. CRISIL Coalition retained the coveted SSAE16 SOC2 Type II certification, which is a testimony of the stringent controls and measures deployed for data and IP protection.

B.4. Greenwich Associates

Highlights

- Deepened relationships with clients by providing critical market insights during the Covid-19 pandemic relating to changing behaviour and spending dynamics
- Integration of Greenwich business completed

- Created new, first-of-their-kind insights for the fixed income clients by combining Coalition and Greenwich data to highlight addressable wallet gaps
- Enhanced value proposition to clients by beginning to shift from annual interviews to year-round, continuous interviewing for flagship Voice of the Customer products
- Continued to invest in new data and analytics products across all lines of business
- Referenced in over 250+ articles across 50 global publications

Business environment

Many financial service firms experienced a difficult business environment in 2020 due to the impact of Covid-19. Commercial banks contending with serious credit-related issues tightly managed expenses. The asset management industry remained volatile throughout the year, consistently under fee pressure and reducing spends.

Amid these conditions, we faced many Covid-19-related challenges that impacted the buying behaviour of Greenwich clients and our ability to access senior buy-side executives for data collection.

Nevertheless, we continued to evolve and transform our business to better meet our clients' near- and long-term needs for data and insights. Despite Covid-19 headwinds, we continue to serve nearly all of the world's leading financial service and financial technology companies. The pandemic-related volatility has accelerated digital adaptation and is transforming relationships between sellers and buyers of financial services. The changing dynamics are creating opportunities for benchmarks in the 'new' environment and for new types of analytics.

Operations

In 2020, we made aggressive changes to transform our operating model and position our business for revenue growth—including important steps leveraging the combined capabilities of the newly integrated Greenwich Associates/Coalition platform.

We enhanced the timeliness and quality of our core data by re-tooling our Voice of the Customer (VOC) programmes. By beginning to shift from our legacy model of annual interviews to year-round, continuous interviewing, we are in closer alignment with our clients' data needs and will significantly strengthen the value proposition of Client Intelligence products in FICC, Equities, FX, Credit, Cash Management and Trade Services.

We made several changes to position the business for future growth. We increased our focus on high-growth opportunities by boosting resource commitments to VOC products identified as having the highest growth potential.

We also continued to develop new and enhanced products.

C. Advisory

C.1. CRISIL Infrastructure Advisory

Highlights

- Adapted to new reality and challenges posed by the pandemic with minimal disruption to mandate delivery requirements
- Maintained strong senior-level connect with policy makers, multilaterals and infrastructure players
- Improved diversification through increased revenue share from international markets
- Debtor ageing saw an impact mainly with city/state government clients due to lockdown

Business environment

The year 2020 has been muted for the Infrastructure Advisory business because of the pandemic that led to a slowdown in new investments in the infrastructure sector. While we continued to maintain a leadership position in advising various client segments, the Government segment faced some growth challenges during the year because of lockdown extension and reprioritising of some of the new programmes/schemes. On the international front, we saw robust growth with increased share of new business from emerging economies. Some infrastructure sectors were hit significantly in India and greenfield projects were suspended as a fallout of the pandemic. Sectors such as aviation, ports and tourism bore the brunt of the lockdown, leading to muted private investments. Major initiative was the operationalisation of the first gas exchange earlier this year as well as announcement of privatisation of power distribution entities in union territories, which is likely to be concluded in the first half of 2021.

With contraction in the overall economy in India, availability of capital will remain scarce for the next couple of quarters and the focus will be on asset monetisation across all infrastructure sectors and greater thrust of divestment in public sector units. This will help bring in the much-needed private capital and provide a certain level of cushion to the authorities in augmenting resources. We see this as a central theme for the next couple of quarters and are completely aligned with it.

Operations

Despite the slowdown in the economy due to the pandemic, Advisory business was able to contract higher business than the previous year. The business booked several new assignments, especially in the second half of the year, largely driven by international mandates, extension mandates from existing India-based clients and some specific opportunities around commercial coal mining. The business won some large-value mandates over the course of the year - All India study on sectoral demand of petrol and diesel for oil marketing companies; support for commercial coal block auctions; feasibility and operationalisation of gas exchange/platform; and market assessment on key sectors for MSMEs for an international financial institution.

The business deepened its international presence by winning mandates in the emerging markets of Asia and Africa, including transaction advisor for Logistics Hub under the Public-private partnership (PPP); industrial park development and land value capture study; review of water related legislation and full assessment of establishment of independent water regulatory authority and electricity data baseline study. The business will continue to focus on international opportunities going forward as well.

The business was able to model the impact of Covid-19 on few critical sectors such as aviation, railways and power with continuous connect with the policy makers and other key market participants. We hosted a number of webinars like Impact of Covid-19 on aviation sector; Reassuring growth in times of Covid-19; Rebooting the 'Lifeline' - Way forward for Railways post Covid-19; PPP in healthcare and Covid-19 - Experiences from India, Abu Dhabi and the rest of the world.

C.2. CRISIL Business Intelligence & Risk Solutions

Highlights

- Successfully delivered ongoing client mandates despite remote working for three quarters of the year
- Continued to strengthen and consolidate our position as a leading provider of internal credit rating platform, driven by enhanced RAM solution (ICON) – launched in late 2019. The new platform continues to find traction in the Indian financial sector
- Witnessed heightened interest amongst clients in India for our enhanced Early Warning Signals (EWS) solution – integrating external data to generate robust automated triggers
- Saw good traction for the regulatory solution practice (mainly ADF solution) with automated reporting being pushed by the Reserve Bank of India (RBI)

Business environment

The year 2020 has been eventful for the entire banking and financial sector under a stressed credit environment and increasing regulatory focus. The industry bore the impact of the Covid-19 pandemic apart from consolidation through large scale mergers and continued crisis in certain large private sector banks, NBFCs and co-operative banks. The increased stress in portfolios and cost pressures impacted discretionary spends on projects and capital investments. However, towards the end of the year, the business saw renewed interest from clients, mainly in credit risk and regulatory reporting solutions.

Business in the Middle East region remained muted given the cautious approach from clients to invest in long-term projects in light of the pandemic and related challenges.

We continued to augment existing offerings with functionalities and build product roadmaps aligning to emerging market needs. The focus continues on deepening client engagements and increasing global outreach.

Operations

Given the rapid pace of technology development, the focus of the business is on continuous product innovation and remaining agile to serve our clients better. ICON, the new-age RAM solution launched last year, gained traction with multiple implementations during the year. The business also embarked on a roadmap for further product enhancement with new modules and configurability features, strengthening the product's acceptability among clients.

We continue to increasingly invest in our proprietary big data, cloud-ready platform, Fulkrum, to provide business intelligence solutions and bespoke analytics in a more effective and efficient manner. This is important as the evolving landscape is pushing banks to accelerate their move to cloud-based solutions vis-à-vis traditional on-premise business applications.

D. Collaboration with S&P Global

CRISIL's association with S&P Global helps blend local and global perspectives in shaping CRISIL's strategy and governance systems. Representatives from S&P Global bring value to the CRISIL Board through global insights on governance, risk and controls and experience in leading large businesses. CRISIL has opportunities to leverage the S&P Global brand through referrals and partnerships in the international market. Regular interface between Management teams leads to knowledge sharing and cross fertilisation of ideas. At the same time, commercial opportunities are pursued on arm's length basis.

In 2020, CRISIL continued to enhance its thought leadership agenda and deepened its outreach engagement with S&P Global.

As part of the outreach initiative, S&P Global and CRISIL jointly hosted a virtual roundtable for top economists to discuss various hot-button issues with regard to the domestic and global economy. Shaun Roache, APAC Chief Economist, S&P Global Ratings gave a presentation on 'Asia Pacific's Recovery: Hard work begins,' where he provided an outlook on the Asia-Pacific region.

Also, CRISIL GR&A and Greenwich Associates, together with S&P Global Trucost, hosted a webinar, 'ESG best practices for Emerging Markets'. The discussion focused on how asset managers can adopt environmental, social and corporate governance best practices for improving data quality, incorporating suitable assessment frameworks and ensuring active stewardship in their emerging market investing strategies.

The webinar hosted by CRISIL Research with Dr Beth Ann Bovino, Managing Director, US Chief Economist, S&P Ratings focused on how the economic landscape could be emitting different signals for companies, consumers and other key stakeholders.

CRISIL Research also hosted a webinar, 'Peering through the grave storm: India macroeconomic and corporate outlook', where participants discussed the trends and outlook for the Indian and global economy, along with outlook on revenue and margins for India Inc.

Furthermore, an employee from CRISIL Research was one of the panelists on 'India: Production and exports outlook for 2020-21' at S&P Platts' Asian Sugarcane & Biofuels Virtual Conference.

E. Human Resources

The Human Resources team took several strong steps in 2020. At the close of 2020, CRISIL's headcount was 3,670 including all wholly owned subsidiaries.

Diversity and inclusion

An organisation performs best when it has people from different backgrounds working together in an inclusive environment; where different thoughts, perspectives and ideas are welcomed. Collaborating different thought processes and building a culture of inclusivity are fundamental to CRISIL. Celebrating each other and partnering with different stakeholders are crucial in driving the organisation's profitability. In 2020, CRISIL undertook several initiatives and programmes to encourage diversity, which have enhanced employee awareness and encouraged reflection on racism, empathy, gender, transgender & LGBTQ needs, and cultural sensitivity. CRISIL was named in the 100 Best Companies for Women in India for the fifth consecutive year by Avtar Group in October 2020, which is testimony to our efforts

Employee well-being

Our employees are our most significant assets. Their health, safety, and well-being are our topmost priorities. Since the onset of the pandemic, we have redefined our healthcare benefits, added new practices and programmes, encouraged employees and their families to avail Employee Assistance Programme (EAP) and introduced CRISIL Care (a medical assistance scheme in partnership with Connect & Heal) as a one-stop emergency health response programme with focus on Covid-19.

Employee engagement

At CRISIL, effective communication and leadership are interlinked. Our leaders believe strategic communication is key to building transparency and a culture of openness and open conversation. CRISIL has launched several digital and non-digital platforms to boost engagement. ECHO and CrisBuzz (our employee intranet) continue to be two ongoing communication platforms that empower employees to collaborate, learn and share experiences. We connected with employees regularly (weekly and fortnightly) through town halls, leadership talks and one on one sessions by doctors and experts to share their views. Employees were encouraged to ask questions and share their views on a wide array of topics, including gratitude, family, and happiness.

We celebrated employee contributions and performances with our comprehensive Reward & Recognition programme, which covers team and individual achievements and milestones. After adapting to remote working, we also invested in training all people managers on empathy and how to effectively manage teams remotely. In 2020, CRISIL saw an increase of 8 percentage points in overall engagement scores over 2019. This year CRISIL was also certified as a 'great workplace' by the Great Place to Work Institute.

Talent development

We believe that our future depends on nurturing talent over time and on the strength of our talent development and succession planning processes. We apply rigour and depth in grooming our leaders through a judicious mix of on-the-job interventions, curated learning journeys across functional and managerial disciplines and customised coaching assignments. Active involvement and reviews by our senior leadership have been integral in the successful execution of these designed frameworks. Our focus areas such as learning agility, digital acumen and design thinking ensure that our leaders remain up-to-date.

Directors

Members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment to the Company and devote adequate time to meetings and preparation. In terms of requirement of Listing Regulations, 2015, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's business for effective functioning, which are detailed in the Corporate Governance Report.

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy, apart from other Board business. The Board exhibits strong operational oversight with regular business presentations of meetings. An annual planner of topics to be discussed at the Board meeting is pre-approved by the Directors. The Board/Committee meetings are pre-scheduled and a tentative annual calendar of the meetings is circulated to the Directors well in advance to help them plan their schedules and ensure meaningful participation. Only in the case of special and urgent business, should the need arise, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

The agenda for the Board and committee meetings includes detailed notes on the items to be discussed to enable the Directors to take informed decisions. The Company follows a two-day schedule for its quarterly committee and Board meetings, which allows for greater discussion time for Board matters.

The Board met four times in 2020 – on February 11, April 21, July 21 and October 20. The maximum interval between two meetings did not exceed 120 days. In view of the pandemic-related travel restrictions, except for the February Board meeting, all other Board and Committee meetings took place virtually. Measures were taken to ensure security of information and confidentiality of process, at the same time, ensuring convenience of the Board members.

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

towards key aspects of Board governance, including the size and composition of the Board, criteria for Directorship, terms and removal, succession planning, evaluation framework and ongoing training and education of Board members. The policy lays down detailed guidelines for remuneration of the Board, Managing Director and employees and covers fixed and variable components and long-term reward options, including Employee Stock Option Schemes. It includes the scope and terms of reference of the Nomination and Remuneration Committee and is available at <https://crisil.com/en/home/investors/corporate-governance.html>.

Directorship changes

Resignation

Ms Arundhati Bhattacharya resigned as Independent Director from the Board with effect from April 15, 2020 on account of accepting a full-time executive role in another company. Ms Bhattacharya confirmed that there were no other material reasons for her resignation. CRISIL's Directors place on record their sincere appreciation for the support, advice and guidance provided by Ms Bhattacharya to CRISIL and its management, during her tenure as Director on the Board.

Appointment

Ms Shyamala Gopinath was appointed as Additional Director (Independent) with effect from July 10, 2020. The Company received a notice under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Ms Gopinath to the office of Director. Accordingly, at the last Annual General Meeting held on August 28, 2020, the shareholders approved appointment of Ms Shyamala Gopinath as Independent Director with effect from July 10, 2020 to July 9, 2025.

Further, Mr Martin Fraenkel, who was appointed as an Additional Director of the Company with effect from April 18, 2019, was also appointed as a Non-Executive Director, liable to retire by rotation at the last Annual General Meeting held on August 28, 2020, after the Company received a notice under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Mr Fraenkel to the office of Director.

Re-appointment of Managing Director & CEO

At the last Annual General Meeting of CRISIL held on August 28, 2020, Ms Ashu Suyash was re-appointed as Managing Director & CEO for a period of five years with effect from June 1, 2020.

Retiring by rotation

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

A brief profile of Mr John Berisford has been given in the notice convening the Annual General Meeting.

Board independence

Our definition of 'independence' of Directors is derived from Regulation 16(b) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the independence of directors during the Board evaluation process and assessing veracity of disclosures, the following Non-Executive Directors are Independent:

- a) Mr M Damodaran
- b) Ms Vinita Bali
- c) Mr Girish Paranjpe
- d) Ms Shyamala Gopinath

In the opinion of the Board, the Independent Directors fulfill the conditions specified under the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are independent of the management and are persons of high integrity, expertise and experience. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them.

Committees of the Board

The Board has five committees:

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

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

Annual evaluation by the Board

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its committees and individual Directors, including the Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting.

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

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

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

During 2020, the Company actioned the feedback from the Board evaluation process conducted in 2019. Agenda was re-organised to allow for longer time for discussion on strategy and business matters, streamlining of content and briefing on compliance submissions, sharper business presentations with executive summaries and focus on strategy reviews. Dedicated time was reserved for Board feedback on the agenda. Board interaction between meetings was stepped up through Board calls on various topics. Specific items were added in the Board planning for reviews, such as succession and review of long term investments/initiatives, which were covered during the year. The number of meetings among Independent Directors were increased to one each, every quarter. Scheduling of meetings improved to allow sufficient discussion time for quarterly performance reviews during regular quarterly cycles.

Risk Management Policy, compliance framework and internal control adequacy

The Board has adopted policies and procedures for governance and for orderly and efficient conduct of its business, including adherence to the Company's policies, safeguard of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

Significant audit observations and follow-up actions thereon are reported to the Audit Committee. For ensuring independence of audits, internal auditors report directly to the Audit Committee. Both internal and statutory auditors have exclusive executive sessions with the Audit Committee regularly. In addition, during the year, management performed a review of key controls impacting financial reporting, at entity as well as operating levels and submitted its report to the Audit Committee and the Board. Despite travel restrictions during 2020, internal audit teams performed reviews and audit procedures comprehensively using remote working tools and the Company was successful in significantly completing planned internal audits.

The Company has a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Mitigation plans for key risks identified by the businesses and functions are implemented and reviewed consistently. CRISIL has adopted a balanced approach to risk management by mitigating risks to an acceptable level within its tolerances and protecting CRISIL's reputation and brand while supporting the achievement of operational and strategic goals. Data security and business continuity were of primary focus during the pandemic. Technological applications and processes were significantly upgraded for all processes, for client and internal deliverables to be executed in a timely and secure manner during the pandemic. Additional measures

were taken on information security for remote working, especially in areas of remote access to databases, processing operations and virtual meetings. Heightened filtering and monitoring of phishing mails and advanced security controls were deployed for vulnerability detection and mitigating risk of attacks. Trainings were conducted for all employees with a specific focus on cyber security, phishing, security beyond office, business continuity and compliance. Additionally, the Company continued monitoring top risks on its risk register, which are discussed in greater detail in the Management Discussion and Analysis Report.

The Company has a comprehensive framework for monitoring compliances with applicable laws. Functional teams operate as the first line of defence. Their procedures and actions are periodically subject to audit and test procedures monitoring adherence of the system. The Company has an additional IT-enabled tool to monitor compliances and augment a robust compliance assessment process. A quarterly certification on compliance with laws is provided by senior management to the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the Audit Committee and the Risk Management Committee, the Board is of the opinion that the Company's internal financial controls with reference to financial statements were adequate and effective during the financial year 2020.

Directors' Responsibility Statement

The Directors hereby confirm that:

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

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

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

However, we endeavour to support the environment by adopting environment-friendly practices in our office premises and have rolled out a policy that aims at improving environmental performance of CRISIL. Our efforts in this direction centre around making efficient use of natural resources, elimination of waste and promoting recycling of resources.

Initiatives taken in the area of environment protection during 2020 are mentioned under Principle No 6 in the Business Responsibility Report.

Corporate Social Responsibility

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

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

Vigil mechanism

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

Significant developments

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

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

A Scheme of arrangement for the segregation was presented under Sections 230-232 of the Companies Act, to the National Company Law Tribunal (NCLT), Mumbai Bench and approved by the shareholders on February 12, 2020. The approval of NCLT was received on June 8, 2020.

CRISIL Ratings Limited received the necessary approvals from SEBI and the Reserve Bank of India (RBI) on December 4, 2020 and December 31, 2020, respectively, to undertake the Ratings business transferred to it pursuant to the Scheme.

Accordingly, effective December 31, 2020, the Ratings business undertaking was transferred to CRISIL Ratings Limited by way of a slump sale for a lump sum consideration equal to the net asset value of Ratings business undertaking of Rs 51.70 crore.

During the interim period, the Ratings business continued uninterrupted to deliver best-in-class quality and high service standards in all its offerings to customers and other stakeholders. The Ratings business transition was seamless and the management team remains unchanged and committed to analytical excellence and quality. The governance of the subsidiary has been entrusted to eminent and distinguished leaders with diverse expertise and experience co-opted as Board members during 2020. The Board and its Committees are fully functional and have commenced operational oversight of the business. More details on CRISIL Ratings Limited and its Board of Directors are available on <https://www.crisil.com/en/home/our-businesses/ratings.html>.

Acquisition of Greenwich Associates LLC

The Company had reported the acquisition of Greenwich Associates LLC and its subsidiaries in December 2019, in the Directors' Report for the previous year. Greenwich Associates is a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide to measure and improve business performance. The closing formalities for the acquisition were completed during the current financial year. Accordingly, Greenwich Associates LLC, Greenwich Associates International LLC, Greenwich Associates Singapore Pte. Ltd, Greenwich Associates Japan K.K., Greenwich Associates Canada ULC, Greenwich Associates UK (Holdings) Ltd and Greenwich Associates UK Ltd became subsidiaries of CRISIL with effect from February 26, 2020. Following the closure, an integration team was set up. The integration plan encompassed all critical areas including brand, people, culture integration, product development, client synergy, operations, information technology and security, finance and compliance processes. Given the onset of the pandemic, progress on integration was slow initially and in-person interaction was limited. However, focused employee communications by all levels of management and collaboration of multi-geography and multi-functional teams delivered the key milestones of the integration plan.

Towards simplifying the holding structure of Greenwich downstream subsidiaries, Greenwich Associates International LLC merged with Greenwich Associates LLC on December 18, 2020. Further, Greenwich Associates UK (Holdings) Ltd is

being closed. The aforesaid merger/closure does not have any material impact on the operations/financials of Greenwich.

Impact of pandemic

As indicated earlier, your Company remained fully operational and continued to function seamlessly, serving clients and meeting the needs of stakeholders during the pandemic. The nature of Company's business ensured that demand for our products and offerings continued and there was no large demand contraction. However, given the evolving global situation, the Company continues to closely assess and take steps towards mitigating the risks which could arise from:

- Conversion of pipeline and clients postponing their contracts/assignments
- Lockdown situation resulting in inability to deploy resources at different locations due to restrictions in mobility
- Clients, in future, not being in a position to accept alternative delivery modes using work-from-home for a prolonged period

Given the continuing and evolving nature of the pandemic situation, the Company continues to monitor changes in future economic conditions and their possible impact on assets and investments.

The Company continues to maintain strong client connect virtually, along with regular communication with all stakeholders. The Company published high impact research papers, credit alerts and thought papers for clients including C-suite, senior stakeholders and industry members. An exclusive webpage (<https://crisil.com/en/home/our-analysis/covid-19-economic-implications.html>) on impact of the pandemic was created. Multiple webinars on the pandemic's impact on economy and various sectors were hosted, which included:

- Ratings Round Up (RRU) webinar 'Fiscal 2020: Credit quality trends and the road ahead', with 2000+ attendees
- In the global markets, themes such as environment, social and governance (ESG) best practices and BCP risk management, which were received very well
- A number of webinars and discussion forums covering various sectors and themes in the domestic market

The Company has instituted a data-driven readiness framework which takes into consideration certain key factors for deciding on the date of reopening of our office locations and return to the workplace. These factors include, but are not limited to:

- City-specific readiness (active Covid-19 cases, recovery rates, etc.)
- Government restrictions on travel and economic activity
- Assessment of availability and adequacy of medical facilities
- Employee sentiment

As the situation is still evolving, we continue to closely monitor the conditions on the ground, even as work-from-

home protocols are in force. Once the office is reopened, it will start with limited access initially and the presence will be gradually scaled up in a phased and calibrated manner with appropriate safeguards in place to ensure employee health and safety as a key priority.

Subsidiaries

As on December 31, 2020, the Company had three Indian and 13 overseas wholly owned subsidiaries. CRISIL Irevna Australia Pty Ltd was incorporated as a subsidiary of CRISIL Limited with effect from August 28, 2020. In accordance with Section 129(3) of the Companies Act, 2013, CRISIL has prepared a consolidated financial statement of the Company and all its subsidiaries, which is a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiaries and highlights of performance of subsidiaries is included in the Annual Report.

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

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements, has been placed on the website, www.crisil.com. Further, as per the fourth proviso of the said section, audited accounts of all subsidiaries as on December 31, 2020, have also been placed on the website www.crisil.com. Shareholders interested in obtaining a copy of the audited accounts of the subsidiaries may write to the Company Secretary at the Company's registered office.

The Company has obtained a certificate from the statutory auditors, certifying that the Company is in compliance with FEMA Regulations with respect to downstream investments.

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

A significant quantum of related party transactions undertaken by the Company is with its subsidiaries engaged in product delivery of CRISIL's businesses and business development activities. The Company has also been providing analytical support to S&P Global entities as a part of a Master Services Agreement, which was approved by a majority vote from CRISIL's minority shareholders, without participation of S&P, through a resolution passed by postal ballot on December 15, 2014.

The Audit Committee pre-approves all related party transactions. The details of such 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 2020 were in the ordinary course of business and at an arm's length. During the year, there were no related party transactions that were materially significant and that could have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. The particulars of material contracts or arrangements with related parties referred to in Section 188(1) are given in a prescribed Form AOC-2 as **Annexure II**.

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

Particulars of loans, guarantees or investments under Section 186

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

Auditors' report

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

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

Secretarial audit report

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

Comments on auditors' report

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

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

Management Discussion and Analysis Report

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

Corporate governance

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

Particulars of remuneration

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

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

Employee Stock Option Schemes

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

During 2020, there were no material changes in the Employee Stock Option Schemes of the Company. The schemes are in compliance with SEBI regulations. As per Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, the details of the ESOS are uploaded on the Company's website <https://www.crisil.com/en/home/investors/financial-information/annual-report.html>.

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

Annual Return

The complete Annual Return (Form MGT-7) is available on the Company's website: <https://www.crisil.com/en/home/investors/financial-information/annual-report.html>.

Financial year

The Company follows the calendar year as the financial year in terms of a special approval obtained from the Company Law Board in 2015.

CEO and CFO certification

A certificate from Ms Ashu Suyash, MD & CEO and Mr Sanjay Chakravarti, Chief Financial Officer, pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on February 11, 2021.

Statutory disclosures

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

1. Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014
2. Issue of equity shares with differential rights as to dividend, voting or otherwise
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries
4. Significant or material orders passed by the regulators or courts or tribunals, which impact the going concern status and the Company's operations in future
5. Buyback of shares
6. Material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, unless otherwise stated in the report
7. The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013

Acknowledgements

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

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

John L. Berisford
Chairman
(DIN: 07554902)

Mumbai, February 11, 2021

Annexure I to the Directors' Report

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

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** Kindly refer the Corporate Social Responsibility Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
- The Composition of the CSR Committee:** Ms. Vinita Bali (Chairperson), Mr. Girish Paranjpe and Ms. Ashu Suyash
- Average net profit of the Company for last three financial years (2017 – 2019):** Rupees 364.08 crore
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (2017 – 2019):** Rupees 7.28 crore
- Details of CSR spend during the financial year:**
 - Total amount spent for the financial year: Rupees 7.44 crore. This is higher than the prescribed limit
 - Amount unspent, if any: No unspent amount
 - Manner in which the amount spent during the financial year is detailed below:

(1) 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 projects or programmes		(7) Cumulative expenditure up to the reporting period (Rs crore)	(8) Amount spent: Directly or Through Implementing Agency*
					Direct expenditure on programmes or projects (Rs crore)	Overheads (Rs crore)		
1	Mein Pragati – Assam & Livelihood initiative	Education & Women Empowerment – Financial Capability Building and Livelihoods	Assam	1.68	1.95	0.10	2.05	Rashtriya Grameen Vikas Nidhi (RGVN), Centre for Microfinance & Livelihoods (CML), Grameen Sahara
2	Mein Pragati - Rajasthan	Women Empowerment – Financial Capability Building	Rajasthan	1.07	1.27	0.07	1.34	Direct
3	CRISIL Re	Environmental Conservation – through Tree Plantation & Reducing plastic in oceans	Mumbai, Pune, Chennai, Kolkata	0.86	1.15	0.06	1.21	Nature Forever Society, Grow Trees, Green Yatra, Say Trees, Nature Environment & Wildlife Society, United Way of Mumbai
4	Centre for Financial Literacy	Financial Literacy & Inclusion	Maharashtra/ Haryana	0.75	0.90	0.05	0.94	Direct
5	Gram Shakti	Women Empowerment – Financial Capability Building	Assam, Rajasthan, Maharashtra, Haryana	0.63	0.83	0.04	0.87	TrainingCentral Solutions Pvt. Ltd
6	Other Projects	Women Empowerment – Financial Capability Building	Assam, Madhya Pradesh	0.05	0.07	-	0.07	Haqdarshak Empowerment Solutions Pvt. Ltd., MPSRLM
7	Disaster Relief	COVID Intervention	Mumbai, Pune, Chennai, Delhi	1.00	0.91	0.05	0.96	Mumbai Roti Bank, International Association for Human Values (IAHV), United Way (Mumbai), United Way (Bengaluru), ACT Grants
Total				6.04	7.07	0.37	7.44	

Implementing Agencies

A. Financial capability building:

Rashtriya Grameen Vikas Nidhi (RGVN)

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

Haqdarshak Empowerment Solutions Pvt. Ltd. (HESPL)

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

TrainingCentral Solutions Pvt. Ltd. (TcSPL)

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

B. Women empowerment through livelihoods:

Centre for Microfinance & Livelihoods (Antaran Project)

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

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

Grameen Sahara

Grameen Sahara was started in the year 2001, with awareness and training programme at small scale in different livelihood activities like fisheries, sericulture, horticulture, piggery, etc., along with the awareness programme on health, education, etc., for rural people. On February 12, 2002 Grameen Sahara was formally registered as a society under Societies Registration Act XXI of 1860. Grameen Sahara's key areas of work include mobilisation and capacity building of grassroots community based organisations (CBOs) such as the FPOs, SHGs, MBTs, Women Federations, skill upgradation through technological intervention etc.

C. Environment conservation:

Nature Forever Society

Nature Forever Society (NFS) is a not-for-profit entity registered under the Societies and Registration Act, 1860, working for the conservation of house sparrows and other common flora and fauna since 2006. Started by Mohammed Dilawar (founder and president), Nature Forever Society was registered in 2008. The mission of the Nature Forever Society is to involve citizens in the conservation movement in India. To achieve this Nature Forever Society has been working by launching initiatives which are simple and have far reaching conservation value.

Grow Trees

Grow-Trees.com is a social enterprise that specialises in tree plantation. It is in its 11th year of operations, founded by Mr. Pradip Shah (former MD CRISIL, founding member HDFC). It has planted 5.5+ million trees across 20 states on public lands (Trees for Rivers, Trees for Tribals, Trees for Tigers, etc).

Green Yatra

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

Say Trees

SayTrees is registered as an NGO under Indian Trust Act, 1982 and was started in Bengaluru in 2007, by its founder, Kapil Sharma. The NGO specialises in agro forestry, Miyawaki forests, rejuvenation of lakes and water bodies and installation of solar lamps in villages.

Nature Environment & Wildlife Society (NEWs)

Nature Environment & Wildlife Society (NEWs) is a not-for-profit entity, registered under the West Bengal Societies Registration Act, 1961 on October 11, 1991. The NGO is engaged in conservation of wildlife, ecology, natural resources and sustainable livelihoods for an improved environment.

United Way of Mumbai (UWM)

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

D. Disaster intervention/COVID-19 relief response

Mumbai Roti Bank

Mumbai Roti Bank is a non-profit, food rescue organisation initiated by Roti Foundation Mumbai that bridges the gap between hunger and excess food. Started in December 2017 under the able mentorship of former Director General of Police, Maharashtra, Mr. D. Sivanandhan, with a mission 'No one should go hungry' they aim to eliminate hunger, malnutrition and food wastage, many meals at a time.

International Association for Human Values (IAHV)

International Association for Human Values (IAHV) located in New Delhi is a registered not-for-profit Trust, engaged in initiatives involving conservation of environmental resources and livelihood enhancement. It was founded to foster a deeper understanding of the values that unite us

as a global community. Spread over 156 countries, IAHV focuses on empowering people and communities with inclusive and sustainable development interventions, fostering universal human values and resilience. IAHV's initiatives span 11 out of 17 UN Sustainable Development Goals.

United Way Bengaluru

United Way Bengaluru is a charitable organisation, formed under Societies Registration Act, 1860 working for education, healthcare, livelihood, environment, disaster response and management of under privileged persons since 2008.

ACT Grants

ACT Grants was launched on April 1, 2020 and seeks capital-efficient, scalable solutions from innovative start-ups and NGOs which need an initial seed grant to fight the spread of the pandemic.

6. **In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Not Applicable as the Company has met the target.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For CRISIL Limited

Ashu Suyash

Managing Director
& Chief Executive Officer
(DIN: 00494515)

Mumbai, February 11, 2021

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

Vinita Bali

Chairperson
Corporate Social Responsibility Committee
(DIN: 00032940)

Annexure II to the Directors' Report

Form No. AOC - 2

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

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

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

Sl. no.	Name of 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 related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/arrangements/ transactions, including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board /Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	S&P Global Inc (Formerly known as McGraw-Hill Financial, Inc.) and its subsidiaries (SPGI) (Fellow Subsidiaries)	Global Analytical Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of around Rs. 208.05 crore in FY 2020	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with SPGI and its group Companies.	October 20, 2020	Nil	December 15, 2014*
2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services (GR&A)	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna UK for GR&A services which Irevna UK has recovered from external clients. The pricing is after considering appropriate remuneration to Irevna UK to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna UK Limited is Rs. 163.57 crore in FY 2020)	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna UK.	October 20, 2020	Nil	Not applicable
3	CRISIL Ratings Limited	Transfer of Ratings business from CRISIL Limited to CRISIL Ratings Limited	One time	Transfer took place at a net purchase consideration of Rs. 51.70 crore	Transfer of Ratings business from CRISIL Limited to CRISIL Ratings Limited	April 17, 2019	Nil	Not applicable

* CRISIL has been S&P's trusted partner and has been providing support services to S&P entities since 2003 (i.e. prior to CRISIL becoming a subsidiary of S&P). Approval for this transaction was sought through a shareholders postal ballot conducted in December 2014. This resolution was voted upon by the minority shareholders, without participation of S&P. Services provided by CRISIL are at arm's length pricing and in the ordinary course of business.

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

John L Berisford
Chairman
(DIN: 07554902)

Mumbai, February 11, 2021

Annexure III to the Directors' Report

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st December, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
CRISIL Limited
 Crisil House, Central Avenue,
 Hiranandani Business Park,
 Powai, Mumbai-400076

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment **(External Commercial Borrowings are not Applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records including Internal audit

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

- The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 (“CRA Regulations”)
- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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

We further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the

meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period,

1. the company has allotted 12,88,964 equity shares of face value of Re. 1 each pursuant to Employee Stock Option Scheme.
2. the company has transferred its Ratings business to CRISIL Ratings Limited, wholly owned subsidiary of the Company, pursuant to scheme of arrangement approved by National Company Law tribunal, Mumbai vide order dated 8th June, 2020.

We further report that

For Makarand M. Joshi & Co.

Practising Company Secretaries

Makarand Joshi

Partner

FCS No. 5533

CP No. 3662

UDIN: F005533B002786740

Peer Review No: P2009MH007000

Place: Mumbai

Date: 11/02/2021

Annexure IV to the Directors' Report

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

1. The ratio of remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year:

Sr. no.	Name of the director	Ratio of the remuneration to the median remuneration of the employees	% increase in remuneration
a.	Mr. John L Berisford, Chairman, Non-Executive Director	NA*	NA
b.	Mr. M Damodaran, Independent Director	3.31	6.83%
c.	Ms. Vinita Bali, Independent Director	3.28	7.04%
d.	Mr. Girish Paranjpe, Independent Director	3.31	10.08%
e.	Ms. Arundhati Bhattacharya, Independent Director [%]	0.81	-69.40%
f.	Ms. Shyamala Gopinath Independent Director ^{\$}	1.43	NA
g.	Mr. Ewout Steenbergen, Non-Executive Director	NA*	NA
h.	Mr. Martin Fraenkel, Non-Executive Director	NA*	NA
i.	Ms. Ashu Suyash, MD & CEO	47.93	13.32%
j.	Mr. Amish Mehta, COO	NA	9.62%
k.	Mr. Sanjay Chakravarti, CFO	NA	10.57%
l.	Ms. Minal Bhosale, Company Secretary	NA	5.66%

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

[%] Ceased to be a Director with effect from April 15, 2020

^{\$} Appointed as an Independent Director on July 10, 2020

2. **The % increase in median remuneration of employees in the financial year:** Median pay increased by 6.56 % in 2020 compared with 2019.
3. **The number of permanent employees on the rolls of the Company:** 3670
4. **Average percentile increase already made in salaries of employees, other than the managerial personnel, in the last financial year and its comparison with the percentile increase in the managerial remuneration, and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average increase in remuneration for 2020 over 2019 was 5.11 %. Average increase in remuneration of KMPs from 2019 was 11.21%. This was on account of increase which was in line with market movements for comparable parameters.
5. **Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes

Annexure to the Directors' Report

Management Discussion and Analysis Report

CRISIL businesses

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers. Our businesses operate from India, Argentina, Australia, China, Hong Kong, Poland, Singapore, Switzerland, the United Arab Emirates (UAE), The United Kingdom (UK) and the United States of America (USA). We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

Ratings

Corporate bond issuances were tepid in 2020 and declined by ~8%. Issuances were concentrated among large and highly rated issuers, especially those with strong parentage.

The Covid-19 pandemic and resultant lockdown had led to an unprecedented disruption in demand and supply and general business activity. Private sector capital expenditure and consequent demand for credit were muted and wholesale domestic bank credit growth was around 3% for 9 months ended December 31, 2020. Besides sluggish demand for wholesale bank credit, the BLR market was affected by the guidance from five large banks, increasing the minimum exposure threshold for rating requirement to Rs 30-50 crore from Rs. 5-10 crore.

Securitisation volume was highly muted from March, when the lockdown and moratorium were announced as a result of which collections from borrowers fell sharply. While there are signs of green shoots with pick-up in economic activity and improvement in collections across asset classes, lenders and investors are gradually returning to the market.

On the regulatory front, SEBI announced certain changes aimed to address the problem of issuer non-cooperation with CRAs, at the beginning of the year. CRAs are required to downgrade investment-grade INC ratings to non-investment grade after 6 months and to not assign any new ratings to issuers who are INC for more than 12 months with other CRAs.

Post March 2020, regulatory changes were aimed at providing regulatory forbearance to corporates affected by the pandemic and lockdown. SEBI granted temporary relaxations from default recognition and regulatory timelines for publication of rating rationale, among others.

Investors' preference for quality ratings and issuers' choice to work with us helped in new client acquisitions and

maintaining CRISIL Ratings' market leadership in 2020. Over 1,200 new BLRs were assigned in the year. Further, we onboarded over 140 new large corporate clients.

As a part of the Company's continuing improvement initiatives, we completed the development of a new technology-based workflow platform for the ratings' operations. We also launched a web portal and a mobile app, which were well received by issuers and investors.

On the innovation front, CRISIL Ratings continued to be the first port of call for innovative instruments even in the muted bond market. In 2020, CRISIL Ratings assigned a rating to the first dealer securitisation transaction in India and seven covered bond transactions.

Further, during the year, CRISIL GAC enhanced its support to S&P Global Ratings Services on surveillance activities, coverage of environmental, social and governance (ESG) diagnostics and evaluations, and led automation and process transformation initiatives in the data and analytical domains. GAC's partnership in content creation for publications grew substantially in light of the increased market outreach efforts during Covid-19.

Research

Global Research and Analytics (GR&A)

The pandemic-induced weakness in the global economic environment stalled progress and decision-making at banks during the initial phase. However, regulatory-driven opportunities coupled with the business strategy of deep mining strategic accounts resulted in some large wins during the second half of the year. The GR&A business saw significant on-year growth in EBITA, largely driven by a strong performance in the risk space. The revenues from fundamental research weakened largely due to anticipated sell-side restructuring, offsetting gains from strategic project based engagements and data analytics. As for asset managers, enhanced monitoring of high-yield credits has become a priority. Demand for environmental, social and governance (ESG) data and analysis has risen sharply. Meanwhile, demand for niche research has increased as private equity firms try to deploy their dry powder. New hedge funds are also being launched to buy undervalued or distressed assets.

Risk and Analytics segment benefitted from key wins and renewals in model validation, LIBOR transition and stress testing. The business won a large IBOR stress-testing deal with a large US-based investment bank. The credit risk vertical gained from a significant win for bi-lateral credit assessment support for a bank based out of Europe. CRISIL has published several industry surveillance reports,

enhanced covenant analysis and increased the frequency of credit risk assessments. The adoption of credit risk workflow automation such as updating the net asset values of funds has also grown significantly. Non-financial risk management remains a key focus area for our clients amid this pandemic. The clients' focus areas range from the maturity of their business resilience policies and controls to vendor management frameworks. They are also focussing on managing risks related to cyber security, financial crime, fraud, culture and conduct.

India Research

Covid-19 posed a major challenge for our India Research business this year with the pandemic restraining clients' discretionary expenditure and negatively impacting their decision making cycles and execution of existing mandates. However, with most client segments stressing on strategic review, we successfully rewired ourselves in keeping with our customers' requirements and came up with innovative products, ensuring business continuity.

We continued to maintain a dominant position in the Funds and Fixed Income Research business due to significant traction in valuations for PF, treasury portfolios and existing MLD issuances.

We continue to be one of the largest providers of fixed income indices in India and have launched two new indices in 2020, taking the total count to 98. One of the highlights this year was the launch of CRISIL AIF Benchmarks.

Our Industry Research business launched a high-frequency dashboard providing deep insights into markets, commodities and various sectors impacted by the pandemic.

Quantix, our comprehensive, differentiated, and client-centric data platform, improved its value proposition by enhancing both data coverage and strengthening the power of analytics on top of the largest company database in the country.

We launched micro-level assessments/dashboards for various segments such as PVs, LCVs, tractors, MSMEs, housing finance and personal loans, which have garnered interest among clients looking to recalibrate their business strategies, plans and policies.

We launched 50 unique virtual training titles this year which helped overcome the challenges traditional classroom trainings face. We also launched CRISIL Wealth Manager Certification that saw good participation from retail clients.

The C-CER and the CRISIL Research business continued to focus on franchise and thought-leadership activities by conducting distinctive research on contemporary issues.

Over and above all this, year 2020 was a milestone for our business in terms of client connects through knowledge sharing sessions, webinars and franchise. Our teams conducted over 300 knowledge sharing sessions since the countrywide lockdown in March, with over 5,000 client attendees across sectors. With continued focus on franchise initiatives, we released a number of high impact reports and press releases and thought leadership pieces. We released

15 thematic reports, 21 bylines and 16 client presentations on various sectoral and economic issues.

CRISIL Coalition

CRISIL Coalition continued initiatives to enhance market relevance and broaden the reach to include more regional players. In 2020, CRISIL Coalition added two new logos to its impressive list of global investment banks. New and more granular IP was developed to cater to new clients such as regional banks.

CRISIL Coalition reinforced its leadership with the top 15 banks by meeting most of the heads of corporate investment banks and all heads of GM/IB businesses in addition to presenting to 150+ executive committees at various banks. More than 55 publications globally carried our views and quoted us during the year. We were referenced by leading global banks in 110+ investor relations presentations.

The first stage of a multi-year roadmap to digitise CRISIL Coalition's core operational processes and offer deeper integration with banks' systems has been completed. The foundation work addresses data ingestion and data processing and will improve the speed to market of our Client Intelligence product, as well as provide a strong base to deliver enhanced customer value over 2021 and beyond. CRISIL Coalition retained the coveted SSAE16 SOC2 Type II certification, which is a testimony of the stringent controls and measures deployed for data and IP protection.

Greenwich Associates

In 2020, Greenwich Associates made aggressive changes to transform our operating model and position our business for revenue growth—including important steps leveraging the combined capabilities of the newly integrated Greenwich Associates/Coalition platform.

We enhanced the timeliness and quality of our core data by re-tooling our Voice of the Customer (VOC) programmes. We also made several changes to position the business for future growth. First, we increased our focus on high-growth opportunities by boosting resource commitments to VOC products identified as having the highest growth potential.

In addition to this, we continued to develop new and enhanced products.

CRISIL Infrastructure Advisory

The business engaged with clients in not just India but also in the international market and worked with various stakeholders, conducted webinars, client interviews and also closed mandates through successful virtual delivery of milestones.

Despite the overall slowdown, Advisory business booked several new assignments especially post the first half, largely driven by international mandates, extension mandates from existing domestic clients and some specific opportunities around commercial coal mining. The business won a couple of large-value mandates including All-India study on sectoral

demand of petrol and diesel for oil marketing companies; support for commercial coal block auctions; feasibility and operationalisation of gas exchange/platform; market assessment on key sectors for MSMEs for an international financial institution.

The business deepened its international presence by winning mandates in the emerging markets of Asia and Africa. The business will continue to focus on international opportunities and push for a larger share of business.

The business was able to model the impact of Covid-19 on few critical sectors by continuously interacting with key stakeholders. We also hosted a number of webinars on topical themes.

CRISIL Business Intelligence & Risk Solutions (BIRS)

The CRISIL BIRS business leveraged its strong domain and cutting edge offerings in the risk and analytics space to support the evolving credit, risk and regulatory needs of the banking and financial sector.

During the year, the business faced pandemic-driven headwinds. However, despite cost and budget pressures on clients, there was a clear uptick from end of Q3 in terms of restarting past dialogues as well as fresh initiations

We continued to strengthen and consolidate our position as a leading internal credit rating platform provider, driven by enhanced RAM solution (ICON) – launched in late 2019. The new platform continues to find traction in the Indian financial sector

Our enhanced Early Warning Signals (EWS) solution – integrating external data to generate robust automated triggers and the regulatory solution practice (mainly ADF solution) witnessed good traction

We continue to increasingly invest in our proprietary big data, cloud-ready platform, Fulkrum, to provide business intelligence solutions and provide bespoke analytics in a more effective and efficient manner. This is important as the evolving landscape is pushing banks to accelerate their move to cloud-based solutions vis-à-vis traditional on-premise business applications.

Analysis of consolidated financial performance and result of operations

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

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

Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS)

notified under the Companies (Indian Accounting Standards) Rules, 2015, read along with Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Financial statements have been prepared under historical cost convention on an accrual basis except for certain financial instruments, which are measured at fair value at the end of each reporting period. Management accepts responsibility for the integrity and objectivity of financial statements as well as for various estimates and judgment used therein.

The Group completed the acquisition of 100% stake in Greenwich Associates LLC (USA) and its subsidiaries (GA), on February 26, 2020, at a total value of USD 40 million, which includes upfront and deferred consideration. GA is a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers. Therefore, the figures for the year ended December 31, 2020, are not comparable with the previous year's figures.

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

A. Financial performance

1. Property, plant, equipment and intangible assets

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

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

The Group has adopted Ind AS 116 effective January 1, 2020, using the modified retrospective method and has applied the standard to its leases with the cumulative impact recognised on the date of initial application i.e. January 1, 2020. Accordingly, previous period information has not been restated. The lease expenses which were recognised as rent expense in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The Group has elected not to recognise right-to-use assets and lease liabilities for short term leases (lease term of 12 months or less) and leases of low-value and has recognised the lease payments for such leases as an expense over the lease term.

During the year, the Group capitalised Rs. 168.09 crore to its gross block and deducted Rs. 4.84 crore from the gross block on disposal of various assets. Capitalised assets include office equipment, computers, software, intangible assets on acquisition and leasehold improvements to support business expansion and provide for replacement of the existing assets.

The Group expects to fund its investments in fixed assets and infrastructure from internal accruals and liquid assets.

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

(Rupees in crore)

Details	As on December 31,	
	2020	2019
Carrying value		
Property, plant, equipment, Right of Use asset and intangible assets	796.26	238.35
Less accumulated depreciation	409.60	178.08
Net block	386.66	60.27
Depreciation as a % of total income	6%	2%
Accumulated depreciation as % of gross block	51%	75%

The increase in net block and accumulated depreciation is largely on account of Right of Use asset pursuant to adoption of Ind AS 116.

2. Goodwill on consolidation

Goodwill on consolidation represents excess of purchase consideration over the net asset value of acquired subsidiaries on the date of such acquisition. Goodwill is tested for impairment annually or more frequently, if there are indications of impairment. The growth in goodwill is mainly on account of the goodwill attributed to acquisition of Greenwich Associates LLC.

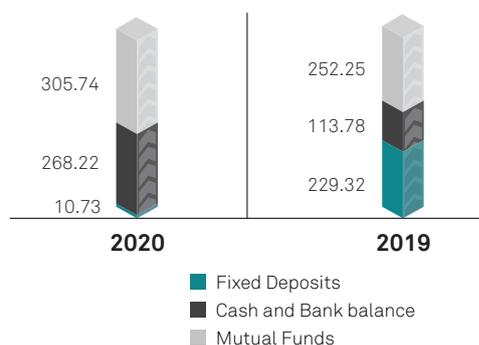
3. Financial assets

A. Investments and treasury: The Group's investments and treasury comprise non-current equity investments, current investments, cash and bank balances and fixed deposits.

a. Equity investments: All equity investments (quoted and unquoted) are measured at fair value through other comprehensive income (FVTOCI).

b. Current investments and treasury: The Group's investments in mutual funds are classified as fair value through profit or loss (FVTPL). The Group's treasury was Rs. 584.69 crore as on December 31, 2020, as against Rs. 595.35 crore in the previous year.

Treasury



(Rupees in crore)

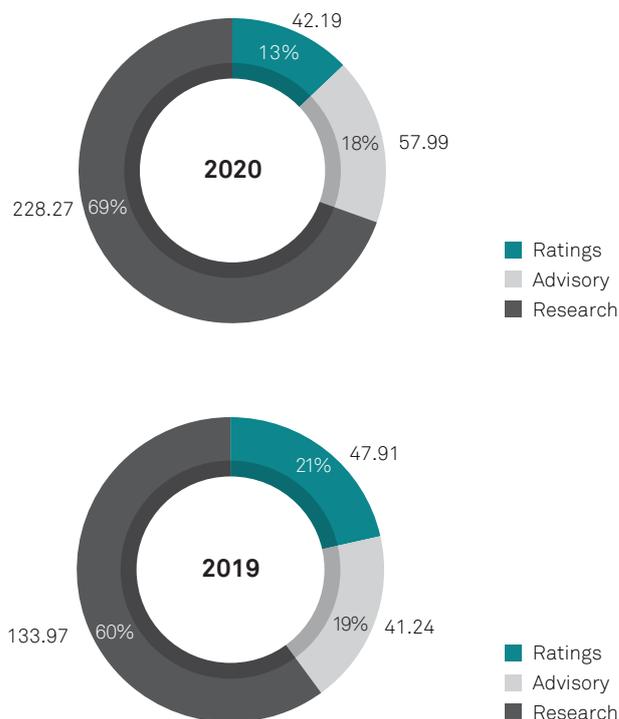
c. The Group maintains adequate amount of liquidity/treasury to meet strategic and growth objectives. It has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Group's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds.

B. Loans

Loans comprise security deposits and loans to staff. Loans were Rs. 45.76 crore as on December 31, 2020, as against Rs. 41.43 crore in the previous year.

C. Trade receivables

Trade receivables at gross levels were Rs. 328.45 crore as on December 31, 2020, compared with Rs. 223.12 crore in the previous year. Trade receivables constituted 17% of operating revenue compared with 13% of operating revenue during the previous year. Overall Debtors were higher on account of consolidation of Greenwich from current year. The break-up of debtors relating to the segment is as below:



(Rupees in crore)

The Group believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance was Rs. 21.09 crore as on December 31, 2020, as against Rs. 23.75 crore in the previous year. Provision for bad debt as a percentage of revenue for the year ended December 31, 2020, was 1% compared with 1% in the previous year.

D. Other financial assets

Other financial assets comprise unbilled receivables, accrued interest and forward contract receivable. Other financial assets amounted to Rs. 102.57 crore for the year ended December 31, 2020, compared with Rs. 79.88 crore in the previous year.

4. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, business combination, provision for bad debt and deferred initial rating fees. The Group's net deferred tax assets totaled Rs. 64.06 crore as on December 31, 2020, as against Rs. 42.59 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax asset was Rs. 79.69 crore as on December 31, 2020, compared with Rs. 73.96 crore in the previous year.

5. Other assets

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

6. Equity share capital

The Company's authorised capital is Rs. 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the company issued and allotted 288,964 equity shares to eligible employees on exercise of options granted under Employee Stock Option Scheme (ESOP) 2014. Consequently, the company issued, subscribed and paid-up capital increased from 72,304,326 to 72,593,290 equity shares of Rs. 1 each.

7. Other equity

Other equity was Rs. 1304.55 as on December 31, 2020, as against Rs. 1,164.69 crore in the corresponding period of the previous year. Other equity comprises reserves & surplus and other comprehensive income (OCI).

8. Financial liabilities

A. Trade payables

Trade payables as on December 31, 2020, were Rs. 105.26 crore as against Rs. 75.46 crore in the previous year. Trade payables include amount payable to vendors for the supply of goods and services.

B. Other financial liabilities

Other financial liabilities, which include dues to employees, unclaimed dividend and miscellaneous liabilities were Rs. 430.02 crore as on December 31, 2020, as against Rs. 168.17 crore in the previous year. The increase is mainly on account of lease liability pursuant to adoption of Ind AS 116 with effect from 1st January, 2020.

9. Provisions and other liabilities

A. Provision for employee benefits

The overall liability was Rs. 105.27 as on December 31, 2020, compared with Rs. 81.27 crore in the previous year. The increase is mainly due to merit increase and employee benefits.

B. Others

Other non-financial liabilities include unearned revenue and statutory liabilities. Unearned revenue represents fee received in advance for which services have not been rendered. Other liabilities were as Rs. 237.99 crore against Rs 173.99 crore in the previous year.

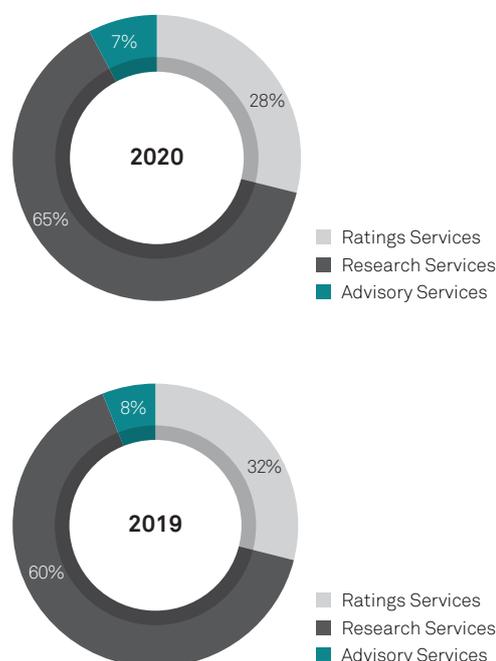
B. Results of operations

The summary of the operating performance is given below:

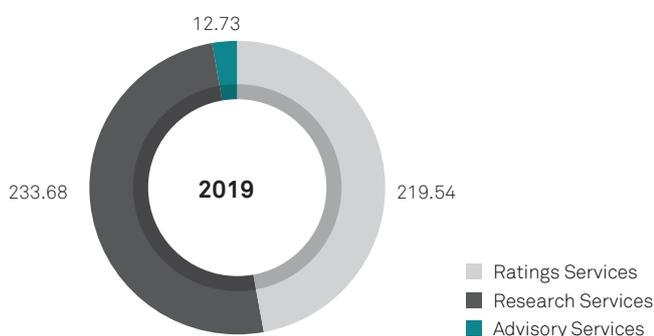
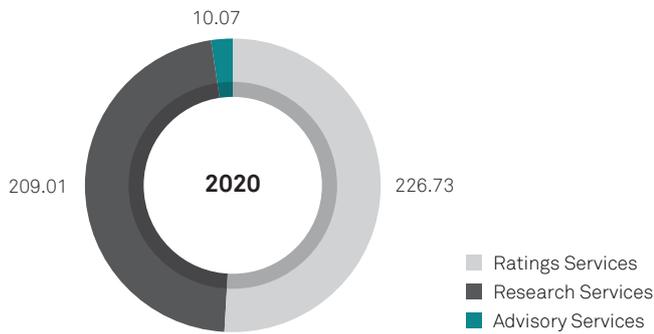
(Rupees in crore)

Particulars	Year ended December 31,			
	2020	% of revenue	2019	% of revenue
Income from operations	1,981.83	96	1,731.72	96
Other income	83.15	4	72.84	4
Total income	2,064.98	100	1,804.56	100
Expenses				
Personnel expenses	1,068.44	52	877.56	49
Finance costs	14.39	1	0.23	0
Depreciation	121.11	6	36.86	2
Other expenses	402.75	20	398.32	22
Total expenses	1,606.69	78	1,312.97	73
Profit before tax	458.29	22	491.59	27
Tax expenses	103.56	5	147.64	8
Profit after tax	354.73	17	343.95	19

Segmental revenue analysis

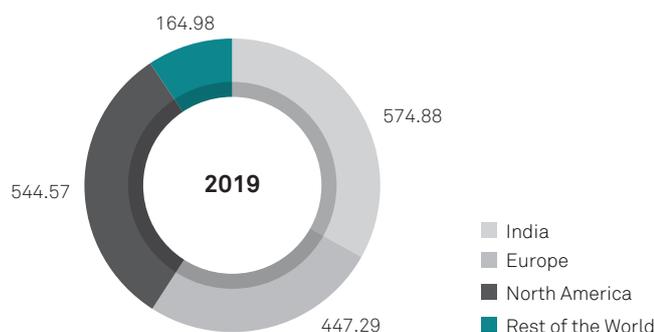
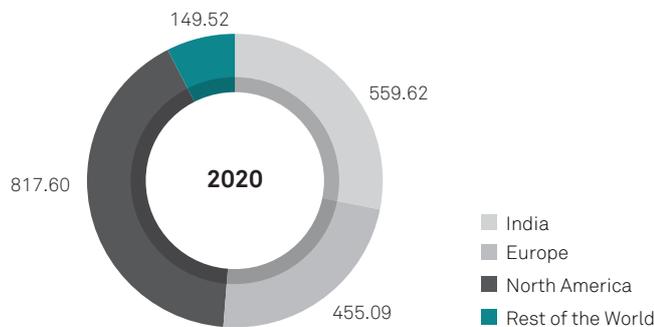


Segmental profits



(Rupees in crore)

Segmental revenue by Geography



(Rupees in crore)

CRISIL Rating continued its growth trajectory. New client acquisitions and strong existing relationships strengthened CRISIL Ratings' market leadership in 2020. CRISIL assigned 1,209 new BLRs and 7,000 SME gradings and assessments during the year. With this, CRISIL has assigned ratings to more than 34,000 large and mid-sized corporates and assessed the performance of 150,000 SMEs till date.

That said, focus on high-growth segments and existing relationships increased our share in the bond market. We also on-boarded 140+ new large corporate clients.

In a challenging credit environment, we witnessed continuation of the phenomenon of flight to quality – issuers as well as investors/lenders continued to prefer working with quality-focused CRAs, especially CRISIL, over others.

Global Analytical Centre (GAC) enhanced its support to SPGRS on surveillance activities coverage of ESG diagnostics and evaluations and led automation and process transformation initiatives in the data and analytical domains.

In Research segment, The GR&A business closed big opportunities related to stress testing, model validation and a large IBOR transition deal and continued to tap into opportunities generated by regulatory guidelines around better credit risk management practices. Significant progress was made with the Low Default Portfolios (LDP) data pooling solution, strong data coverage across 60+ countries. We continued to maintain a dominant position in the Funds and Fixed Income Research business due to significant traction in valuations for PF, treasury portfolios and existing MLD issuances.

We continue to be one of the largest providers of fixed income indices in India and have launched two new indices in 2020, taking the total count to 98. One of the highlights this year was the launch of CRISIL AIF Benchmarks.

Quantix, our comprehensive, differentiated, and client-centric data platform in the Data & Analytics space, improved its value proposition by enhancing both data coverage and strengthening the power of analytics on top of the largest company database in the country.

CRISIL Coalition continued initiatives to enhance market relevance and broaden the reach to include more regional players. In 2020, CRISIL Coalition added two new logos to its impressive list of global investment banks. New and more granular IP was developed to cater to new clients such as regional banks.

On the operations side, our continued focus on automation and digitisation resulted in firm-wide FTE savings. The first stage of a multi-year roadmap to digitise CRISIL Coalition's core operational processes and offer deeper integration with banks' systems has been completed.

Greenwich Associates was acquired in Feb 2020 and the current year consolidated financials reflect 10 months of Greenwich business performance. In 2020, Greenwich made aggressive changes to transform its operating model and

positioning of the business for revenue growth including important steps leveraging the combined capabilities of the newly integrated Greenwich Associates/Coalition platform. Greenwich faced Covid-19-related challenges that impacted the buying behaviour of Greenwich clients and our ability to access senior buy-side executives for data collection.

Despite the overall slowdown, Advisory business booked several new assignments especially post the first half, largely driven by international mandates, extension mandates from existing domestic clients and some specific opportunities around commercial coal mining. The business won a couple of large-value mandates including All-India study on sectoral demand of petrol and diesel for oil marketing companies; support for commercial coal block auctions; feasibility and operationalisation of gas exchange/platform; market assessment on key sectors for MSMEs for International Finance Corporation; to name a few.

The CRISIL Business Intelligence & Risk Solutions (BIRS) business leveraged its strong domain and cutting edge offerings in the risk and analytics space to support the evolving credit, risk and regulatory needs of the banking and financial sector.

We continue to increasingly invest in our proprietary big data, cloud-ready platform, Fulkrum, to provide business

intelligence solutions and provide bespoke analytics in a more effective and efficient manner.

Other income (net)

Other income was Rs. 83.15 crore as on December 31, 2020, compared with Rs. 72.84 crore in the previous year.

Expense analysis

Total expenses in the year Rs. 1,606.69 crore was as against Rs. 1,312.97 crore in the previous year. The composition of expenses is given below:

(Rupees in crore)

Particulars	Year ended December 31,	
	2020	2019
Personnel expenses	1,068.44	877.56
Finance costs	14.39	0.23
Depreciation	121.11	36.86
Other expenses	402.75	398.32
Total expenses	1,606.69	1,312.97

Total expenses for 2020 includes the expenses for Greenwich Associates LLC which was acquired in 2020. Excluding Greenwich, the overall costs grew by 1%.

Key Ratios

Particulars	2020	2019	2018	2017	2016
Personnel expenses/revenue (%)	52	49	49	50	50
Operating and other expenses/revenue (%)	78	73	73	74	73
Operating profit (PBIDT)/revenue (%)	29	29	30	29	31
Depreciation and amortisation/revenue (%)	6	2	2	3	3
Tax/revenue (%)	5	8	7	8	9
Operating profit margin(%)	26	26	27	27	29
Net profit margin(%)	17	19	20	18	18
Operating Revenue per employee (Rs. Lakhs)	54.54	46.86	45.52	42.21	40.14
Operating expense per employee (Rs. Lakhs)	40.48	34.53	33.25	30.62	28.64
Operating profit per employee (Rs. Lakhs)	14.05	12.34	12.27	11.59	11.50
Debtor turnover ratio	7	6	6	7	7
Current ratio	2	2	2	2	2
Return on networth (%)	29	30	33	30	32

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

Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of the Company. This transfer has been undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') which has been approved by Stock Exchanges. The Scheme has been sanctioned by the National Company Law Tribunal (NCLT) with appointed date as January 1, 2020 and the certified copy of the Order dated June 8, 2020 has been received on July 7, 2020 which has been filed with Registrar of Companies on July 20, 2020. Further SEBI and Reserve Bank of India (RBI) has given necessary approval on December 4, 2020 and December 31, 2020, respectively, to CRISIL Ratings Limited to act as a Credit Rating Agency. On receipt of approval, the Scheme became effective on December 31, 2020 with the appointed date of January 1, 2020. The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date. Therefore, the Balance Sheet figures for the year ended December 31, 2020, are not comparable with the previous year's figures.

A. Financial performance

1. Property, plant, equipment and intangible assets

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

During the year, the Company capitalised Rs. 27.78 crore to its gross block and deducted Rs. 3.76 crore from the gross block on disposal of various assets. Property, plant and equipment capitalised during the year include office equipment, computers, software and leasehold improvements to support expansion of the business and provide for replacement of the existing assets.

Depreciation as a percentage of total income was 7% in the current year. The Company expects to fund its investments in fixed assets and infrastructure from internal accruals and liquid assets.

At the end of the year, the Company's investments in net property, plant, equipment, intangible assets and Right of use Assets were Rs. 145.93 as against Rs. 39.16 crore in the previous year. The increase is mainly due to Right of use asset pursuant to the adoption of Ind AS 116 relating to lease accounting.

2. Financial assets

A. Investments and treasury: The Company's investments and treasury comprise non-current equity investments, current investments, cash and bank balances and fixed deposits.

a. Equity investments

All equity investments (quoted and unquoted, other than investment in subsidiaries) are measured at Fair Value Through OCI (FVTOCI).

Investments in subsidiaries are measured at cost. As on December 31, 2020, the cost of investment in subsidiaries stood at Rs. 208.93 crore.

b. Current investments and treasury

The Company's investments in mutual funds are classified as Fair Value Through Profit and Loss (FVTPL). The Company's treasury totaled Rs. 392.22 crore as on December 31, 2020, as against Rs. 324.95 crore in the previous year.

Cash and cash equivalents constituted 25% of the treasury as on December 31, 2020, as against 21% in the previous year. The treasury position is after considering dividend payouts of Rs. 232.03 crore.

(Rupees in crore)

Category	As on December 31				Growth %
	2020	%	2019	%	
Cash and bank balance	97.75	25	67.27	21	45
Fixed deposit	1.49	0	5.43	2	(73)
Mutual funds	292.98	75	252.25	77	16
Total	392.22	100	324.95	100	

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

B. Loans

Loans comprise security deposits and loans to subsidiaries and staff. As on December 31, 2020, the outstanding amount totaled Rs. 90.02 crore compared with Rs. 39.65 crore in the previous year

C. Trade receivables

Trade receivables at gross levels were 122.13 crore as on December 31, 2020, compared with Rs. 163.51 crore in the previous year. Trade receivables as a percentage of operating revenue was 13% compared to 18% in previous year.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance was Rs. 4.90 crore as on December 31, 2020, as against Rs. 10.08 crore in the previous year. Provision for bad debt as a percentage of revenue for the year ended December 31, 2020, was 1% which is in same lines as in the previous year.

D. Other financial assets

Other financial assets comprise advances recoverable in cash/kind, accrued revenue, accrued interest and forward contract receivable. Other financial assets for the year ended December 31, 2020, amounted to Rs. 104.48 crore compared with Rs. 37.21 crore in the previous year.

3. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, provision for bad debt and unearned revenue. The Company's net deferred tax assets were valued at Rs. 24.33 crore as on December 31, 2020, as against Rs. 28.36 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

Advance income tax asset was Rs. 41.45 crore as on December 31, 2020, compared with Rs. 48.15 crore in the previous year.

4. Other assets

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

5. Equity share capital

The Company's authorised capital is Rs. 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the Company issued and allotted 288,964 equity shares to eligible employees on exercise of options granted under ESOP 2014. Consequently, the issued, subscribed and paid-up capital of the Company increased from 72,304,326 equity shares of Re 1 each to 72,593,290 equity shares of Re 1 each.

6. Other equity

Other equity comprises reserves, surplus and OCI. It was Rs. 688.06 crore as on December 31, 2020, as against Rs. 751.52 crore in the corresponding previous period. This was after considering the final and interim dividend payouts amounting to Rs. 232.03 crore during the year ended December 31, 2020.

7. Financial liabilities

A. Trade payables

Trade payables amounted to Rs. 54.95 crore as on December 31, 2020, as against Rs. 67.58 crore in the previous year. Trade payables include amount payable to vendors for supply of goods and services.

B. Other financial liabilities

Other financial liabilities, which include unclaimed dividend, book overdraft, dues to employees and sundry deposit payable, were Rs. 459.29 as on December 31, 2020, as against Rs. 85.90 crore in the preceding year.

8. Provisions

Provisions comprise provisions for employee benefits. The overall liability was Rs. 72.45 crore as on December 31, 2020, as against Rs. 70.45 crore at the end of the previous year. Growth in the current year is in line with merit increase.

9. Other liabilities

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

B. Results of operations

The summary of standalone operating performance is given below

(Rupees in crore)

Particulars	Year ended December 31,			
	2020	% of revenue	2019	% of revenue
Income from operations	888.78	90	839.01	87
Other income	103.95	10	129.81	13
Total income	992.73	100	968.82	100
Expenses				
Personnel expenses	436.34	44	428.29	44
Finance cost	6.94	1	-	-
Depreciation	65.68	7	23.96	2
Other expenses	265.44	27	319.39	33
Operating expenses	774.40	78	771.64	80
Profit before tax	218.33	22	197.18	20
Tax expense	51.61	5	61.67	6
Profit after tax	166.72	17	135.51	14

Revenue analysis

Other income (net)

Other income during the year was Rs 103.95 crore as compared with Rs. 129.81 crore in the previous year. This includes dividend on investments.

Expense analysis

The total expenses for the year ended December 31, 2020 was Rs. 774.40 as against Rs. 771.64 crore during the corresponding previous year.

C. Risk management

Risk management

The Company has a robust risk management framework in place with overall governance and oversight from the Risk Management Committee of the Board as well as oversight from the Audit Committee and Board of Directors. Risk Management policy of CRISIL outlines the key accountabilities and responsibilities of managing

risks at CRISIL. CRISIL has a balanced approach to risk management by mitigating risks to an acceptable level within its tolerances and protecting CRISIL's reputation and brand while supporting the achievement of operational and strategic goals and objectives. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives. The Internal Risk Management Committee, comprising senior members of the leadership team, provides governance and oversight on the process. The Company has a specialised role of 'Chief Risk Officer' to drive the risk management agenda.

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

Key business risks and mitigation strategy are highlighted below.

1. Business risks

Current pandemic environment has impacted the overall business in 2020, which may extend for a part of 2021 as well, given the likelihood of weaker economic recovery due to the second wave in our key markets of US and EU. For the second half of 2021, promising vaccine trials and gradual easing off restrictions should inject confidence in the economic recovery. Timely steps and actions were initiated by the Company to ensure minimal disruption to operations and client delivery.

The Company strives to add value to its clients by providing services of a superior quality, introducing relevant tools, platforms and products and by maintaining a robust franchise with investors and end-users, to mitigate the risk arising from slowdown in global economy and competitive pricing.

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

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

2. Foreign exchange earning risk

CRISIL foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. The Company has in place a well-defined foreign exchange management policy and process designed to minimise

the impact of volatility in foreign exchange fluctuations on earnings. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedging contracts to mitigate the risks arising out of movement in the rupee. The foreign exchange management programme covers a large portion of projected future revenue over a 12-month period and is restricted to standard forward contracts and options.

Appropriate internal controls are in place for monitoring.

3. Policy risk

In the past two to three years, Securities and Exchange Board of India (SEBI), the regulator for credit rating agencies (CRAs) in India, has issued guidelines to mandate more disclosures by CRAs, ensure greater discipline in the rating processes, set enhanced norms for functioning of rating committees, underline the process to be adopted in the event of non-cooperation by issuers, introduced independent members in the Rating Committee for appeal cases, segregation of legal entity for regulated and non-regulated businesses, introduced and standardised probability of default (PD) benchmarks, added a new subscript to the ratings symbols for credit enhanced (CE) ratings, strengthened the Board composition of CRAs and introduced a new role of Chief Ratings Officer. SEBI has also raised the bar on the eligibility to set up a CRA and stipulate greater disclosure for issuers on their financial performance. Overall, the guidelines will improve transparency of the credit rating process and enhance standards of the CRA industry. The recent guidelines increase the operational intensity of the rating process. CRISIL continues to focus on leveraging technology to build appropriate controls and monitoring tools for safeguarding the rating process and facilitating necessary disclosures.

Pursuant to amendments to the Securities and Exchange Board of India (SEBI) Credit Ratings Agencies (CRA) Regulations, 1999, mandating segregation of the ratings and non-ratings businesses of credit rating agencies, CRISIL Ltd has completed the transfer of its ratings business to wholly-owned subsidiary CRISIL Ratings Limited. The segregation has no impact on the company's businesses and its stakeholders. The newly created CRISIL Ratings Limited has an independent Board of Directors comprising eminent and distinguished leaders with diverse expertise and experience.

The Research business of CRISIL Limited has also received a license as a Research Analyst, under the SEBI (Research Analyst) Regulations, 2014 for specified research products, following the segregation of the Ratings business to a subsidiary.

The policy announcements for development of the bond market have been supportive in recent years. The steps towards nudging large corporates to raise 25% of their funding needs from the bond market, persuading insurance and pension regulators to accord recognition to corporate bonds rated in 'A category', recently announced

plan to allow netting off financial contracts for Credit Default Swaps (CDS) and implementation of insolvency and bankruptcy code (IBC), once fully implemented, will structurally enhance the bond market's role in India's financing landscape over time. As a part of its franchise strategy, CRISIL continues to highlight the critical role played by the bond market in the financial system, engage with the regulators and policy makers to facilitate development of the bond market, conduct regular events on the theme of bond markets and invest significant efforts towards innovations that have the potential to expand the role of the bond market.

4. People risk

Amid the pandemic employee health and well-being has been the primary focus for the Company. The Company has taken adequate measures and equipped the employees with resources to ensure health, safety and availability. The Company has made arrangements for a Covid-19 24/7 dedicated helpline for employees and also professional and confidential counselling and medical assistance (in partnership with a third party). Frequent updates, safety advisory, quarantine measures, general precautions including webinar sessions on tackling the pandemic situation were issued and presented to all employees. Strategy for return to office is also planned keeping in mind the health and safety of employees. Guidance on official travel restrictions were also issued. Adequate IT infrastructure arrangements were also made to ensure continued availability and minimum disruption to ongoing operations. Overall attrition for 2020 was under control, however CRISIL continues to accord top priority to managing employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

5. Legal and statutory risks

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

monitor tax risk for direct and indirect taxes. We monitor proposed changes in taxation legislation and ensure these are taken into account when we consider our future business plans.

Legal and compliance functions seek to mitigate legal risks with support from other departments. These functions aim to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation and provide legally appropriate solutions for transactions and business processes.

6. Technology-related risks

Information technology (IT) is core to the operations of all CRISIL businesses. All technology services are governed through comprehensive policies and processes. These processes allow information access to personnel within the Company based on identified roles. Audits are conducted regularly to identify areas of vulnerability and to identify actions that mitigates the operational risks. ISO certification of key CRISIL offices is conducted to ensure compliance with policies related to IT and management system.

Inadvertent or deliberate sharing of client confidential data or CRISIL proprietary information by staff is an important risk. The Company has put in place a 'Data Leakage Prevention' process. The Information security team acts as a second line of defense in driving the agenda pertaining to information security trainings, implementing tools to strengthen information security posture and evaluate areas of vulnerabilities and improve the controls to prevent/detect/neutralise malicious network penetration (cyber attack). Incidents of cyber attacks globally as well as in India have increased. Various monitoring controls are in place to timely detect and respond to any targeted attacks. Enhanced level of awareness of vigilance against pertinent themes of cyber attacks was imparted to all employees by way of digital learning courses and awareness videos. The Company continues to evaluate and invest in additional mitigation plans through tools and infrastructure and enhanced monitoring. Highly responsive technology team and enablement efforts have ensured smooth transition to remote working.

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

7. Internal audit and internal financial controls system

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

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

Independent Auditors' Certificate on Corporate Governance

To the Members of CRISIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 April 2020.
2. We have examined the compliance of conditions of corporate governance by CRISIL Limited ('the Company') for the year ended on 31 December 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Institute of Chartered Accountants of India ('ICAI') and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 December 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Khushroo B. Panthaky
Partner

Place: Mumbai
Date: 11 February 2021

Membership No.: 042423
UDIN: 21042423AAAABF6948

Managing Director & CEO's Declaration

To the members of CRISIL Limited

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

For CRISIL Limited

Ashu Suyash
Managing Director & CEO
DIN: 00494515

Mumbai, February 11, 2021

Report of the Directors on Corporate Governance

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

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

A. Board of Directors

Size and composition of the Board

The Board of Directors has eight members, of which, seven (87.5%) are Non-Executive Directors and 37.5% represent women directors. Four (50%) of the eight Board members are Independent Directors. The Chairman of the Board is a Non-Executive Director. As per the Articles of Association of the Company, the Board can have up to 15 members. None of the directors are related to any other director on the Board.

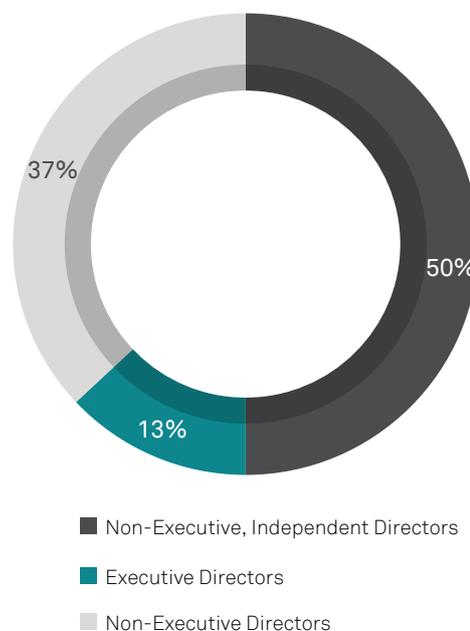
The composition of the Board of Directors of the Company as on December 31, 2020, was as follows:

Category	Name of the Director
Non-Executive Chairman	Mr John L Berisford (DIN: 07554902)
Independent, Non-Executive Directors	Mr M Damodaran (DIN: 02106990)
	Ms Vinita Bali (DIN: 00032940)
	Mr Girish Paranjpe (DIN: 02172725)
	Ms Shyamala Gopinath (DIN: 02362921)
Non-Executive Directors	Mr Ewout Steenbergen (DIN: 07956962)
	Mr Martin Fraenkel (DIN: 08410263)
	Ms Ashu Suyash (DIN: 00494515)
Managing Director & Chief Executive Officer	Ms Ashu Suyash (DIN: 00494515)

Notes:

- Ms Arundhati Bhattacharya (DIN: 02011213) tendered her resignation as an Independent Director of the Company with effect from April 15, 2020, on account of accepting a full-time executive role in another company. Ms Bhattacharya has confirmed that there were no other material reasons for her resignation other than the one stated above.
- The Board of Directors has appointed Ms Shyamala Gopinath (DIN: 02362921) as an Independent Director of the Company with effect from July 10, 2020.
- Ms Ashu Suyash (DIN: 00494515) was re-appointed as Managing Director and CEO, with effect from June 1, 2020.
- Mr Martin Fraenkel (DIN: 08410263) who was appointed as an Additional Director of the Company with effect from April 18, 2019, was appointed as a Non-Executive Director at the last Annual General Meeting held on August 28, 2020 and is liable to retire by rotation.

Percentage of Board positions



Criteria for Board membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skillsets, so that the Company benefits from new insights, guidance and challenges to business proposals. The Policy outlines the appointment criteria and qualifications of the Directors on the Board of CRISIL and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at <https://crisil.com/en/home/investors/corporate-governance.html>.

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of CRISIL Directors, thus bringing in diversity to the Board's perspectives. In terms of the requirement of the Listing Regulations, the Board has identified the core skills/expertise/competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

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

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

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

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

Membership term

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

on completion of the term, if eligible. The employment may be terminated by either party by giving three months' notice. Independent Directors shall hold office for up to two terms of five years each.

Succession policy

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment if thought fit, upon expiry of their respective tenures. The Nomination and Remuneration Committee of the Board regularly reviews succession planning and competency planning priorities of the Board and Senior Management.

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

Membership of other Boards

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

Furthermore, every Director shall inform the Company about the directorship/committee positions he/she occupies in other companies and notify the changes as and when they take place. The details of other directorships held by the Company's Directors as on December 31, 2020, are given below:

Name of the Director	Directorship#	Name of other listed companies where he/she is a Director		Membership of committees*	Chairmanship of committees*
		Company	Type of Directorship		
M Damodaran	10	Biocon Limited	Independent Director	4	4
		Larsen & Toubro Limited	Independent Director		
		Tech Mahindra Limited	Independent Director		
		Hero Motocorp Limited	Independent Director		
		InterGlobe Aviation Limited	Independent Director		
Vinita Bali	3	Syngene International Limited	Independent Director	2	0
Girish Paranjpe	4	Axis Bank Limited	Independent Director	2	2
Shyamala Gopinath	6	Colgate-Palmolive (India) Limited	Independent Director	1	5
		BASF India Limited	Independent Director		
		HDFC Bank Limited [^]	Independent Director		
		Tata Elxsi Limited	Independent Director		
John L Berisford	1	-	-	0	0
Ewout Steenbergen	1	-	-	1	0
Martin Fraenkel	1	-	-	1	0
Ashu Suyash	1	-	-	1	0

Covers private, public and listed companies, including CRISIL Limited, but excludes foreign companies and Section 8 companies.

* Memberships/chairmanships in audit committee and shareholders'/investors' grievance committee of listed and public limited companies including CRISIL Limited. Committee membership(s) and chairmanship(s) are counted separately.

[^] Ms Shyamala Gopinath has retired as Chairperson of HDFC Bank Limited w.e.f January 1, 2021.

The Board members are highly involved in Company matters and the attendance record at such meetings, mentioned under Part A of the Corporate Governance Report resonates the level of involvement, dedication and time allocated by the Board members. Board members actively seek and attend trainings and off-cycle discussions on various topics pertinent to the Company. Engaging discussions with experts on emerging trends in economy, future of work, cyber security and interactions with clients and employees are some of the notable events where Board members have participated whole-heartedly. More details of the Board sessions are available on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.htm>.

Details of shareholdings of Directors as on December 31, 2020

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

Responsibilities

The Board takes decisions on long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every calendar year and the maximum time gap between any two meetings is not more than 120 days. During the year ended December 31, 2020, the Board met four times - on February 11, April 21, July 21 and October 20. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations and action taken reports from previous meetings, where applicable, is sent to each Director at least seven days before the date of the Board and committee meetings. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the meeting(s), as and when required. During the year, in view of the Covid-19 related health risks and travel restrictions, Board and committee meetings held after March 2020, took place through virtual participation from all Board members and other participants. Adequate safeguards on security and confidentiality of discussions was ensured and all procedures stipulated under the Secretarial Standards and other legal requirements were complied with in the conduct of these meetings.

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

Attendance at the meetings of the Board of Directors during 2020 was as under:

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended out of those held	Last Annual General Meeting attendance
Mr M Damodaran	4	4	Yes
Ms Vinita Bali	4	3	Yes
Mr Girish Paranjpe	4	4	Yes
Ms Arundhati Bhattacharya [^]	1	1	NA
Ms Shyamala Gopinath ^{\$}	2	2	Yes
Mr John L Berisford	4	4	Yes
Mr Martin Fraenkel	4	4	Yes
Mr Ewout Steenbergen	4	4	Yes
Ms Ashu Suyash [#]	4	4	Yes

[^] Ceased to be Director with effect from April 15, 2020

^{\$} Appointed with effect from July 10, 2020, as an Independent Director

[#] Re-appointed as Managing Director & CEO with effect from June 1, 2020

Role of Independent Directors and familiarisation process

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

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

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information such as overview of the various CRISIL businesses, offering, market and business environment, growth and performance, organisational set-up of the Company, governance and internal control processes.

Ongoing familiarisation aims to provide insights into the Company and the business environment to enable the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The Company's policy of conducting the Familiarisation Programme and the details of familiarisation programmes imparted to Independent Directors during 2020 have been disclosed on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html>

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

Directors are covered under the Directors & Officers' Liability Insurance Policy and the terms of the same have been reviewed by the Board.

Remuneration policy

1) Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The commission payable to each Non-Executive Director is determined by the Board, based on the Company's performance, prevailing norms and roles and contributions of Board members. In terms of a shareholders' resolution passed on April 20, 2017, the Company can pay remuneration not exceeding 1% of the net profits to the Non-Executive Directors. The Non-Executive Directors have not been granted any stock options of the Company.

2) Managing Director

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

The remuneration and reward structure for Managing Director comprises two broad components — short-term remuneration and long-term rewards. The remuneration package of Ms Ashu Suyash comprises a fixed salary, allowances, perquisites, reimbursements and retirement benefits and a variable pay to be determined by the Board on the recommendation of the Nomination and Remuneration Committee. 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 long-term incentives are in the form of performance-linked deferred cash earnouts linked to Company's performance as measured by EPS CAGR over the next 3 years. Since the LTIP is based on achievement of the criteria, the financial impact is measured based on actuarial valuations. Hence, the precise long-term incentives component for the MD cannot be stated and will be disclosed upon these becoming due and payable as a part of compensation for the year.

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

Plan	Date	Nos.	Price	Remarks
Employee Stock Option Scheme – 2014	June 1, 2015	71,507	Rs 2,101.10	These options will vest in three equal tranches in the third, fourth and fifth year from the grant and can be exercised after two years from each vesting
Employee Stock Option Scheme – 2014	April 4, 2018	19,562	Rs 1,841.35	These options will vest in three equal tranches in second, third and fourth year from the grant and can be exercised after two years from each vesting
Employee Stock Option Scheme – 2014	April 16, 2019	21,056	Rs 1,568.85	These options will vest in three equal tranches in second, third and fourth year from the grant and can be exercised after two years from each vesting

The Nomination and Remuneration Committee determines the remuneration of Managing Director. The detailed policy of the Company on the Nomination and Remuneration is on the Company website at <https://www.crisil.com/en/home/investors/corporate-governance.html>

Sitting fees and commission paid to Non-Executive Directors

(Rupees)

Name of Directors	Sitting fees	Commission	Total
Mr M Damodaran	10,80,000	33,00,000	43,80,000
Ms Vinita Bali	10,35,000	33,00,000	43,35,000
Mr Girish Paranjpe	10,70,000	33,00,000	43,70,000
Ms Arundhati Bhattacharya [^]	1,05,000	9,63,000	10,68,000
Ms Shyamala Gopinath ^{**}	2,40,000	16,50,000	18,90,000
Mr John L Berisford	Nil*	Nil *	Nil *
Mr Ewout Steenberg	Nil*	Nil *	Nil *
Mr Martin Fraenkel	Nil*	Nil *	Nil *
TOTAL	35,30,000	1,25,13,000	1,60,43,000

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

[^] Ceased to be Director with effect from April 15, 2020

^{**} Appointed with effect from July 10, 2020

Remuneration paid to the Managing Director & CEO for the year ended December 31, 2020

(Rupees)

Name	Ms Ashu Suyash
Salary*	3,73,27,858
Variable pay	2,14,50,000
Provident fund	16,87,102
Perquisites	28,81,007
Appointment valid till	May 31, 2025

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

Besides the above, any pecuniary transaction, if so undertaken between a Director and the Company in the ordinary course of business is reflected in the related party disclosure in the notes to the financial statements. Directors holding Board positions in subsidiaries may be paid sitting fees and commission for performance of Directorial duties by the respective Boards.

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, 2020, the Company had the following committees:

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

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

1. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises four Non-Executive Directors who are well versed in financial matters and corporate laws. The Audit Committee met six times in 2020 – on February 10, April 20, June 19, July 20, October 20 and December 14. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 28, 2020. The composition of the Committee during 2020 and the details of meetings held and attended by the directors are as under:

Name	Category	Position	Number of meetings during 2020	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-executive	Chairman	6	6
Ms Vinita Bali	Independent, Non-executive	Member	6	6
Mr Girish Paranjpe	Independent, Non-executive	Member	6	6
Mr Martin Fraenkel	Non-executive	Member	6	6

The Audit Committee invites the executives of the Company as it considers appropriate (particularly the head of the finance function), representatives of statutory auditors and representatives of internal auditors to its meetings.

Role of the Audit Committee

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

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the Company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to;
 - a. Matters required to be included in Director's Responsibility Statement included in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries based on exercise of judgment by the management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
 - 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency
 - 7) Review and monitor the auditors' independence and performance and effectiveness of audit process
 - 8) Approval of any subsequent modification of transactions of the Company with related parties
 - 9) Scrutiny of inter-corporate loans and investments
 - 10) Valuation of undertakings or assets of the Company, wherever it is necessary
 - 11) Evaluation of internal financial controls and risk management systems
 - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
 - 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 - 14) Discussion with internal auditors on any significant findings and follow up there on
 - 15) Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
 - 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
 - 18) To review the functioning of the whistleblower mechanism
 - 19) Approval of the appointment of CFO
 - 20) To review report submitted by the monitoring agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable
 - 21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In line with its terms of reference, during 2020, the Audit Committee, at its each meeting reviewed operations audit reports for businesses pursuant to audits undertaken by 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 statutory and internal auditors to assess the effectiveness of the audit process. The Committee reviewed the adequacy of internal financial controls on a Company-wide basis and provided its recommendations on internal control processes to the Board. As a special action, the Committee conducted a thematic review of audit findings and improvement trends during the year. The Committee also reviewed the system and processes in place for risk management, analytical processes, insider trading compliance and information technology. The Committee discussed the use of evolving techniques such as agile auditing practices and other efficiencies for continuous improvement of audit procedures. On a quarterly basis, the Committee continues to review whistleblower complaints with corrective actions and controls put in place therefor, material litigations/notices and related-party transactions.

2. Risk Management Committee

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

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

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

The Committee met twice in 2020 – on June 22 and December 14. The necessary quorum was present for the meetings. The Committee reviewed the risk management framework and its operation and risk heat maps and deliberated over the mitigation plans for key risks. More details on the key risks and mitigation actions in respect thereto are provided in the Management Discussion and Analysis Report.

Name	Category	Position	Number of meetings during 2020	
			Held during the tenure	Attended out of those held
Mr Girish Paranjpe	Independent, Non-executive	Chairman	2	2
Ms Arundhati Bhattacharya [^]	Independent, Non-executive	Member	NA	NA
Ms Shyamala Gopinath ^{**}	Independent, Non-executive	Member	1	1
Ms Ashu Suyash	Managing Director & CEO	Member	2	2

[^] Ceased to be Member with effect from April 7, 2020

^{**} Appointed as Member with effect from July 10, 2020

3. Nomination and Remuneration Committee

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

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills
- Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board
- Establishing and reviewing Board and senior executive succession plans
- Evaluating Board Performance
- Assisting the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board
- Reviewing and making recommendations to the Board on:
 - the remuneration of the Managing Director, Whole-time Directors and KMPs
 - the total level of remuneration of non-executive directors and for individual remuneration for non-executive directors and the Chairman
 - the remuneration policies for all employees including base pay, incentive payments, equity awards, retirement rights and service contracts

The Nomination and Remuneration Committee met four times in 2020 – on February 10, April 1, April 17 and July 6. The necessary quorum was present for all the meetings. In terms of its mandate, during 2020, the Committee focused on review of initiatives related to talent acquisition and management, succession planning, employee engagement and employee compensation. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on August 28, 2020. The composition of the Committee during 2020 and the details of meetings held and attended by the directors are as under:

Name	Category	Position	Number of meetings during 2020	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-executive	Chairperson	4	4
Mr John L Berisford	Non-executive	Member	4	4
Mr M Damodaran	Independent, Non-executive	Member	4	4

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been published on the Company's website, <https://crisil.com/en/home/investors/corporate-governance.html>.

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

4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee periodically reviews the status of shareholder grievances and their redressal. The Committee reviews adherence to the service standards for investors adopted by CRISIL's Registrar & Share Transfer Agent and various measures and initiatives taken for ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company. The Committee also reviews complaints from all stakeholders of the Company, including customers, employees and vendors/business partners. Through this process, the Committee reviews and steers improvements in relation to service delivery, quality and other issues pertaining to other stakeholders as well. The Committee met four times in 2020 – on February 10, April 20, July 17 and October 15. The necessary quorum

was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on August 28, 2020.

The composition of the Committee during 2020 and the details of meetings held and attended by the directors are as under:

Name	Category	Position	Number of meetings during 2020	
			Held during the tenure	Attended out of those held
Ms Arundhati Bhattacharya [^]	Independent, Non-executive	Chairperson	1	1
Mr Girish Paranjpe ^{**}	Independent, Non-executive	Chairman	3	3
Mr Ewout Steenbergen	Non-executive	Member	4	4
Ms Ashu Suyash	Managing Director & CEO	Member	4	4

[^] Ceased to be Chairperson and Member with effect from April 7, 2020

^{**} Appointed as Chairman and Member with effect from April 7, 2020

The details of shareholders' complaints received and redressed during the year are provided in Section D of this report.

5. Corporate Social Responsibility Committee

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

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

The Committee met twice in 2020 – on June 19 and December 14. The necessary quorum was present for all the meetings. The composition of the Committee during 2020 and the details of meetings held and attended by the directors are as under:

Name	Category	Position	Number of meetings during 2020	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-executive	Chairperson	2	2
Mr Girish Paranjpe	Independent, Non-executive	Member	2	2
Ms Ashu Suyash	Managing Director & CEO	Member	2	2

The details of the Company's CSR activities during the year are mentioned in the annexures to the Directors' Report.

6. Meeting of Independent Directors

The Company's Independent Directors met four times in 2020 – on February 10, April 21, July 21 and October 20, without the presence of Managing Director & CEO, Non-Executive, Non-Independent Directors and the Management Team. The meetings were conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

7. Performance evaluation

The Company has devised a mechanism for performance evaluation of directors. Its details have been included in the Directors' Report.

C. Shareholders

Means of communication

1. Quarterly and annual financial results are published in leading national and regional newspapers and displayed on the Company's website.
2. News releases, press releases and presentations made to investors and analysts 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 related to the Company that are potentially price-sensitive in nature or that could impact continuity of publicly available information regarding the Company are disclosed to stock exchanges in terms of the Company's Policy for Disclosure of Material Information and are also available on the Company's website.
5. The Company's website contains information on the Company's businesses, governance and important policies.

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

The Annual Report of the Company for the financial year 2020 has been emailed to the members whose email addresses are registered 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 Companies (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent to their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. The Company encourages its shareholders to subscribe to e-communication from the Company. For this purpose, shareholders are requested to update their email ids in the forms prescribed by their respective depository participants for shares held in demat form and write to the Company's registrar and share transfer agent for email updation for shares held in physical mode.

Grievance redressal

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

General body meetings: The location, time and venue of the last three Annual General Meetings are as under:

Nature of meeting	Date and time	Venue	Special resolutions passed
Thirty-First Annual General Meeting	April 17, 2018 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	One Special Resolution was passed regarding making investments, giving loans and providing securities beyond the prescribed limits
Thirty-Second Annual General Meeting	April 17, 2019 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Thirty-Third Annual General Meeting	August 28, 2020 at 4.00 pm	Video conferencing (VC) and/or other audio-visual means (OAVM), without the in-person presence of shareholders	One Special Resolution was passed regarding appointment of Ms Shyamala Gopinath as an Independent Director of the Company

Disclosures

During the year, there were no related-party transactions that were materially significant and that could have a potential conflict with the interests of the Company at large. Related-party transactions have been disclosed in the annexures to the Directors' Report, as required in terms of the provisions of the Companies Act, 2013.

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

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

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

- i. Modified opinion(s) in Audit Report: Company's financial statements have unmodified audit opinions.
- ii. Reporting of internal auditors: The internal auditors of the Company directly report to the Audit Committee.

¹ On January 31, 2018, vide a settlement order issued by SEBI, the Company, without admitting or denying the violations, settled proceedings in connection with a show cause notice pertaining to alleged violation of certain provisions of the CRA regulations, for an amount of Rs 28.36 lakh.

CRISIL Code of Conduct

The Board of Directors of CRISIL has adopted the Code of Conduct for Directors and Senior Management, which is available on the Company's website, <https://crisil.com/en/home/investors/corporate-governance.html>. Affirmation regarding compliance with the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report. CRISIL Code of Ethics is also available on the Company's website, <https://crisil.com/en/home/investors/corporate-governance.html>.

Prohibition of insider trading

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

Vigil mechanism and Whistleblower Policy

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

Policy for determining 'material' subsidiaries

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

Material unlisted subsidiary

During 2020, the Company had three of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary companies. These are subject to special governance norms in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of CRISIL Limited for their review and noting.

Policy against Sexual and Workplace Harassment

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

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

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

During the year, we did not receive complaints from any CRISIL employee. One complaint received from an off-roll person was resolved.

Related Party Transactions Policy

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

Record Management Policy

As required under Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has approved the Policy for Preservation of Documents.

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 has approved the Policy for determining materiality of an event or information and for making disclosures to the stock exchanges. It is available at <https://crisil.com/en/home/investors/corporate-governance.html>

The Board of Directors of the Company has authorised the Chief Financial Officer of the Company to determine materiality of an event or information and for making disclosures to the stock exchanges under the said regulation.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Pursuant to Regulation 8 in Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has a 'CRISIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. The code is hosted on www.crisil.com.

Commodity price risk or foreign exchange risk and hedging activities

As such, the Company is not exposed to any commodity price risk and hence the disclosures under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular no SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not applicable.

A detailed discussion on the foreign exchange risk and the Company's hedging activities is given in the Management Discussion & Analysis Report and the Notes to the Financial Statements.

Unclaimed equity shares

Under Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule VI thereof, the Company has opened a demat account in the name and style 'CRISIL Limited - Unclaimed Shares Suspense Account' for credit of shares which were unclaimed as per these provisions.

As on December 31, 2020, 2,000 equity shares belonging to two shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on date shall remain frozen until the rightful owners claim them by submitting the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent, KFin Technologies Private Limited.

Total fees for all services paid to statutory auditors by the Company and its subsidiaries

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

Particulars	Amount (Rs in lakh)
Audit fees	241.00
Other services*	81.20
Total	322.20

*The other services fee includes certification fees for downstream investment, allotment of ESOP's and for fulfilling certification requests from clients.

SEBI Complaints Redress System (SCORES)

The capital market regulator has a centralised web-based system to redress complaints named, SEBI Complaints Redress System (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website, <https://www.scores.gov.in/scores/Welcome.html>. 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, from lodging of a complaint to disposal, are carried out online automatically and the status of every complaint can be checked 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 their receipt. During the year, the Company did not receive any investor complaint through SCORES.

Transfer of shares only in demat mode

As per SEBI norms, with effect from April 1, 2019, only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed only in dematerialised form. The procedure for dematerialisation is available at <https://www.crisil.com/en/home/investors/shareholder-services/procedure-for-dematerialisation-of-shares.html>.

Updation of KYC details

Efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) as required by the SEBI. CRISIL has sent communications in this regard to eligible shareholders. Shareholders have been requested to update these details at the earliest.

D. General Shareholders Information:

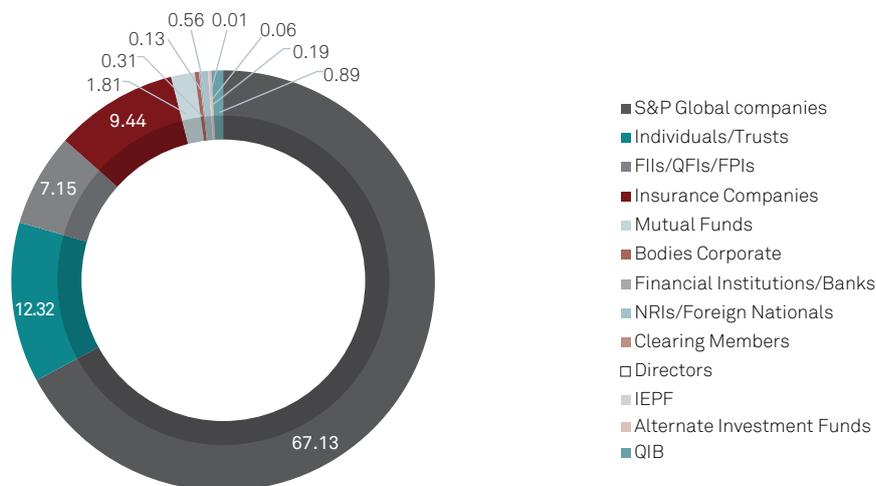
1.	Annual General Meeting		
	Date and time	:	April 20, 2021 at 4.00 p.m.
	Venue	:	AGM will be held through video conferencing (VC) or other audio-visual means (OAVM)
2.	Calendar for financial reporting		
	First Quarter ending March 31, 2021	:	In April 2021
	Second Quarter ending June 30, 2021	:	In July 2021
	Third Quarter ending September 30, 2021	:	In November 2021
	Year ending December 31, 2021	:	In February 2022
	Newspapers where the results are published	:	Currently in Business Standard and Navshakti or any other newspaper with a wide circulation. Copies of the newspaper advertisements will also be submitted to the stock exchanges
	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 dividend	:	Final Dividend of Rs.14 per share having nominal value of Re 1 each
4.	Dates of Book Closure	:	April 1, 2021, to April 2, 2021 (both days inclusive)
5.	Dividend payment date	:	April 26, 2021 (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, PJ Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid listing fees to both the exchanges and complies with the listing requirements.
7.	Stock codes	:	NSE – CRISIL BSE – 500092 ISIN : INE007A01025 CIN : L67120MH1987PLC042363
8.	Registrar and Share Transfer Agents	:	KFin Technologies Private Limited Unit: CRISIL Limited Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032 Email: einward.ris@kfintech.com Phone: +91 40 6716 2222 Toll Free No: 1-800-34-54-001 Fax: +91 40 6716 1567
9.	Compliance Officer	:	Ms Minal Bhosale, Company Secretary, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 Phone: 022-3342 3000 Fax: 022-3342 3001
10.	Depository system	:	As on December 31, 2020, 99.90% of the Company's share capital is held in dematerialised form. For any assistance in converting physical shares to electronic form, investors may approach KFin Technologies Private Limited at the address 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) : SEBI has mandated submission of 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 are requested to submit their PAN details to the Registrar.
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 the Grievance Redressal Division : investors@crisil.com

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14.

16. Category-wise shareholding pattern as on December 31, 2020

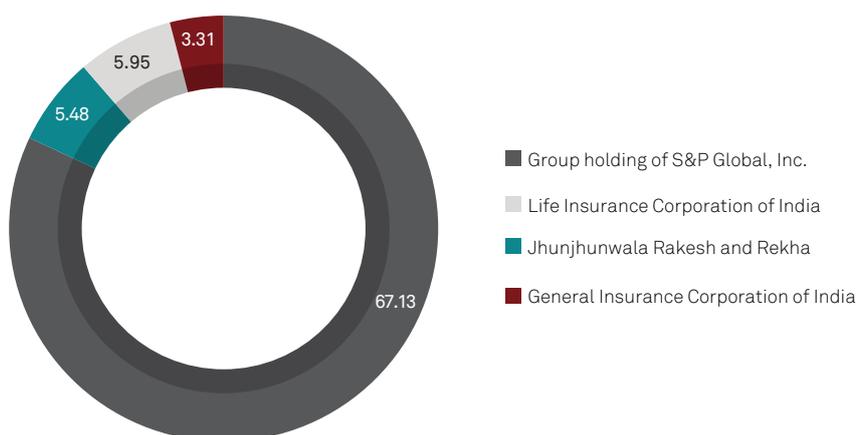
Sr. No.	Category	No. of shares	% holding
1.	Group holding of S&P Global, Inc: - S&P India LLC - Standard & Poor's International, LLC - S&P Global Asian Holdings Pte. Ltd.	4,87,32,586	67.13
2.	Individuals (includes trusts)	89,46,289	12.32
3.	FII's/QFI's/FPI's	51,92,536	7.15
4.	Insurance Companies	68,51,996	9.44
5.	Mutual Funds	13,11,183	1.81
6.	Financial Institutions/Banks	90,754	0.13
7.	Bodies Corporate	2,27,676	0.31
8.	NRI's/Foreign Nationals	4,03,280	0.56
9.	Directors	-	-
10.	Clearing Members	10,793	0.01
11.	Alternate Investment Funds	1,39,046	0.19
12.	Investor Education and Protection Fund	40,152	0.06
13.	Qualified Institutional Buyers	6,46,999	0.89
	TOTAL	7,25,93,290	100.00

Category-Wise Shareholding Pattern as on December 31, 2020

17. Distribution of shareholding as on December 31, 2020

Range of equity shares held	No. of shareholders	As % of total no. of shareholders	No. of shares	As % of total no. of shares
1 – 5,000	32,072	99.36	31,99,862	4.41
5,001 – 10,000	66	0.20	4,80,203	0.66
10,001 – 20,000	42	0.13	6,20,774	0.86
20,001 – 30,000	18	0.06	4,51,258	0.62
30,001 – 40,000	10	0.03	3,56,450	0.49
40,001 – 50,000	9	0.03	3,98,031	0.55
50,001 – 1,00,000	25	0.08	18,61,387	2.56
1,00,000 and above	35	0.11	6,52,25,325	89.85
Total	32,277	100.00	7,25,93,290	100.00

18. Members holding more than 1% of the paid-up share capital as on December 31, 2020

Sr. No.	Name of the shareholder	No. of shares	% holding
1.	Group holding of S&P Global, Inc: - S&P India LLC - Standard & Poor's International, LLC - S&P Global Asian Holdings Pte. Ltd.	4,87,32,586	67.13
2.	Jhunjhunwala Rakesh & Rekha	39,75,000	5.48
3.	Life Insurance Corporation of India	43,21,911	5.95
4.	General Insurance Corporation of India	24,00,000	3.31

Members holding more than 1% as on December 31, 2020


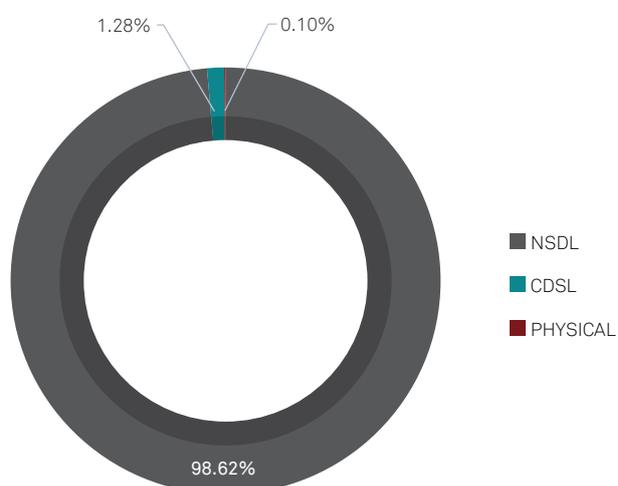
19. Status report of shareholder complaints during the year ended December 31, 2020

Nature of complaints	No. of complaints received
Outstanding as on January 1, 2020	0
Non-receipt of dividend	10
Non-receipt of shares	2
Non-receipt of Annual Report	2
Issues relating to General Meeting	0
Complaints received through SCORES/stock exchanges/the Ministry of Corporate Affairs/regulatory authorities	5
TOTAL	19

The Company addressed all the investor complaints received as indicated above, except for one which was received towards the year-end and resolved in January 2021.

20. Shares held in physical and dematerialised form as on December 31, 2020

The break-up of physical and dematerialised shareholding as on December 31, 2020, is presented graphically as follows:

Distribution of holdings - Demat and Physical

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

21. Equity history since sub-division of shares

Date	Particulars	No. of shares	Cumulative no. of shares
01.10.2011	No. of issued and fully paid-up equity shares of face value Re 1 each after stock split	7,09,68,440	7,09,68,440
04.01.2012	Extinguishment of shares consequent to buyback	(-) 9,10,000	7,00,58,440
2012	Allotment of shares to employees on exercise of options granted	(+) 1,77,300	7,02,35,740
2013	Allotment of shares to employees on exercise of options granted	(+) 4,17,150	7,06,52,890
2014	Allotment of shares to employees on exercise of options granted	(+) 7,04,165	7,13,57,055
2015	Allotment of shares to employees on exercise of options granted	(+) 93,465	7,14,50,520
16.07.2015	Extinguishment of shares consequent to buyback	(-) 5,11,932	7,09,38,588
17.10.2015	Allotment of shares to employees on exercise of options granted	(+) 2,70,515	7,12,09,103
2016	Allotment of shares to employees on exercise of options granted	(+) 1,26,255	7,13,35,358
2017	Allotment of shares to employees on exercise of options granted	(+) 3,69,570	7,17,04,928
2018	Allotment of shares to employees on exercise of options granted	(+) 4,10,854	7,21,15,782
2019	Allotment of shares to employees on exercise of options granted	(+) 1,88,544	7,23,04,326
2020	Allotment of shares to employees on exercise of options granted	(+) 2,88,964	7,25,93,290

22. Dividend

Dividend policy: CRISIL believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth and also as a means to meet any unforeseen contingency. CRISIL's Dividend Policy specifies the financial parameters that would be considered when declaring a dividend, the internal and external factors that would be considered for declaring a dividend and the circumstances under which shareholders can or cannot expect a dividend. The Policy has been uploaded to the Company's website, www.crisil.com/en/home/investors/corporate-governance.html; it is also annexed herewith as Annexure I.

Modes of payment of dividend: Dividend is paid through the following two modes:

- Credit to the bank account via Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/SWIFT transfer
- Despatch of physical dividend warrants/cheques

Tax on dividend: The Finance Act 2020 abolished Dividend Distribution Tax (DDT) and made dividend income taxable in the hands of the recipient shareholders, with effect from April 1, 2020. CRISIL has made the necessary changes in its dividend payment process in coordination with internal and external stakeholders such as RTA and bankers. The Company regularly sends communication to its shareholders before each dividend, requesting them to submit the required documents for claiming beneficial tax rates, if applicable.

ECS/NECS: CRISIL 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 make use of this facility as ECS/NECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants. Investors may obtain the ECS/NECS mandate form from the FAQs link (<https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>) on Investors section of the Company's website, www.crisil.com.

Bank details for electronic shareholding: Members are requested to furnish complete details of their bank accounts, including the bank's MICR code, to their depository participants (DP). They are also requested to notify their DPs about changes in bank details.

Unclaimed dividend: Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In respect of the transfers made after coming into effect of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from the IEPF in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on December 31, 2020 and the dates when the dividend will be transferred to IEPF 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 and Special Dividend 2013	10.00	1,000%	Apr 17, 2014	May 18, 2021
2.	Unclaimed 1st Interim Dividend 2014	3.00	300%	Apr 17, 2014	May 18, 2021
3.	Unclaimed 2nd Interim Dividend 2014	3.00	300%	Jul 18, 2014	Aug 18, 2021
4.	Unclaimed 3rd Interim Dividend 2014	4.00	400%	Oct 17, 2014	Nov 17, 2021
5.	Unclaimed Final & Special Dividend 2014	10.00	1,000%	Apr 17, 2015	May 18, 2022
6.	Unclaimed 1st Interim Dividend 2015	4.00	400%	Apr 17, 2015	May 18, 2022
7.	Unclaimed 2nd Interim Dividend 2015	4.00	400%	Jul 17, 2015	Aug 17, 2022
8.	Unclaimed 3rd Interim Dividend 2015	5.00	500%	Oct 17, 2015	Nov 17, 2022
9.	Unclaimed Final & Special Dividend 2015	10.00	1,000%	Apr 19, 2016	May 20, 2023
10.	Unclaimed 1st Interim Dividend 2016	5.00	500%	Apr 19, 2016	May 20, 2023
11.	Unclaimed 2nd Interim Dividend 2016	6.00	600%	Jul 19, 2016	Aug 19, 2023
12.	Unclaimed 3rd Interim Dividend 2016	7.00	700%	Oct 14, 2016	Nov 14, 2023
13.	Final Dividend 2016	9.00	900%	Apr 20, 2017	May 20, 2024
14.	Unclaimed 1st Interim Dividend 2017	6.00	600%	Apr 20, 2017	May 20, 2024
15.	Unclaimed 2nd Interim Dividend 2017	6.00	600%	Jul 18, 2017	Aug 17, 2024
16.	Unclaimed 3rd Interim Dividend 2017	6.00	600%	Oct 17, 2017	Nov 16, 2024
17.	Final Dividend 2017	10.00	1,000%	Apr 17, 2018	May 17, 2025
18.	Unclaimed 1st Interim Dividend 2018	6.00	600%	Apr 17, 2018	May 17, 2025
19.	Unclaimed 2nd Interim Dividend 2018	6.00	600%	Jul 17, 2018	Aug 16, 2025
20.	Unclaimed 3rd Interim Dividend 2018	7.00	700%	Oct 16, 2018	Nov 15, 2025
21.	Final Dividend 2018	11.00	1,100%	Apr 17, 2019	May 17, 2026

Sr. No.	Dividend name	Dividend per share (Rs)	%	Date of declaration/ approval of dividend	Due date for transfer to IEPF*
22.	Unclaimed 1st Interim Dividend 2019	6.00	600%	Apr 17, 2019	May 17, 2026
23.	Unclaimed 2nd Interim Dividend 2019	6.00	600%	Jul 23, 2019	Aug 22, 2026
24.	Unclaimed 3rd Interim Dividend 2019	7.00	700%	Nov 08, 2019	Dec 08, 2026
25.	Final Dividend 2019	13.00	1,300%	Aug 28, 2020	Sep 28, 2027
26.	Unclaimed 1st Interim Dividend 2020	6.00	600%	Apr 21, 2020	May 22, 2027
27.	Unclaimed 2nd Interim Dividend 2020	6.00	600%	Jul 21, 2020	Aug 21, 2027
28.	Unclaimed 3rd Interim Dividend 2020	7.00	700%	Oct 20, 2020	Nov 20, 2027

***Note:**

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

Transfer of shares to the IEPF

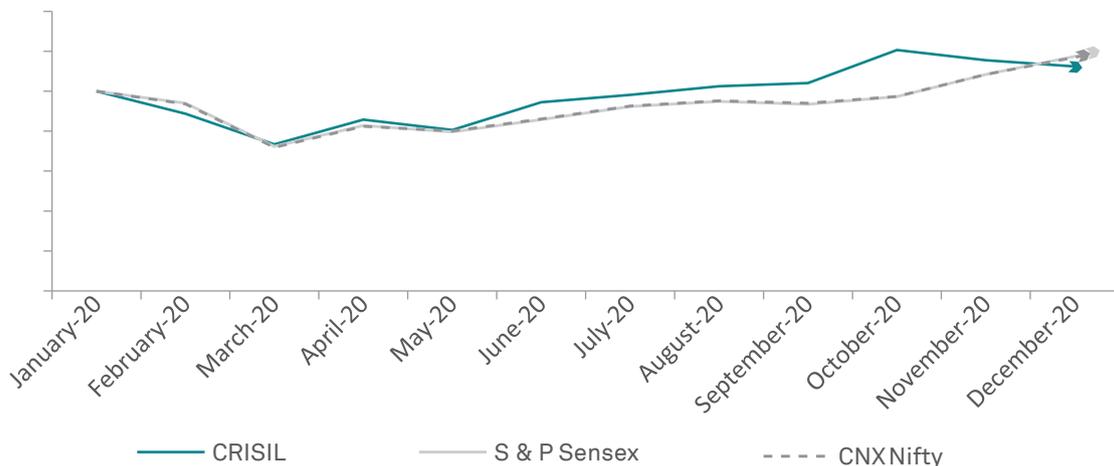
Pursuant to the provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, CRISIL is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to the IEPF. The Company has transferred 2,010 shares to the IEPF during the year. Details of these shares are available on the Company’s website, www.crisil.com.

Further, shares in respect of which dividends remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as publish a public notice in this regard. Names of such transferees will be available on the Company’s website, www.crisil.com.

23. Stock price and movement of the Company’s shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for January–December 2020:

NSE			BSE		
Month	High (Rs)	Low (Rs)	Month	High (Rs)	Low (Rs)
January	1,978.70	1,663.15	January	1,980.00	1,665.00
February	1,770.00	1,472.00	February	1,770.90	1,475.00
March	1,570.00	1,052.70	March	1,569.35	1,083.50
April	1,494.95	1,160.50	April	1,491.00	1,161.00
May	1,567.35	1,357.00	May	1,573.50	1,355.00
June	1,665.50	1,389.90	June	1,664.65	1,387.00
July	1,809.70	1,611.05	July	1,805.00	1,617.15
August	1,911.00	1,564.00	August	1,909.00	1,636.30
September	1,872.00	1,700.00	September	1,871.50	1,692.00
October	2,123.90	1,690.00	October	2,121.90	1,680.00
November	2,124.00	1,907.05	November	2,125.00	1,902.30
December	2,014.90	1,870.00	December	2,008.00	1,840.05

Price movement of CRISIL share in 2020 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, subject to applicable regulations.
- 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.
- To receive dividends in due time, once approved in General Meetings or Board Meetings.
- To receive corporate benefits like rights, bonus etc. once approved.
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds.
- Other rights are as specified in the Memorandum and Articles of Association available on the website, <https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>

Apart from the above rights, the shareholders also enjoy the following rights as a group:

- To appoint the Directors and Auditors of the Company.
- To requisition an Extraordinary General Meeting.
- To apply to the National Company Law Tribunal to investigate the affairs of the Company.
- To apply to the National Company Law Tribunal for relief in cases of oppression and/or mismanagement.

The above-mentioned rights may not necessarily be absolute.

Statutory disclosures

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

1. Details of utilisation of funds of Preferential Allotment/QIP
2. Disclosure in relation to recommendation made by any committee which was not accepted by the Board

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

John L. Berisford
 Chairman
 (DIN: 07554902)

Mumbai, February 11, 2021

Annexure I to Corporate Governance Report: Dividend policy

Policy for determining 'dividend pay-out' to shareholders

1. Purpose and scope

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

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

2. Decision framework

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

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

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

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

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

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

iv. Utilisation of retained earnings shall be towards:

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

v. Provision with regard to various classes of shares:

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

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

3. Policy review

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

This policy is dated October 14, 2016.

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
**The Members of
 CRISIL Limited**

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the period ended as on 31st December, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. John Lee Berisford	07554902	19/07/2016
2.	Ms. Shyamala Gopinath	02362921	10/07/2020
3.	Mr. M. Damodaran	02106990	14/01/2014
4.	Ms. Vinita Bali	00032940	14/02/2014
5.	Ms. Ashu Suyash	00494515	01/06/2015
6.	Mr. Ewout Steenbergen	07956962	17/10/2017
7.	Mr. Girish Paranjpe	02172725	17/10/2017
8.	Mr. Martin E. Fraenkel	08410263	18/04/2019

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

For Makarand M. Joshi & Co.
 Practicing Company Secretaries

Kumudini Bhalerao
 Partner
 FCS No. 6667
 CP No. 6690

Place: Mumbai
 Date: February 05, 2021
 UDIN: F006667B002553739

Business Responsibility Report

Business responsibility in the times of Covid-19 has assumed a more serious dimension.

The pandemic, easily the most disruptive event in recent memory, posed a surfeit of challenges for organisations the world over and we have been no exception. The challenges ranged from ensuring business continuity and delivering essential intelligence on the double where needed, to ensuring the safety and well-being of our people and also doing our bit for the society at large.

Our management led from the front in this, with agility and decisiveness as their allies; empathy and people-first, as priorities; and keeping the communication channels wide open, their method. And of course, everything that CRISIL as an institution has built over the years, came in handy.

For our employees, we launched a number of resources and initiatives that would help deal with the stress of the pandemic and launched trainings that could enable them to excel. Further despite the challenges posed by the pandemic we continued work in the area of diversity and inclusion. The result of our meritocratic, open, inclusive and progressive work culture and environment is that CRISIL was certified by Great Place to Work Institute as a Great Workplace. This honour is a ringing endorsement of our initiatives on employee engagement, learning and development, performance management and individual-growth opportunities over the years. Further, CRISIL was also recognised as one of the Top Employers 2020 (Bronze category) by the India Workplace Equality Index, India's first comprehensive index for LGBTQIA+.

Thinking digital has been core to our operations for a while now. The proactive focus on digitalisation stood us in great stead and allowed us to ensure business-as-usual operations even as the world was forced into a shell by the pandemic.

We have always been empathetic towards the communities we operate in and that approach continued – we would in fact say, broadened – after the pandemic, to serve the affected.

This Business Responsibility Report articulates CRISIL's activities on sustainability during 2020, based on the nine-principle framework of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, notified by the Ministry of Corporate Affairs on July 8, 2011. Policies and practices under each principle are explained in subsequent paragraphs with correlation to the SEBI reporting format, appended at the end of the report.

Principle No. 1

Ethics, transparency and accountability

CRISIL's Code of Ethics holds its employees to the highest standards of ethical conduct, conflict-free working and respect for client data confidentiality. These principles are the foundation of our business conduct and make CRISIL stand tall as an independent and credible opinion maker

with high analytical rigour; a reputation maintained through a challenging global business environment in 2020. The Code of Ethics covers overarching norms for ethical business practices, non-discrimination, diversity, fair labour practices, workplace safety and conduct, environment protection, information protection and confidentiality, protection of CRISIL's assets, employee conflicts and anti-bribery including gifts or favours. Individual policies reinforce and articulate detailed practices for certain principles. CRISIL's employees also adhere to the S&P Code of Business Ethics Policy. Both Codes are communicated throughout the organisation and reinforced through training, assessment and affirmation of employees at the time of joining and on an annual basis. Training/certification on Code of Ethics is mandatory for all employees across the organisation, including Senior Management. During the year, ~ 19% of training hours related to training on Ethics provided to employees. Further, special drives were conducted for raising awareness on compliance policies through online interactions with employees.

Confidentiality of client information is of utmost importance at CRISIL. The Company lays great stress on appropriate policies and controls over employee trading practices, regular awareness and training sessions and reporting. Our policies not only cover CRISIL's, but also clients' securities depending on the restricted list maintained for each business. A critical initiative related to empanelment of brokers in India through whom CRISIL's employees are permitted to trade has enabled monitoring of employee trades on a timely and independent basis and reduced the reliance on self-disclosure by employees. This channelled approach has significantly strengthened monitoring and surveillance of security trades and holdings disclosed by employees as well as augmented our conflict management framework.

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

We continue to pursue instilling ethical and responsible corporate behaviour amongst our business partners as well by encouraging them to adopt our Suppliers' Code of Conduct. For more details on this, please refer to Principle No. 5.

The Code of Ethics articulates the mechanism for reporting violations. The Whistle Blower Policy encourages and supports reporting of concerns about issues such as unethical behaviour, grave misconduct, leak of unpublished price sensitive information (UPSI), actual or suspected fraud or violation of the Code. The Policy provides for essential safeguards to reassure whistle blowers that the non-discrimination and fair conduct encapsulated in the Codes will protect them from reprisal. Several avenues exist for reporting transgressions such as direct reporting to respective line managers or HR Executives or the Legal department as well

as the Compliance Officer. Complaint redressal is tracked rigorously at various levels of management. The Stakeholders' Relationship Committee of the Board dedicates exclusive time to review cases of policy violations and stakeholder complaints regularly. Heightened sensitivity towards policy violations, rigid stance on transgressions and review of such matters at the highest levels by a Board level Committee, reinforce the compliance culture at CRISIL. Additionally, appropriate reporting is carried out in accordance with the Policy. Complaints received from employees, contractors, vendors, customers and shareholders have been reported in Principles No. 3, 4 and 9 and under Corporate Governance Report, respectively. Besides these, there were no other stakeholder complaints.

Principle No. 2

Sustainable services

CRISIL is a leading global analytics player, driven by its mission of making markets function better. CRISIL's clients range from micro, small and medium enterprises (MSMEs) to large corporates, investors and top global financial institutions. We help clients mitigate risks in businesses, take pricing and valuation decisions, reduce time to the market and generate more revenue and returns, which eventually leads to investments, growth and development in the economy. We showcase our significant projects/services during 2020, which created a meaningful impact on some of our stakeholders

Ratings for innovative credit structures

On the innovation front, CRISIL Ratings continued to be the first port of call for innovative instruments even in the muted bond market. In 2020, CRISIL Ratings assigned a rating to the first dealer securitisation transaction in India and seven covered bond transactions.

In last couple of years and especially in 2020, real estate infrastructure trusts (REITs) and infrastructure investment trusts (InvITs) have emerged as one of the preferred routes for refinancing for operational assets in real estate and especially infrastructure segments. Similarly, covered bonds emerged as an alternative and innovative fund raising source for non-bank sector facing investor risk aversion. CRISIL played an important role in investor awareness for such instruments, besides rating key transactions in these spaces.

CRISIL has also been instrumental in supporting various market development initiatives undertaken by regulators and the government and has been regularly engaging with them to share perspectives and inputs on global best practices.

CRISIL Research

We have been contributing to the SME sector for more than a decade by performing various assessments for SMEs. CRISIL is also working with various corporates for assessing SMEs in their supply chain.

Our social sector offerings aim at fostering creative thinking for social innovation which will play a key role in systematically answering the underlying challenges of the sector. CRISIL's social sector offerings enable a deep alignment with the CSR

project lifecycle and its laid out objectives. CRISIL's Impact Assessment services help corporates, donors and implementing agencies gain insight to facilitate expected improvement in social development projects, monitor progress of the project and improve its quality, effectiveness and efficiency and assess effects by examining the relationship between project activities and observed consequences. Through our robust grading and due diligence frameworks for Voluntary Organisations (VOs), NGOs and foundations, who are an essential cog in the implementation cycle of social sector programmes, we have facilitated strengthening of such organisations and helped decision makers better evaluate the performance and sustainability of organisation's actions.

Research on economy and industry

With deep understanding of the macro-economy and extensive coverage on about 76 sectors, CRISIL Research is the country's largest independent and integrated research house. We provide insights on micro-macro and cross-sectoral linkages and help meet the requirements of Indian and global businesses. CRISIL also provides incisive, customised research that allows clients to make informed business and investment decisions and understand the competitive environment.

We are the largest provider of valuation of fixed-income securities to the mutual fund, insurance and banking industries and are the pioneers and sole provider of benchmarks to the three AIF categories in India.

Quantix, our comprehensive, differentiated and client-centric data platform, has India's largest database of 60,000+ companies with extensive coverage of financial and non-financial data, complemented by the tools and analytics to build data-driven insights. Alphatrax, the wealth tracking solution designed for wealth managers, now covers 5 key asset classes – Equity, Debt, Mutual Funds, AIFs and PMSs.

With deep domain expertise built over the years across the sectoral research and funds and fixed income research space, CRISIL Research offers tailor made solutions to clients' training and skill development needs delivered by expert trainers via both classroom and virtual modes.

Regulatory & Risk Support

CRISIL Global Research & Analytics (GR&A) helps large global retail, commercial and investment banks, asset management companies and insurance companies globally to navigate through uncertainties, such as market volatility and helps such institutions migrate to robust risk and trading platforms and measure risks in a more real-time manner.

While financial markets are known to be dynamic, the effects of Covid-19 and related lockdowns led to unprecedented volatility in 2020, including a decline in GDP growth and negative commodity prices. The repercussions on global financial institutions were significant, as risk models were not designed to handle such extreme data movements, risk platforms could not accommodate negative prices and fiscal programmes mandated temporary moratoriums on loans. As a result, CRISIL GR&A saw increased engagement levels with clients, supporting them through heightened monitoring of credit portfolios, robust documentation to

justify the increasing use of model overrides and an increase in the volume and range of scenarios for internal stress tests (ICAAP). CRISIL GR&A is also the preferred end-to-end implementation partner for various banks for their regulatory implementation programmes (Basel III reform, FRTB, CECL, TRIM, IRB repair, MiFID II, UMR, IBOR, etc.), leveraging our rich experience of working with clients globally and deep expertise in the financial services domain, complemented by technology and project management capabilities.

On the domestic front, Business Intelligence and Risk Solutions (BIRS) has been working with banks and financial institutions to manage and mitigate their risks. Our solutions and offerings aid lending institutions to take informed decisions to assess, manage and monitor their risks in credit portfolio. Our monitoring framework helps to identify potential early delinquencies for institutions to take proactive corrective actions. This improves the health of credit portfolio of institutions, leading to better credit culture across. Our offerings assist banks to manage and streamline their process of submission of periodic reports to the regulator ensuring adherence to the compliance needs of the banks.

Infrastructure Advisory

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

During the year, we supported the following important initiatives:

- i. CRISIL Infrastructure Advisory was appointed by International Finance Corporation (IFC) to analyse current scenario and expected market potential of green buildings till 2030. With this project, CRISIL Infrastructure Advisory will help further IFC's objectives of supporting private sector's climate-related investments and activities to address climate change.
- ii. CRISIL Infrastructure Advisory was appointed by the International Urban Cooperation (IUC) for the Sustainable and Innovative Cities and Regions plan in India which seeks to enhance city and sub-national cooperation on sustainable development between the EU and India. CRISIL's Infrastructure Advisory business implemented 3 sub-projects within this which includes:
 - a. **Sludge to energy project in Udaipur:** Udaipur currently has 3 operational sewage treatment plants which produce 4.5-5 ton of sludge per day. This sludge is not put to any productive use and is directly dumped in the solid waste landfill sites. The purpose of this project was to establish a baseline of current practices to handle sludge in Udaipur. Commissioning of the sludge to energy plant in Udaipur will have many benefits such as improvement in emissions, improving hygiene and use of sludge as a non-conventional source of energy.

- b. **Integrating sustainable tourism project in Leh:** This study entailed reviewing the components of sustainable tourism and analysing key sectors namely, solid waste management, water and sanitation and mobility being impacted by the tourism activities. CRISIL Infrastructure Advisory team undertook the study which culminated in providing recommendations to integrate sustainable measures into tourism related activities such as water supply management, solid waste management, mobility, energy, accommodation, etc.
- c. **Improving solid waste management (SWM) in Kochi and Gangtok:** This study captured the unique challenges being faced by both cities due to improper management of solid waste and proposed mitigation measures for the same.
- iii. CRISIL Infrastructure Advisory was appointed by Asian Development Bank (ADB) for providing expertise on finance and investment in developing city level clean air pollution reduction action plans for seven cities in Bangladesh, Mongolia, Pakistan, Philippines and Vietnam. It is also being more widely recognised that investment in air quality management can help boost socio-economic development. The study would overall assist in delivering air quality improvements in seven cities.
- iv. CRISIL Infrastructure Advisory is also assisting clients in the private sector in their long term strategy towards sustainable development by supporting them in assessment of future power requirement through solar and other renewable energy sources.

ESG Research

GR&A

CRISIL GR&A's environmental, social and governance (ESG) research offerings help firms monitor dynamic regulatory landscape and integrate ESG data for alpha generation and client engagement. This year, CRISIL GR&RS hosted three ESG webinars and also published 5 white papers on the themes of ESG and climate risk.

Coalition

Coalition is a leading analytics and business intelligence provider to more than 30 corporate and investment banks across the global financial services industry. In 2020, Coalition was referenced in 250+ articles across 55+ global publications and its analytics were referenced in 110+ investor relations presentations across leading global banks. In 2020, Coalition worked closely with its partners and associates to leverage their multiple assets and create new analysis on ESG for the CIB divisions of banks.

Greenwich

Greenwich conducted an ESG Research with asset owners and investment consultants which covered ESG adoption, needs and preferences among the largest and most influential asset owners and investment consultants around the world. Specifically, Greenwich helped asset managers develop and position their products to meet the growing demand for sustainable investing.

Sustainable supply chain

Our efforts to conduct business ethically and responsibly extend to our supply chain. CRISIL outlines the standards of conduct expected from our suppliers in providing products, services and headcount to us by embedding in the general terms and conditions which are a part of every purchase order. These include, among other things, norms for environmental compliance, health and safety, non-use of child labour, non-discrimination, anti-bribery and confidentiality. Such practices seek to create greater awareness on human rights, safety and environment preservation.

CRISIL Foundation also sponsors projects under CRISIL RE Change the Scene, empowering employees to drive change through interventions for financial capability building and education among underprivileged communities and general public. Through Change the Scene, a series of live virtual interactive webinars were organised with prominent social change leaders like Deane de Menezes (Queen's awardee, 30 Under 30 Forbes Asia); Anshu Gupta (Founder, Goonj); Trishya Screwvala (Founder, The Lighthouse Project) and other social leaders.

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

Principle No. 3

Our employees

CRISIL takes a holistic approach to its employees' work life to help build a long-lasting and fruitful career. A number of initiatives were taken in this direction in 2020.

Safe and flexible work culture

A safe, flexible and hassle-free work culture at CRISIL elicits optimum performance as employees are assured of their safety and security. Towards this end, work premises' safety is ensured through regular safety drills and necessary advisories on security incidents and weather situations.

The focus in 2020 has been on ensuring safety of employees and continuity of business operations. The spread of Covid-19 and its potential impact on people and business was closely monitored during the early stages of on-set in 2020. Anticipating an impact to people, business in India and other global offices, measures to ensure safety of employees and continuity of business operations were undertaken.

Masks and sanitisers were procured for employees and sensitisation of employees on Covid-19, symptoms and safety measures to be adhered were initiated through mailers, posters and intranet. CRISIL tied-up with a specialist service provider with the objective of augmenting primary care and urgent response for employees and their families and also enable seamless access to medical help and support.

From a Business Continuity perspective, readiness was achieved to move business operations to Work from Home in a short period of time once the lockdown was declared at the end of March. CRISIL's priority has been to ensure employee safety,

delivery of technology assets to employees, response to global clients, travel guidance and business continuity IT Disaster Recovery drills. Required laptops and desktops were delivered to employees and support was provided to work from home.

CRISIL believes in a flexible work culture and strongly propagates work-life balance. Towards this end, we provide paid maternity leave of six months, child crèche, paternity leave, flexi-hours, work from home and sabbatical.

We have specific policies and procedures to resolve issues and concerns raised by employees in a fair and transparent manner. The Whistle Blower Policy provides a channel for employees to express their grievances. It guarantees complete anonymity and confidentiality of information to the reporting individual and safeguards from reprisals.

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

	No. of complaints filed during financial year	No. of complaints pending at the end of financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment*	0	0
Discriminatory employment	Nil	Nil

*The aforesaid data relates to CRISIL Limited on a stand-alone basis. Additionally, 1 complaint was received from an off-roll person which has been resolved.

During the year, the Company also received two complaints from employees related to workplace conduct. One complaint has been resolved through an appropriate redressal mechanism and one complaint is pending resolution as on December 31, 2020.

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

Employee engagement

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

During the Covid-19 pandemic, we redefined our healthcare benefits, added new programmes, increased communication with employees and their families to avail of Employee Assistance Programme (EAP) and introduced CRISIL Care (a medical assistance scheme in partnership with Connect & Heal) as a one-stop emergency health response programme centred on Covid-19. We connect with employees regularly

through town halls, leadership talks, sessions by doctors and experts to share their views. At CRISIL, employee health and well-being is another key focus area. Connect and Heal and Medi-assist programmes have been very well received by employees and have been extensively utilised for Covid checks and treatment and hospitalisations.

Echo and Crisbuzz (our employee intranet) continued to be two ongoing communication platforms that empower employees to collaborate, learn and share experiences. CRISBuzz – the internal, social and communication collaboration platform – serves as a popular means of reaching out to colleagues for sharing important work-related highlights, new policies and important updates and also facilitates spontaneous feedback on new developments and policies, fostering a culture of open communication. The year 2020 saw new interactive formats for conducting senior leadership town halls, for greater participation from employees. Employees are encouraged to ask questions and responses to all questions are hosted on CrisBuzz. The employee engagement scores index of 2020 shows an increase of 8 points as compared to 2019.

After adapting to the work from home routine, we also invested in training all the people managers on empathy and how to effectively manage teams remotely. A testimony to this is CRISIL being certified as a ‘Great Workplace’ by the Great Place to Work Institute.

We celebrate our employee performances with our robust Reward & Recognition programme. To ensure employees are motivated and at their productive best, we continue to strengthen our Reward & Recognition programme, with annual awards for excellence, quarterly rewards for service excellence and spot recognition programmes.

Virtual fun activities at the work place – such as CRISIL Funtastic show which included interactive games, talent contests, boosted motivation and productivity during the COVID lockdown period and added to building a positive work environment.

We recognise the right to freedom of association in accordance with the laws of the land. However, we do not have a recognised employee association.

Diversity and inclusion

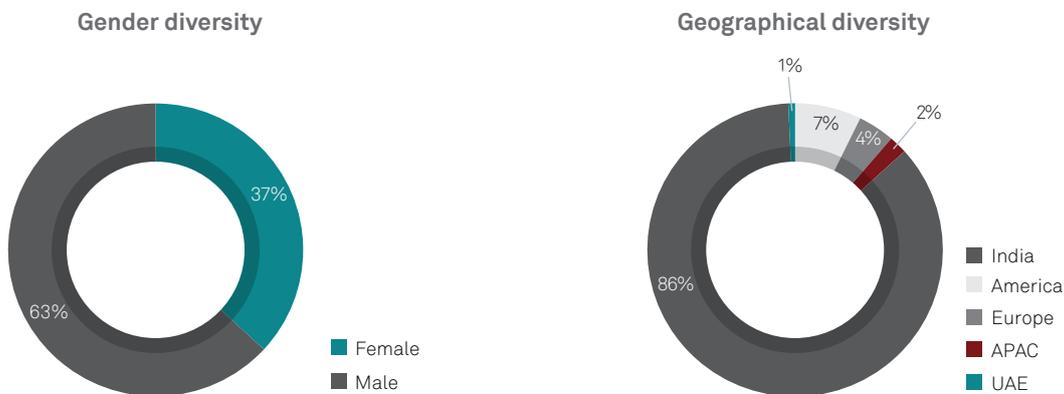
Diversity of the workforce has always been our strength. Spanning knowledge areas, age, gender, skills, experience and nationality, we have employees representing 32 nationalities based in eight countries across the world.

Women comprise about 36.9% of CRISIL’s workforce. Our flagship programme Winspiration has been driving different interventions for our women colleagues, encouraging and fostering their development and growth.

We had 724 people working on a contract basis as on December 31, 2020. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2020			2019			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
America	93	174	267	63	120	183	65	140	205
Europe	44	103	147	35	90	125	30	95	125
APAC	37	36	73	36	25	61	38	28	66
India	1175	1981	3156	1183	2029	3212	1222	2150	3372
UAE	5	22	27	5	23	28	3	25	28
Total	1354	2316	3670	1322	2287	3609	1358	2438	3796

Diversity of workforce



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

Talent development & retention

CRISIL believes in lifelong learning for its employees and competency development continues to be a key focus area for us. With digital learning being the new mantra of learning anytime, anywhere, we launched Coursera and LinkedIn learning for our employees. These platforms offer learning on a wide variety of technical and behavioural themes.

New formats of learning introduced i.e. Fire side chats and Knowledge cafes. Fireside chats have been conducted on topics like setting goals, client engagement, managing virtual teams, managerial presence, application of Artificial Intelligence/ Machine Learning, covering more than 600+ participants from across businesses and geographies. Internal experts from CRISIL or external experts participate to enrich the content of the dialogues. At Knowledge cafes CRISILites get an opportunity to share their expertise on thematic topics.

Digital learning through LinkedIn learning has seen a significant uptake and this is evident through the increase in learner engagement and time spent. There has been a 400% increase in hours viewed and 500% increase in courses completed. Additionally, there has been a threefold increase in the unique count of learners who have completed at least 1 course.

YOUiverse continues to be used as the learning management, as well, through which many in-house courses are launched and made available to employees. Through these mobile-based programmes, employees are now able to learn on the go. These programmes have enhanced the reach of the structured e-learning process across the Company.

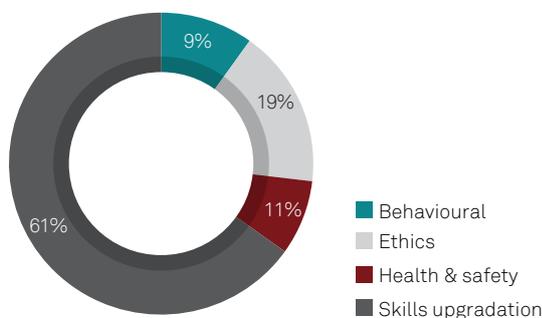
Besides this, CRISIL Conclave is our Thought Leadership forum in which reputed external speakers share their experiences, providing an opportunity for our employees to interact and learn from leaders from different walks of life.

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

Particulars	Count	Training man-hours	Average training man-hours
Permanent employees	4,160	60,455.36	14.53
Permanent women employees	1,516	23,688.22	15.62
Contract staff	724	3,602.95	4.98

Count includes training conducted globally for CRISIL and its subsidiaries. Both count & training man-hours also include employees who exited during 2020

The training includes trainings on ethics, behavioural, health & safety and skills upgradation as depicted in the pie chart below:



Our internal job rotation policy provides opportunities to employees looking for varied roles across the organisation. CRISIL's voluntary attrition rate in FY 2019 was 24.5 % which reduced to 14.3% in FY 2020.

Principle No. 4

Stakeholder engagement

Our principal stakeholders are our shareholders, employees, customers, vendors/partners and communities.

We have adopted the policy of equal opportunity towards our stakeholders and engage with vendors and employees strictly on merit and business needs. The Company's commitment to maintaining a discrimination-free work environment extends to all persons involved in the operation of the Company's business and prohibits discrimination or unlawful harassment by any employee against applicants, customers, independent contractors, vendors or other strategic partners. The Company's selection of business partners is not based on any consideration other than normal business parameters. All employees are responsible for maintaining a work atmosphere free from discrimination by treating others with dignity and respect. A 36.9%-strong women workforce is a testimony to CRISIL's non-discriminatory approach.

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

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

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

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

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

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

Engagement with employees has been covered under Principle No. 3.

The Policy on Corporate Social Responsibility (CSR) determines our engagement with socially and economically disadvantaged sections of the society to strengthen their

financial capabilities. CRISIL Foundation does extensive work in the area of financial capability building of women in Assam and Rajasthan and helps rural households get access to various banking, financial and government schemes. It is also a partner in the RBI's Pilot MoneyWise Centres for Financial Literacy (CFL) in Maharashtra, Haryana and Rajasthan; imparting training and awareness with respect to formal banking services and financial products in these states. For more details on our engagements with communities, please refer to Principle No. 8. Further, linkage of our portfolio of services with financial institutions such as banks, pension funds, mutual funds, Non-Banking Financial Companies (NBFCs) and other financial intermediaries helps us take care of their information needs and engage with them regularly.

In 2020, we shared several opinion pieces with representatives from diverse entities, cutting across sectors and regions. These pieces covered a spectrum of issues, from the macroeconomic to the micro cluster level, including fiscal outlook, budget analysis and industries such as renewable energy, auto, agri, infrastructure and others. We also prepared reports jointly with industry bodies such as FICCI which published an article titled "Rooting for an aatmanirbhar capital market" and the Associated Chambers of Commerce and Industry of India (Fastening MSME Fortunes), which were very well received.

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

Principle No. 5

Human rights

CRISIL upholds the principles of human rights and fair treatment in its business activities. We have reinforced this stance by adopting the Policy on Anti-Slavery, which ensures transparency and prohibits the use of forced, compulsory or trafficked labour in our business. The policy extends to all CRISIL subsidiaries (*please refer to the statement appended at the end of this Report*).

We expect the same high standards on human rights protection from all our contractors, suppliers and other business partners. For this purpose, we have adopted a Supplier Code of Conduct, which outlines the minimum standards of conduct that CRISIL expects its vendors and suppliers in the areas of business ethics and integrity, fraud prevention, discrimination and diversity, child labour, health and safety, environmental compliance and sustainability. Suppliers who have deployed their resources at CRISIL's premises and where resources have access to our technology infrastructure and applications, need to affirm compliance with the Code of Conduct in their dealings with CRISIL. The Supplier Code of Conduct is available on the Company's website, <https://www.crisil.com/en/home/investors/corporate-governance.html>

In addition, we contractually bind our major suppliers of IT support, facility management and security services that employ

people from the more vulnerable sections with lower literacy levels, to comply with labour standards such as minimum wages, gratuity, bonus, leave, employees' state insurance and other employment laws. The administrative team regularly inspects the providers of housekeeping, café and employee transport services to check on compliance requirements.

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

Each year, all the employees are mandated to take the online learning course on prevention of sexual harassment. Capacity enhancement programmes were organised for Internal POSH Committee members.

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

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

Principle No. 6

Environment

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

The goal of conservation of the environment is aligned with CRISIL's strong belief of doing business in greener ways. As a conscious step in this direction, we are progressively moving towards energy-saving LED technology for our office lighting needs, monitoring energy consumption and embracing composting techniques to reduce waste removal to landfills. CRISIL House, Mumbai, our corporate headquarters, has achieved a LEED Platinum certification, the highest such certification in 2009. As the commitment continues with the same vigour and dedication, the certification was renewed in 2016 retaining the Platinum certification which is a hallmark of our commitment to the environment. The second largest office within the CRISIL family in India is CRISIL House, Gurugram which has been given a LEED Gold certification. Both offices together, house 50% of the CRISIL workforce in India.

CRISIL has an environmental policy which governs the environmental practices followed by the Company. CRISIL's environment policy underlines our commitment to be responsible by improving our environmental performance across activities, and encouraging our employees and members of the wider community to work for the environment.

Environment conservation programme

CRISIL's environment conservation programme, under the aegis of the CRISIL CSR Policy, focuses on the conservation of the environment by focusing on relevant programmes in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives. The programmes include centrally-driven and employee-led projects, and strive to constructively engage employees and their families, friends and relatives in environment conservation. This involves preserving the oceans and forests, tackling climate change and its impact – thereby positively impacting “Life below Water” and “Life on Land” – two of the key United Nations Sustainable Development Goals (UN SDGs).

In 2020, the Foundation planted 44,630 trees across five cities, taking the cumulative number of tree plantations to over 73,000 (2015 to 2020). With an aim to keep the employees engaged in conversations pertaining to bio-diversity, environment conservation, sustainability and responsible volunteering; CRISIL Foundation organised a series of webinars and virtual knowledge sessions on environment protection, bio-diversity conservation and social leadership. Through CRISIL Re, CRISIL observed World Environment Day (June 5) and World Ocean's Day (June 8) through a series of speaker sessions in collaboration with S&P Global India focusing on environment, climate change and bio-diversity conservation.

CRISIL's initiatives to reduce the Carbon Footprint:

- At the operations level, CRISIL has consolidated its data centers by reducing the number of physical servers through virtualization, and has provided an enclosed space and focused cooling for the servers
- The design and usage of the air-conditioning system in CRISIL House conserves energy and minimizes electricity usage. Air-conditioning units are specific to areas; individual units are controlled and adjusted zone-wise using an integrated building management system. The building is designed and built to minimize thermal leakage, both inward and outward.
- Motion sensors are used to optimize lighting usage
- In addition to reducing energy consumption, bank of photovoltaic panels are installed in the office premises to generate solar energy
- Employees are encouraged to use conferencing facilities and webinars as a means of interacting with clients and the market wherever possible
- The Company has provided buses for employees to travel to office, which apart from enhancing employee convenience also reduces usage of vehicles due to pooling effect
- Preferred parking slots and charging points are provided for electric cars at CRISIL House

CRISIL's initiatives towards resource utilisation intensity:

CRISIL House, Mumbai has a Sewage Treatment Plant (STP) for recycling of water which is then routed to sanitary use, and

is also used for watering CRISIL House's 17,000 square feet of green areas. Over a period of time, various upgradations have been made to further reduce water consumption such as introduction of water less urinals. The Company's solid waste management practices also ensures zero contribution to landfills from CRISIL House. Dry waste is handed over to scrap vendors for recycling whereas the wet waste is converted to compost on the site itself.

Throughout CRISIL group a number of initiatives have been taken over the years to reduce paper consumption. One of the most pervasive uses of paper is the paper cup – a company of CRISIL's size can save as much as 12 tonnes of paper in a year, besides savings on transport and disposal, by not using these cups. CRISIL has replaced paper cups with reusable metal cups.

No regulatory notices

No show-cause/legal notices were received from any pollution control authorities during the last 3 financial years, including 2020.

Principle No. 7

Public policy advocacy

CRISIL's objective is to make markets function better. Advocacy is an important tool in this regard. SEBI has introduced various disclosure requirements for credit rating agencies over the past few years to enhance transparency and improve accountability. This year SEBI also introduced regulatory changes aimed at providing regulatory forbearance to corporates affected by Covid-19 pandemic and lockdown. It held consultations with the industry, seeking their inputs on the subject. CRISIL's Senior Management proactively and continuously engaged with regulators and stakeholders by providing feedback at various stages. We continue to interact with market participants and issuers through seminars and webinars on key developments in the economy and sectors.

Some notable affirmative actions in this area were:

- CRISIL was invited to chair the sub-committee on CRAs and debenture trustees (DTs) of the SEBI constituted Market Data Advisory Committee. The committee and sub-committee will endeavour to make recommendations that foster a 'data culture' in the Indian securities market.
- CRISIL participated in meetings organised on topics related to the economy, economic and monetary policies, commercial paper regulations, CRA regulations etc., with various government forums including the Ministry of Finance, Gol, the insurance and pension funds regulators, besides the RBI and the SEBI.
- CRISIL Ratings hosted its 5th annual seminar on NBFCs, under CRISIL's unique platform 'CRISIL Fin Insights' aims at fostering ongoing dialogues and discussions on the developments in Banking & Financial Space in India. The event was focused at comprehending the critical imperatives for the NBFC sector's growth prospects, asset quality, liquidity and profitability amidst the impact of Covid-19.

- As part of completion of 20 years of CRISIL's Mutual Fund Ranking our marquee product, CRISIL hosted the 1st edition of CRISIL's India Investment Conclave 2020 in 2020. It is a unique platform that brings together key industry stakeholders to discuss a range of trends that are changing the nature of business and gain insights into what's driving markets now and in the period ahead.
- CRISIL GR&A hosted a virtual cross-bank roundtable to discuss on challenges faced by banks in their Stress Testing processes and the potential to solve them using a common industry solution such as the Scenario Expansion Manager (SEM) Platform.
- CRISIL GR&A hosted a virtual cross-bank roundtable to discuss the challenges faced by banks during both, development and validation of internal ratings/PD models for low-default portfolios. In this roundtable, GR&A presented the specifics of its LDP data pooling consortium solution, which pools data on both, defaulted and performing obligors, with the objective of enabling banks to carry out robust testing or even re-development of their models.
- To understand the best approaches and practices for arriving at the optimum model for banks, GR&A and Greenwich Associates co-hosted a credit risk roundtable on Target Operating Model for credit risk management. In this session we shared insights from a global digitisation benchmarking exercise, while senior industry experts shared their experiences.
- CRISIL GR&A and Professional Risk Managers' International Association (PRMIA) co-hosted 2 round-tables to discuss on some of the notable industry challenges surrounding the LIBOR transition in the US and UK.
- CRISIL Infrastructure Advisory organised an event along with Infrastructure Concession Regulatory Commission on 'PPP in Healthcare and Covid-19 – Experiences from India, Abu Dhabi and the Rest of the World'.
- CRISIL GR&A hosted an industry discussion forum titled Implementing Model Risk Management Practices at Insurers in New York, the panel discussion was structured around key issues like adoption and scope of MRM, model governance and workflow management initiatives and to discuss some of the best practices adopted by the industry.
- During the year, Coalition hosted two virtual roundtables on the impact of Covid-19 on Global Markets and Transaction Banking, with panelists from Greenwich Associates, and S&P Global Ratings.
- Research launched a high-frequency dashboard providing deep insights into markets, commodities and various sectors impacted due to Covid-19.

CRISIL's association with S&P Global helps blend local and global perspectives. CRISIL and S&P Global Ratings jointly hosted the fifth edition of India Outlook on April 29, 2020. The seminar was held digitally and the theme of the seminar was Peering through the grave storm: India macroeconomic and corporate outlook. This webinar was a part of our unique platform CRISIL India Outlook where we share forecasts and insights on India's

macro-economic indicators, commentary on the expected credit behaviour and outlook on various sectors and industries.

Besides, CRISIL and S&P jointly hosted multiple outreach activities such as a webinar on US elections; the webinar aimed at discussing how the overall economic conditions may be emitting different signals for companies, consumers and other key stakeholders. CRISIL GR&A, together with S&P Global Trucost and Greenwich Associates, hosted a webinar titled, 'ESG best practices for Emerging Markets'. The speakers shared insights on how AMs can adopt ESG best practices for data quality, assessment frameworks and active stewardship for their EM investing strategies.

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

During the year, we reached out to over 45,000 representatives, including government officials, policymakers, regulators, corporates, banks, investment banks, MSMEs, industry associations and financial intermediaries in India and global markets through 12 virtual events and 56 webinars hosted by CRISIL and 90+ events at which CRISIL experts participated as speakers or panellists.

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

Principle No. 8

Inclusive growth

CRISIL Foundation reaches out to socially and economically disadvantaged sections of the society, beginning with women and self-help groups, instilling in them a greater sense of understanding and control over their finances. Our flagship programme, Mein Pragati, launched in Assam and replicated in Rajasthan, has been customised for various target groups, across mediums, models and geographies, including the RBI's ambitious Pilot MoneyWise Centres for Financial Literacy (CFL) Project.

Mein Pragati - Assam

Mein Pragati in Assam is committed to financial inclusion in the intervention locations by driving sustainable long-term behavioural change to manage money; improving households' access to government schemes; and strengthening livelihood access for women in households. The key approach to achieving these objectives is by creating a vibrant and trained community cadre of women called 'Sakhis' and strengthening institutional infrastructure to create a supportive environment for long-term financial behaviour change. Till date, the Sakhis have reached out to over 3.5 lakh beneficiaries and facilitated more than 2.7 lakh linkages towards formal banking services

and welfare entitlements through a service fee model and guided rate card referred to as the Basket of Services (BoS).

Through periodic capacity building and handholding, CRISIL Foundation has built the Sakhis' capabilities to facilitate awareness and doorstep linkages of formal financial services. More than 590 Sakhis are actively driving linkages and earning income through a service fee model and guided rate card for various banking and financial services. Villagers, thus, benefit from significant cost savings when gaining access to these schemes. Despite Covid19-induced lockdown, Sakhis were engaged in helping the community members in digital transactions like money transfers, DTH and mobile recharge and payment of utility bills through e-wallets – thus enhancing their trust and relevance.

The Sakhi is now treated as trusted cadre housed in community, providing doorstep delivery and the key channel for promoting financial and welfare schemes. Increased community access to financial services and government schemes has also resulted in a positive impact on the Mein Pragati end beneficiaries. An independent midline assessment through a third-party agency has also verified this impact on ground.

In 2018, livelihood pilots were conducted for Eri silk, handlooms and arecanut sheath collection in specific intervention locations in Assam with a focus towards augmenting household incomes livelihoods by strengthening entrepreneurial skills of Mein Pragati women. These pilots, scaled in 2019, with help from on-ground partners like RGVN, Grameen Sahara and Antaran (Tata Trusts) – have gained steady momentum through enhanced household coverage, revenue and income generation year-on-year. During 2020, the interventions positively impacted 749 households in Assam, by accretion to their average monthly income.

Mein Pragati scale-up in Rajasthan

Having successfully tested the efficacy of Mein Pragati in Assam, CRISIL Foundation focused on replicating the approach in Rajasthan in 2016. By 2018, the Foundation concluded the first phase, reaching over 60,000 women and initiated Phase II in Alwar and Dausa (within existing geographies) – to drive deeper impact and outreach through a trained cadre of Sakhis to support the community in building their financial capabilities, build good financial practices and drive long-term behaviour change.

The Covid-19 pandemic brought the efficacy and robustness of the Sakhi cadre to the fore. Through a stable and mature cadre of 273 Sakhis in the intervention villages, CRISIL Foundation continued reaching out to the end beneficiaries to facilitate their financial needs. In addition, the programme strengthened its positioning with key stakeholders and community influencers through targeted engagements.

GramShakti Certification Programme

Having established a proof of concept for trained community cadre of Sakhis across Assam and Rajasthan, CRISIL

Foundation took steps to capture all the best practices involved in training and development of Sakhis in the form of an online learning and certification programme called GramShakti. This tech-based learning programme is available in an app form in local languages – allowing for a self-paced learning by potential Sakhis. GramShakti is CRISIL Foundation's attempt to provide a scalable model for creating a pan-India cadre of trained community leaders that can effectively address the issue of financial exclusion as well as women's empowerment.

During the year, the programme was expanded to over 1,900 end users across CRISIL Foundation's intervention areas as well as non-intervention locations through external partners – with over 500 having completed the programme. There are currently 230 Sakhis in Assam, Haryana and Maharashtra, who have been formally certified through a convocation programme.

MoneyWise Centres for Financial Literacy (CFL)

CRISIL Foundation is the only corporate CSR arm selected by the Reserve Bank of India (RBI) to implement its Moneywise Centres for Financial Literacy (CFLs) pilot project for financial inclusion in Maharashtra and Haryana during 2017. Subsequently, in August 2019, the RBI awarded CRISIL Foundation five additional tribal blocks of Rajasthan – thereby expanding the scope to 25 centres across three states.

Since their inception, CRISIL's centres in the three states have reached out to over 500,000 community members through trainings and awareness camps and facilitated over 100,000 applications to banking products and schemes. The centres have seen over 25,000 walk-ins for query resolution and counselling. Given the programme's need for a hub and spoke model, more than 1,000 community volunteers have been trained to actively provide local support in their respective villages.

The CFLs have received positive feedback from the regulator and other stakeholders. Over the years, they have also become an integral component of the financial inclusion ecosystem in the districts. RBI has also extended the pilot project to November 2021 and formally announced¹ its intent towards expanding into all blocks in the country by 2024.

CRISIL RE

CRISIL RE, CRISIL's flagship environment conservation programme is actively focused on preserving the oceans and forests, tackling climate change and its impact through afforestation, beach clean-up drives and other initiatives – positively impacting "Life below Water" and "Life on Land" – two of the key United Nations Sustainable Development Goals (UN SDGs). The programmes include centrally-driven and employee-led projects and strive to constructively engage employees and their families, friends and relatives in environment conservation.

During the year, the Foundation planted 44,630 trees in five cities – taking the total number of trees planted to

¹ Formally documented in the National Strategy for Financial Inclusion 2019-24 released by the RBI (<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1154>)

over 73,000 between 2015 and 2020. Despite physical volunteering activities temporarily being placed on hold due to the pandemic; the plantations continued to be nurtured and maintained through post-plantation initiatives by the NGO partner.

The 10k Meals Project for Covid-19

Through CRISIL RE, the Foundation also undertook a multi-pronged response to the Covid-19 pandemic.

The 10k Meals Project: Millions of daily wagers were most impacted by the complete lockdown imposed to contain the spread of the Covid-19 pandemic. In an attempt to support daily wage-earners in Mumbai, CRISIL Foundation launched "The 10k Meals Project". CRISIL's state-of-the-art kitchen located at the corporate office in Powai was opened to prepare up to 10,000 meals per day. These were distributed to migrant workers and other under-served communities in Mumbai. Over a 45-day period from March 30-May 13, the Foundation served over 502,000 meals.

Oxygen therapy interventions for Covid-19

CRISIL Foundation partnered with ACT Grants to augment the Oxygen Therapy capacity of hospitals by providing D-Type oxygen cylinders and High Flow Nasal Cannula (HFNC) devices. These devices and cylinders have been deployed in the cities of Mumbai, Pune, Chennai and Delhi.

Actively supported S&P Global Foundation's Covid-19 relief grant

CRISIL Foundation supported the S&P Global Foundation in channelising their grant for Covid-19 relief efforts in India. Active, on-ground support was provided to S&P Global Foundation to identify the right pockets of impacted population and on-ground partners to ensure timely and well-targeted distribution at multiple locations in Delhi, Mumbai and Rajasthan. Over 9 lakh meals and more than 17,000 dry ration kits consisting of food and sanitation provisions for migrant workers and daily wage earners were distributed through this initiative.

Please refer to the section 'Annual report on corporate social responsibility activities' under statutory reports for details on spending on CSR activities during the year.

The overseas subsidiaries have also supported communities in their respective locations.

Greenwich volunteered to help run the 'VOICES' annual golf outing fundraiser which assists communities preparing for and recovering from tragedy and provides long-term support and resources that promote mental health care and wellness, for victims' families, responders and survivors.

Coalition made donations to local charities in London, New York and Singapore. Similarly, to mark International Women's Day in 2020, a contribution on behalf of Coalition was also made to a women's charity - Housing for Women. Additionally, many employees participated in the JP Morgan Corporate Challenge virtually this year.

Principle No. 9

Customer value

Our customer base is varied and vast and includes corporates, SMEs, lenders, financial institutions, government bodies and multilateral agencies. Irrespective of their business and bottomline, they all expect us to deliver independent opinions, insights and viable solutions that empower them to make informed decisions. We aim to consistently surpass their expectations and retain their trust by constantly engaging with them, listening to them and partnering with them responsibly to create long-term value for their business.

To drive close customer collaboration, we actively seek regular feedback and accordingly improve our systems and processes. Further, we conduct regular knowledge-sharing sessions for investors and issuers and keep sharing timely and sustained analysis to help them derive value from CRISIL's superior research quality, insights and ratings. CRISIL conducts outreach programmes to continuously engage with clients and enable conversations with them on important industry events and regulatory developments. To augment our engagement with select investors and issuers, we leveraged the digital channel to disseminate our periodical publications, sectoral presentations and analytical reports. Outreach programmes include webinars, knowledge partnerships, thought leadership reports, insights and media appearances. These also serve as a forum to deliberate with clients on their areas of business and gather perspectives to enable us to serve them better and address their information needs.

In 2020, CRISIL continued to participate in the net promoter score (NPS) survey across all businesses as a step towards our objective to be customer- and market-led and deliver an exceptional and differentiated customer experience. The NPS score has improved by 23.3 % since last year which is reflective of the high level of engagement that the Company's businesses did with customers even during the Covid-19 phase and the recall and value attached by customers to CRISIL brand.

Pursuant to amendments to the Securities and Exchange Board of India (SEBI) Credit Ratings Agencies (CRA) Regulations, 1999, mandating segregation of the ratings and non-ratings businesses of credit rating agencies, the Company transferred its ratings business to wholly owned subsidiary CRISIL Ratings Limited. CRISIL has always maintained high governance standards and the ratings activities had always been conducted in a separate division, firewalled from other businesses. The segregation process was seamless. The ratings business continued to deliver best-in-class quality, strong analytical rigour and exceptional service standards in all its offerings to customers and other stakeholders, throughout the transition process and thereafter. This year, CRISIL Ratings launched a customer web-portal and app under the banner of CRISIL Ratings Analytica. The portal carries incisive insights, thought leadership reports, articles

and opinion pieces on topics germane to credit ratings; facilitates registration for upcoming events and webinars and much more.

CRISIL Ratings brings in transparency in service standards by publishing detailed rating rationales to articulate the drivers of instrument ratings. CRISIL Ratings publishes all criteria on its website and revises them periodically to reflect market dynamics. CRISIL Ratings has also been publishing default and transition rates annually since 2004, a benchmark for quality of ratings, thus helping clients and investors to quantify credit risk.

The outbreak of Covid-19 pandemic in 2020 accelerated the adoption of virtual mode of engagement by key stakeholders. At the onset of the pandemic, we quickly adapted and connected with our clients as well as other stakeholders extensively and seamlessly through digital modes. CRISIL Research Training services seamlessly transitioned from the traditional classroom training programmes to virtual training sessions in the wake of Covid-19, ensuring no disruptions in clients' learning agenda. In 2020, CRISIL launched a customer web-portal and app under the banner of CRISIL Ratings Analytica. It is a one-stop platform for customer service as well as for on the go intelligence and ratings-related information.

Earlier, we applied the lessons from our China office to prepare our other offices for the pandemic. Before widespread lockdowns were unveiled in India and other locations, we had communicated standardised messages on business preparedness to our clients. As the pandemic intensified, we regularly consulted with our clients, as we re-evaluated work-from-home timelines and provided them periodic updates.

Large scale disruption caused by the Covid-19 outbreak put the spotlight on portfolio-level analysis. Throughout the year, GR&RS constantly kept clients updated on the impact the pandemic has had on their portfolio. CRISIL's industry level insights, have helped clients shape their forward-looking lending strategies. CRISIL GR&A and Greenwich Associates conducted a webinar titled globally distributed teams as a potent BCP tool, the seminar discussed successful execution strategies, value addition and service quality related to BCP. They also discussed operational risk from third-party services and global centres of excellence and preparedness for another Covid-19-type event.

Each business receives and addresses customer complaints regularly. As of the end of the year, 0.28% of customer complaints were pending. We do not have any pending material consumer litigation. Further, no case has been filed against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years, which is pending as of the end of the financial year.

Statutory report in terms of SEBI reporting guidelines

Section A: General information about the company

1. CIN	L67120MH1987PLC042363
2. Name	CRISIL Limited
3. Registered office address	CRISIL House, Central Avenue Hiranandani Business Park, Powai Mumbai 400 076
4. Website	www.crisil.com
5. Email ID	investors@crisil.com
6. Financial year reported	January 1 - December 31, 2020
7. Sectors that the company is engaged in (industrial activity code-wise)	<ol style="list-style-type: none"> 1. Ratings: Providing credit ratings including bond ratings, bank loan ratings, SME ratings, other grading services NIC code: 66190 2. Research: Research services include Global Research & Analytics activities divided into financial research, risk & analytics and corporate research and India research activities comprising economy & industry research, funds & fixed income research and equity & company research NIC code: 66190 <p>(includes CRISIL's standalone operations only. Of the above, Ratings transitioned to CRISIL Ratings Limited as on December 31, 2020)</p>
8. List three key products/services that the company manufactures/provides (as in balance sheet)	Same as 7 above
9. Total number of locations where the business activity is undertaken by the company	
i. Number of international locations	Refer to page titled 'Office locations' in the annual report (includes subsidiary operations)
ii. Number of national locations	Refer to page titled 'Office locations' in the annual report
10. Markets served by the company – Local/state/national/international	All

Section B: Financial details of the company

CRISIL - Standalone

1. Paid-up capital	Rs 7.26 crore
2. Total turnover	Rs 992.73 crore
3. Total profit after taxes	Rs 166.72 crore
4. Total spending on CSR as a percentage of profit after tax (%)	Refer to Annexure I of the Directors' Report
5. List of activities in which expenditure in 4 above has been incurred	Refer to Annexure I of the Directors' Report

Section C: Other details

1. Does the company have subsidiary company/companies?	Yes. Refer to the Annual Return (Form MGT-7) available on the Company's website: https://www.crisil.com/en/home/investors/financial-information/annual-report.html .
2. Do the subsidiary company/companies participate in the Business Responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. Refer to various sections of the Business Responsibility Report
3. Do any other entity/entities (e.g., suppliers, distributors, etc.) that the company does business with, participate in the BR initiatives of the company?	Less than 30%. Refer to sections on 'Sustainable supply chain' and 'Human rights' of the Business Responsibility Report

Section D: BR information**1. BR governance**

- a) Details of the director responsible for implementation of the BR policy/policies and details of BR Head

Name: Ms Ashu Suyash

DIN: 00494515

Designation: Managing Director & CEO

Telephone: +91 22 3342 3000

Email Id: investors@crisil.com

- b) Indicate the frequency at which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company (within 3 months, 3-6 months, or annually): Annually
- c) Does the Company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published? No separate report is published

2. Principle-wise BR policy compliance**Principle index**

P1 Businesses should conduct and govern themselves with ethics, transparency and accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for...	Y • Code of Conduct • Code of Ethics • Whistleblower Policy • Policy for determining Materiality for Disclosures • Code of Practices and Procedures for Fair Disclosure of UPSI • Supplier Code of Conduct • Policy on Anti-Money Laundering & Countering Terrorist Financing	Y • Business strategy and planning framework • Supplier Code of conduct	Y • Policy on redressal of Workplace Harassment • Policy on redressal of Sexual Harassment • Equal Opportunity Environment Policy • Maternity & Day Care Policy • Internal Mobility Policy • Corporate framework on Rewards & Recognition • Leave Policy • Policy on Facility for Late Sitting • Transfer and Relocation Policy • Education reimbursement Policy • Policy on Paid sabbatical leave • Short term loan Policy • Guidelines on Flexible Work Timing • Guidelines on Mediclaim	Y • Policy on Corporate Social Responsibility • Code of Ethics • Equal Opportunity Environment Policy	Y • Whistleblower Policy • Policy on Modern Slavery	Y • Policy on Environment	Y • Policy on Social Media • Policy for interaction through media	Y • Policy on Corporate Social Responsibility	Y • Framework on Net Promoter Score
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by Managing Director / Owner/CEO/ appropriate Board Director?	Y	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Y
Does the company have a specified committee of the Board/Director/official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Corporate Overview

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Indicate the link for the policy to be viewed online	Code of Conduct, Code of Ethics, Whistleblower Policy, Policy for determining Materiality for Disclosures, Code of Practices and Procedures for Fair Disclosure of UPSI, Supplier Code of Conduct available on www.crisil.com and the rest on company intranet	Supplier Code of Conduct available on www.crisil.com and rest are Company internal documents	Available on company intranet	Policy on Corporate Social Responsibility and Code of Ethics on www.crisil.com and Equal Opportunity Environment Policy is available on company intranet	Whistleblower Policy and Policy on Modern Slavery is on www.crisil.com	Available on company intranet	Available on company intranet	Policy on Corporate Social Responsibility on www.crisil.com	Available on company intranet
Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have a grievance redressal mechanism to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

3. If answer to S No. 1 against any principle is 'no', please explain why – Not applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The company has not understood the principles									
2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The company does not have financial or manpower resources available for the task									
4. It is planned to be done within the next six months									
5. It is planned to be done within the next one year									
6. Any other reason (please specify)									

Section E: Principle-wise performance

Principle	Reported in
Principle No. 1: Businesses should conduct and govern themselves with ethics, transparency and accountability	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the group/joint ventures/suppliers/contractors/NGOs /others?	Section titled 'Ethics, transparency and accountability' in the Business Responsibility Report
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so	

Principle No. 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional): A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.* Section titled 'Sustainable services' in the Business Responsibility Report
4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so. Section titled 'Environment' in the Business Responsibility Report

Principle No. 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees
2. Please indicate the total number of employees hired on temporary/contractual/casual basis
3. Please indicate the number of permanent women employees
4. Please indicate the number of permanent employees with disabilities
5. Do you have an employee association that is recognised by the management?
6. What percentage of your permanent employees are members of this employee association?
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment filed in the last financial year and pending, as on the end of the financial year Section titled 'Our employees' in the Business Responsibility Report
8. What percentage of the following employees were given safety & skill upgradation training in the last year:
 - Permanent employees
 - Permanent women employees
 - Casual/temporary/contractual employees
 - Employees with disabilities

Principle No. 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders?
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders? Section titled 'Stakeholder engagement' and 'Sustainable Supply Chain' in the Business Responsibility Report
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Principle No. 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others? Section titled 'Human rights' in the Business Responsibility Report
 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
-

Principle No. 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?
2. Does the company have strategies/initiatives to address global environmental issues such as climate change and global warming? If yes, please give hyperlink for webpage etc.
3. Does the company identify and assess potential environmental risks?
4. Does the company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? Section titled 'Environment' in the Business Responsibility Report
5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for webpage etc.
6. Are the emissions/waste generated by the company within the permissible limits stipulated by the Central Pollution Control Board/State Pollution Control Board for the financial year being reported?
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year

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

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

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

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

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Remarks (additional information) Section titled 'Customer value' in the Business Responsibility Report
 3. Has any case been filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.
 4. Did your company carry out any consumer survey/consumer satisfaction survey?
-

Modern Slavery Act, 2015

Statement

This statement is published by CRISIL Ltd about and to enable its subsidiaries that are subject to the Act, including in particular CRISIL Irevna UK Ltd and Coalition UK Ltd (subsidiaries). CRISIL and its subsidiaries are together referred to as CRISIL entities.

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery signify some of the severest forms of human rights abuse. We are committed to improving our practices to combat slavery and human trafficking.

Organisational structure

CRISIL Ltd provides ratings, research and risk and policy advisory services in the knowledge process and business process outsourcing sector. S&P Global Inc is the parent company. CRISIL has its registered office in Mumbai, India. We operate in India, China, Singapore, England, Poland, Argentina, Australia and the United States of America and have about 4,000 employees worldwide.

Our global annual turnover is in excess of £36 million.

Our supply chains

Our supply chains include consultants, advisors, IT (hardware and software) and other office equipment suppliers, professional services from our lawyers, accountants and other advisers, security, catering, office cleaning and other office facilities services, staffing companies, etc.

We require all of our suppliers to conduct business in a lawful and ethical manner as part of our supplier on-boarding process and accept our trading terms and conditions.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Modern Slavery Act, 2015, policy reflects our commitment to acting ethically and with integrity in all our business relationships and implementing and enforcing effective systems and controls, to ensure no slavery and human trafficking takes place in our supply chains.

Due-diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk, we have in place systems to:

- Identify and assess potential risk areas in our supply chains
- Mitigate the risk of slavery and human trafficking in our supply chains
- Monitor potential risk areas in our supply chains
- Protect whistle blowers
- Where possible, build long-standing relationships with local suppliers and make clear our expectations of business behaviour

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values and ethics.

Training

We provide training to our staff to ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business.

Our effectiveness in combating slavery and human trafficking

The Act is relatively new and very few companies, including CRISIL entities, have experience of seeking out, let alone detecting, slavery or trafficking among their own staff or among their suppliers. To date, CRISIL entities are yet to detect or suspect that any CRISIL entities or suppliers employ persons who may be enslaved or trafficked. Therefore, key performance indicators can be set only in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises are collated and analysed.

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

Going Beyond

in **driving innovation**



India's first benchmark indices for domestic AIF

➤ Facilitating investments in new asset classes



Hyperlocal market intelligence framework

➤ District-level risk tracking dashboard across **700** districts to assess opportunities and risk in key segments



Financial conditions index

➤ Tracking the health of financial markets



Scenario Expansion Manager

➤ Unique stress-testing platform for banks



03 ➤

Financial Statements

Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1 which comprise the Consolidated Balance Sheet as at 31 December 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of its subsidiaries and the branch of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 December 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and the branch of a subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group's income from operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services, independent equity research (IER) services, infrastructure advisory and risk management services. Refer Note 2.18 to the consolidated financial statements, for details of revenue recognised during the year.	Our audit of the recognition of contract revenue included, but was not limited to, the following: <ul style="list-style-type: none"> • Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the revenue recognition policies adopted by the Group; • Evaluated key controls around the recognition of contract revenue. Tested the design, implementation and operating effectiveness of these identified key controls during the year and as at the year-end.

The application of this accounting standard is complex and is an area of focus in the audit, as it involved application of significant judgements and estimates relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Due to the significance of the item to the financial statements, complexities involved and management judgement involved for ensuring appropriateness of accounting treatment, this matter has been identified as a key audit matter for the current year's audit.

Accounting for acquisition of Greenwich Associates LLC

As described in Note 44 to the accompanying consolidated financial statements, the Group has completed acquisition of 100% stake in Greenwich Associates LLC (USA) and its subsidiaries ('GA'), on February 26, 2020, through CRISIL Irevna US LLC, a step subsidiary of the Holding Company, at a total value of USD 40 million, which includes upfront and deferred consideration. This transaction falls under the scope of Ind AS 103 'Business Combinations', which requires significant management judgement in determining the fair value of assets and liabilities that are recognised on acquisition, including for intangible assets.

Fair value of intangibles was determined by the Company with the assistance of an external valuation expert using various valuation models, which were applied based on several key assumptions.

Given the complexity and judgement involved in the fair value measurement and significance of the acquisition transaction made by the Group, this matter has been identified as a key audit matter for the current year's audit.

- Evaluated the appropriateness of accounting policies selected by the Group on the basis of our understanding of the Group, the nature and size of its operations and the requirement of relevant accounting standards under the Ind AS framework;
- On a sample of contracts, tested the revenue recognition and our procedures included:
 - reviewing the contract terms and conditions;
 - evaluating the identification of performance obligations of the contract;
 - evaluating the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent recognition of revenue; and
 - evaluating the reasonableness of the estimates involved in the recognition of revenue from initial rating and surveillance services including testing the calculation of fee allocation to rating and surveillance, in determining revenue from infrastructure advisory and risk management services in accordance with the percentage of completion method etc.;
- Tested revenue recognition for cut-off transactions on sample basis to assess whether timing of revenue recognition is appropriate;
- Evaluated the appropriateness and adequacy of the disclosures made in the accompanying consolidated financial statements for revenue recorded during the year.

Our audit included, but was not limited to, the following procedures:

- Obtained and reviewed the documents pertaining to the acquisition, such as equity purchase agreement to understand the key terms and conditions of the acquisition;
- Evaluated the design and tested the operating effectiveness of the Group's internal controls over the accounting of business combination transactions;
- Understood the nature of the transaction and assessed the appropriateness of the accounting treatment in relation to the Group's accounting policies and Ind AS;
- Obtained report of the management's external valuation specialists to value significant intangibles acquired in business combination. Assessed the competence, capabilities and objectivity of the expert engaged by the Holding Company, and gained an understanding of the work of the expert by reviewing the valuation reports;

- Involved our internal valuation specialists to challenge the reasonableness of key assumptions, review the purchase price allocation adjustments and the identification and valuation of acquired intangible assets based on our knowledge of the Company and the industry, and;
- Evaluated the appropriateness and adequacy of the disclosures made in the accompanying consolidated financial statements in respect of the acquisition.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements

and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 7 subsidiaries and one branch of a subsidiary, whose financial statements reflects total assets of Rupees 13,555.64 lakhs and net assets of Rupees 3,327.62 lakhs as at 31 December 2020, total revenues of Rupees 25,232.42 lakhs and net cash outflows amounting to Rupees 976.21 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors, whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branch of a subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and branch of a subsidiary are based solely on the audit report of the other auditors.

Further, all the subsidiaries and branch of the subsidiary referred above are located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in the respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and branch of a subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries and branch of a subsidiary located outside India are based on the report of the other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its two subsidiary companies covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year.
17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of its subsidiaries and branch of a subsidiary we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 December 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) with respect to the adequacy of the internal financial controls with reference to the financial statements of Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors and branch auditor on separate financial statements as also the other financial information of subsidiaries and a branch of a subsidiary:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 36 (A) (2) to the consolidated financial statements;
 - ii. the Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 December 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

UDIN: 21042423AAAAAY4648

Place: Mumbai
Date: 11 February 2021

Annexure 1

List of subsidiaries included in the Statement

1. CRISIL Risk and Infrastructure Solutions Limited
2. CRISIL Irevna UK Limited
3. CRISIL Irevna US LLC
4. CRISIL Irevna Poland Sp.Z.oo.
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.
6. Coalition Development Limited
7. Coalition Development Singapore Pte. Ltd.
8. CRISIL Irevna Argentina S.A
9. Pragmatix Services Private Limited
10. CRISIL Ratings Limited
11. Greenwich Associates LLC
12. Greenwich Associates Singapore Pte. Limited
13. Greenwich Associates Japan K.K.
14. Greenwich Associates Canada, ULC
15. Greenwich Associates UK Limited
16. Greenwich Associates UK (Holdings) Limited
17. Greenwich Associates International, LLC (merged into Greenwich Associates LLC w.e.f 22 December 2020)
18. CRISIL Irevna Australia Pty Ltd

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited on the consolidated financial statements

for the year ended December 31, 2020

Annexure I Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 December 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its three subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its three subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its three subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial

statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its three subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its three subsidiary companies, which are companies covered

under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Khushroo B. Panthaky
 Partner
 Membership No.: 042423

UDIN: 21042423AAAAAY4648

Place: Mumbai
 Date: 11 February 2021

Consolidated Balance Sheet

as at December 31, 2020

(Rupees in lakhs)

Particulars	Notes	As at	
		December 31, 2020	December 31, 2019
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3A	4,102	3,512
(b) Right of Use Asset	3B	20,908	-
(c) Goodwill	4	37,586	28,861
(d) Intangible assets	5	13,656	2,515
(e) Intangible assets under development		1,357	1,180
(f) Financial assets			
i. Investments	6	17,028	20,080
ii. Loans	7	2,455	3,421
iii. Other financial assets	8	108	87
(g) Deferred tax assets (net)	9	6,406	4,259
(h) Tax assets	10	7,969	7,396
(i) Other non-current assets	11	654	1,066
2. Current assets			
(a) Financial assets			
i. Investments	6	30,574	25,225
ii. Trade receivables	12	30,736	19,937
iii. Cash and cash equivalents	13	27,488	34,169
iv. Other bank balances	14	380	389
v. Loans	15	2,121	722
vi. Other financial assets	16	10,176	7,901
(b) Other current assets	17	6,643	7,835
3. Asset held for sale	18	318	318
TOTAL ASSETS		220,665	168,873
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	19	726	723
(b) Other equity		130,455	116,469
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	20	-	4
ii. Other financial liabilities	21	18,461	782
(b) Provisions	22	2,139	1,514
3. Current liabilities			
(a) Financial liabilities			
i. Short term borrowings	23	-	258
ii. Trade payables	24		
- to micro enterprises and small enterprises		10	3
- to others		10,526	7,543
iii. Other financial liabilities	25	24,541	16,035
(b) Provisions	26	8,388	6,613
(c) Tax liabilities	27	1,620	1,530
(d) Other current liabilities	28	23,799	17,399
TOTAL EQUITY AND LIABILITIES		220,665	168,873
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

This is the Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Date: February 11, 2021
Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited
John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended December 31, 2020

Particulars	Notes	(Rupees in lakhs)	
		Year ended December 31, 2020	Year ended December 31, 2019
Income			
Revenue from operations	29	198,183	173,172
Other income	30	8,315	7,284
Total		206,498	180,456
Expenses			
Employee benefit expenses	31	106,844	87,756
Finance cost	32	1,439	23
Depreciation and amortisation expenses	3A, 3B & 5	12,111	3,686
Other expenses	33	40,275	39,832
Total		160,669	131,297
Profit before tax		45,829	49,159
Tax expense	9		
Current tax		11,984	13,115
Deferred tax		(1,628)	1,649
Total tax expense		10,356	14,764
Profit after tax for the year		35,473	34,395
Other comprehensive (income)/expense (OCI)			
A. Items that will be reclassified to profit or loss:			
Exchange differences in translating the financial statements of a foreign operation		(2,078)	(845)
The effective portion of gains or (loss) on hedging instruments in a cash flow hedge		(605)	290
Tax effect on above		153	(101)
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		513	252
Equity instruments through other comprehensive income		3,052	9,279
Tax effect on above		(150)	(100)
Total comprehensive income for the year		34,588	25,620
Profit attributable to:			
Owners of the Company		35,473	34,395
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the Company		34,588	25,620
Non-controlling interest		-	-
Earnings per share : Nominal value of Re. 1 per share	46		
Basic		48.93	47.61
Diluted		48.90	47.55
Number of equity shares used in computing earnings per share			
Basic		72,494,072	72,243,688
Diluted		72,547,286	72,339,528
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Date: February 11, 2021
Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited
John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Consolidated Cash Flow Statement

for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
A. Cash flow from operating activities:		
Profit before tax	45,829	49,159
Adjustments for :		
Depreciation/Amortisation	12,111	3,686
Interest income on financial assets carried at amortized cost	(257)	(230)
Waiver of lease liability	(208)	-
Hyperinflation impact (Refer Note 41)	121	142
Unrealised foreign exchange loss	(577)	192
(Profit)/Loss on sale of Property, Plant and Equipment	(9)	(27)
(Profit)/ loss on sale of current investments	(703)	(981)
(Profit)/ loss on fair valuation of current investments	(268)	(387)
Provision for doubtful debts / bad debts	94	-
Provision for doubtful deposits	45	-
Excess provision written back	(395)	(349)
Interest on bank deposits	(173)	(109)
Interest on Income tax refund	(3)	(369)
Share based payment to employees	248	814
Dividend on investments	(441)	(777)
Interest on Lease Liability	1,410	-
Interest on bank overdraft	29	23
Operating profit before working capital changes	56,853	50,787
Movements in working capital		
(Increase)/decrease in trade receivables	(4,738)	8,579
(Increase)/decrease in loans	(221)	616
(Increase)/decrease in other non current assets	60	(389)
(Increase)/decrease in other current financial assets	2,908	1,212
(Increase)/decrease in other current assets	677	(3,379)
Increase/(decrease) in trade payables	1,533	1,113
Increase/(decrease) in provisions	1,887	347
Increase/(decrease) in other current financial liabilities	(712)	210
Increase/(decrease) in other current liabilities	3,203	34
Increase/(decrease) in other non current financial liabilities	1,099	8
Cash generated from operations	62,549	59,138
Taxes paid	(12,502)	(14,552)
Net cash generated from operating activities - (A)	50,047	44,586

Consolidated Cash Flow Statement

for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances) net of proceeds from sales	(3,492)	(2,906)
Proceeds from sale of property, plant and equipment and intangible assests	88	138
Investments in mutual funds (net of proceeds)	(4,378)	(5,554)
Payment made for acquisition of Greenwich Associates LLC	(25,117)	-
Interest on Income tax refund	3	369
Interest on bank deposits	177	112
Fixed deposits placed	(8)	(33)
Dividend on investments	441	777
Net cash used in investing activities - (B)	(32,286)	(7,097)
C. Cash flow from financing activities :		
Receipts from issuance of share capital on account of exercise of ESOS	3,522	2,295
Proceeds from /(repayment of) borrowings	(9)	(4)
Dividend and dividend tax paid	(23,203)	(25,162)
Payment of Lease Liability	(6,791)	-
Interest expense/finance cost	(29)	(23)
Net cash generated from/(used in) financing activities - (C)	(26,510)	(22,894)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(8,749)	14,595
Add / (less) : adjustment towards acquisition / (divesture) - (D)	2,530	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(6,219)	14,595
Cash and cash equivalents - Opening balance	33,911	19,949
Add : Exchange difference on translation of foreign currency cash and cash equivalents	(204)	(633)
Cash and cash equivalents - Closing balance	27,488	33,911
Net Increase/(decrease) in cash and cash equivalents	(6,219)	14,595
Components of cash and cash equivalents :-		
Cash on hand and balances with banks on current account	26,822	11,636
Deposits with original maturity of less than three months	666	22,533
Bank and book overdraft	-	(258)
Total	27,488	33,911

The accompanying notes are an integral part of the consolidated financial statements.

This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandio & Co LLPChartered Accountants
Firm Registration No.:001076N/N500013**Khushroo B. Panthaky**Partner
Membership No.: 042423Date: February 11, 2021
Place: Mumbai**For and on behalf of the Board of Directors of CRISIL Limited****John L Berisford**Chairman
[DIN: 07554902]
Place: Connecticut**Sanjay Chakravarti**

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai**Ashu Suyash**Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai**Minal Bhosale**Company Secretary
Place: Mumbai

Statement of Changes in Consolidated Equity

for the year ended December 31, 2020

A. Equity share capital		(Rupees in lakhs)	
Balance as at January 1, 2020	Changes in equity share capital during the year (Refer Note 19)	3	Balance as at December 31, 2020
723		726	
Balance as at January 1, 2019	Changes in equity share capital during the year (Refer Note 19)	2	Balance as at December 31, 2019
721		723	

Particulars	Reserves & Surplus						Items of Other Comprehensive Income (OCI)				Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Special Economic Zone (SEZ) reinvestment reserve	Retained earnings	Equity Instruments through OCI	Currency fluctuation reserve	Hedge reserve		
	(Refer Note 19.1)										
Balance as at January 1, 2020	27	20,107	14,115	6,668	-	99,982	(24,514)	44	40	116,469	
Profit for the year	-	-	-	-	-	35,473	-	-	-	35,473	
Additions during the year	-	3,519	-	-	-	-	-	-	-	3,519	
Other comprehensive income	-	-	-	-	-	(384)	(3,031)	2,078	452	(885)	
Share based payment to employees	-	-	-	247	-	-	-	-	-	247	
Final dividend (Refer note 47)	-	-	-	-	-	(9,422)	-	-	-	(9,422)	
Interim dividend (Refer note 47)	-	-	-	-	-	(13,781)	-	-	-	(13,781)	
Transitional Impact on implementation of Ind AS 116 Leases (Refer note 39)	-	-	-	-	-	(1,165)	-	-	-	(1,165)	
Exercise of stock option	-	1,432	-	(1,432)	-	-	-	-	-	-	
Balance as at December 31, 2020	27	25,058	14,115	5,483	-	110,703	(27,545)	2,122	492	130,455	

Statement of Changes in Consolidated Equity

for the year ended December 31, 2020

Particulars	(Rupees in lakhs)									
	Reserves & Surplus					Items of Other Comprehensive Income (OCI)				Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Special Economic Zone (SEZ) reinvestment reserve	Retained earnings	Equity Instruments through OCI	Currency fluctuation reserve	Hedge reserve	
Balance as at January 1, 2019	27	16,915	14,115	6,753	450	90,481	(15,265)	(801)	229	112,904
Profit for the year	-	-	-	-	-	34,395	-	-	-	34,395
Additions during the year	-	2,293	-	-	-	-	-	-	-	2,293
Other comprehensive income	-	-	-	-	-	(182)	(9,249)	845	(189)	(8,775)
Share based payment to employees	-	-	-	814	-	-	-	-	-	814
Final dividend (Refer note 47)	-	-	-	-	-	(7,938)	-	-	-	(7,938)
Interim dividend (Refer note 47)	-	-	-	-	-	(13,735)	-	-	-	(13,735)
Corporate dividend tax (Refer note 47)	-	-	-	-	-	(3,489)	-	-	-	(3,489)
Transfer to SEZ reinvestment reserve	-	-	-	-	(450)	450	-	-	-	-
Exercise of stock option	-	899	-	(899)	-	-	-	-	-	-
Balance as at December 31, 2019	27	20,107	14,115	6,668	-	99,982	(24,514)	44	40	116,469

(Refer Note 19.1)

The accompanying notes are an integral part of the consolidated financial statements.

This is the statement of changes in equity and Loss referred to in our audit report of even date

For Walker Chandiook & Co LLP

 Chartered Accountants
 Firm Registration No.:001076N/N500013

Khushroo B. Panthaky
 Partner
 Membership No.: 042423

 Date: February 11, 2021
 Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited
John L Berisford
 Chairman
 [DIN: 07554902]
 Place: Connecticut

Sanjay Chakravarti
 Chief Financial Officer

 Date: February 11, 2021
 Place: Mumbai

Ashu Suyash
 Managing Director and Chief Executive Officer
 [DIN: 00494515]
 Place: Mumbai

Minal Bhosale
 Company Secretary
 Place: Mumbai

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended December 31, 2020

1 Corporate information

CRISIL Limited ('the Company' or 'CRISIL' or 'Parent') (CIN: CIN L67120MH1987PLC042363) and its subsidiaries (collectively referred to as 'the Group') is a globally-diversified analytical Company providing ratings, research, risk and policy advisory services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better.

CRISIL Limited is a public limited company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognised stock exchanges in India-the Bombay Stock Exchange and the National Stock Exchange.

These consolidated financial statements for the year ended December 31, 2020 were approved by the Board of Directors on February 11, 2021.

S&P Global Inc. the ultimate Holding Company, through its subsidiaries owned 67.13% as on December 31, 2020 of the Company's equity share capital. (Refer Note 19).

2 Summary of significant accounting policies

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 2.6. Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of

subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation:

The financial statements of the Group Companies are consolidated on a line-by-line basis and all intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Functional and presentation currency:

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company. All financial information is presented in Indian rupees.

2.3 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the consolidated financial statements and the reported income and expenses for the years presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in

circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- **Goodwill impairment**

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and anticipated future economic and regulatory conditions.

Goodwill is tested for impairment, relying on a number of factors including operating results, business plans and future cash flows. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgement. The estimated cash flows are prepared using internal forecasts.

- **Revenue recognition**

Revenue from rendering of services is recognised when the obligation to render services based on agreements/arrangements with the customers are satisfied and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to

date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. As actuarial valuation involves making various assumptions that may be different from the actual development in the future, key actuarial assumptions include discount rate, trends in salary escalation, attrition and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Valuation of taxes on income**

Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.22

- **Provisions**

Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligations and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the

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Balance Sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

- **Business combinations and intangible assets**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by valuation experts.

- **Share-based payments**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally

entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under “share-based payment reserve”. The amount recognised as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

2.6 The consolidated financial statements represent consolidation of accounts of the Company, its subsidiaries as detailed below:

Name of the entities	Country of incorporation	Ownership in % either directly or through subsidiaries	
		December 31, 2020	December 31, 2019
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
Pragmatix Services Private Limited (Refer Note 44)	India	100%	100%
CRISIL Ratings Limited (Refer Note 42)	India	100%	100%
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna US LLC	United States of America	100%	100%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%
CRISIL Irevna Poland Sp.zo.o.	Poland	100%	100%
Coalition Development Limited	United Kingdom	100%	100%
Coalition Development Singapore Pte Limited	Singapore	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%
CRISIL Irevna Australia Pty Ltd	Australia	100%	NA
Greenwich Associates LLC	United States of America	100%	NA
Greenwich Associates International, LLC	United States of America	100%	NA
Greenwich Associates UK (Holdings) Limited	United Kingdom	100%	NA
Greenwich Associates Singapore PTE. LTD.	Singapore	100%	NA
Greenwich Associates Japan K.K.	Japan	100%	NA
Greenwich Associates Canada ULC	Canada	100%	NA
Greenwich Associates UK Limited	United Kingdom	100%	NA

2.7 Property, Plant and Equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised under property, plant and equipment includes purchase price, duties and taxes, other incidental expenses incurred during the construction/installation stage. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

2.8 Intangibles

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.9 Depreciation/amortisation

Based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence, in certain class of assets, the useful lives is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation/amortisation is provided on straight line method (SLM) over useful life.

Type of asset	Estimated Useful Life
Buildings	20 years
Furniture and fixtures	4 to 16 years
Office equipment	3 to 10 years
Computers	3 years
Vehicles	3 years
Customer relationship	3 to 12 years
Technology	5 years
Brand	20 years
Database	4 to 5 years
Tradename	7 years
Platform	5 years
Software	1 to 3 years

The estimated useful lives of PPE and intangible assets and the depreciation and amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Leasehold improvements are amortised over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

2.10 Impairment

a) Impairment of non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis or whenever there is an indication that goodwill may

be impaired. For goodwill impairment testing, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the statement of profit and loss and is not reversed in the subsequent period.

(ii) Other non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

b) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, deposits, and bank balance.

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ii) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date.

For all other financial assets, ECL is measured at an amount equal to the twelve month ECL unless there has been a significant increase in credit risk from the initial recognition in which case those are measured at lifetime ECL.

2.11 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103 w.e.f. January 1, 2012. The acquisition date is the date on which control is transferred to the acquirer. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities) acquired.

When the fair value of the net identifiable assets acquired and liabilities acquired exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve. Business combinations between entities under common control is accounted at carrying value.

Transaction cost that the Group incurs in connection with business combinations such as finder fees, legal fees and other professional and consulting fees are expensed as incurred.

Goodwill is measured at cost less accumulated impairment loss.

2.12 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group's lease assets consists of office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset

Where the Group is a lessee

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

At the date of commencement of the lease, the Group recognises a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that

rate cannot be readily determined, the Group uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments based on an index or rate, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability and right of use assets have been presented separately in the Balance Sheet and lease payments are classified as cash used in financing activities in the statement of cash flows.

Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

Transition

Effective January 1, 2020, the Group has adopted Ind AS 116 "Leases" and applied the standard to all applicable lease contracts existing on January 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental rate at the date of initial application. Comparatives as at and for the year ended December 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended December 31, 2019.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Fair value of financial instruments

In determining the fair value of the financial instruments the Group uses variety of methods and assumptions that

are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realised. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.15 Financial instruments

Initial recognition

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

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(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) Derivative financial instruments

The Group uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group uses hedging instruments that are governed by the policies of the Group.

(i) Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(ii) Receivable hedge

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses).

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Group transfers amounts from this reserve to retained earnings when these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Provision, contingent liabilities and contingent assets:

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in Note 36. Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term

investments with an original maturity of three months or less.

2.18 Revenue recognition

Income from operations

Income from operations comprises income from initial rating and surveillance services, global research and analytical services, coalition business, customised research, core research program, customer projects and experienced management programs, special assignments and subscriptions to information products and services, IPO grading services, independent equity research (IER) services, infrastructure advisory and risk management services.

- Revenue from Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue rateably over the estimated surveillance periods.
- Surveillance fee, subscription to information products and services, coalition business and revenue from IER are accounted on a time proportion basis and revenue is straight lined over the period of performance.
- Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out in a time proportion basis.
- Global research and analytics revenue consists of time and material contracts which is recognised on output basis measured by number of hours/days/weeks worked at the rates specified in the agreements.
- Core research program revenue is recognized at a point in time when research report is delivered to the customer.
- Revenue from infrastructure advisory services, risk management services and customer projects and experience management program services are recognized in accordance with percentage completion method.
- Percentage of completion for infrastructure advisory is determined based on the project cost incurred to date as a percentage of total estimated project cost required to complete the project.
- Revenue from risk management services comprise of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognized upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from consultancy services and sale of software which involves customisation

are recognised over execution period. Revenue from annual maintenance contracts are recognised on a time proportion basis.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Accrued revenue are classified as Unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms and is accordingly classified under 'other financial assets'.

Accrued revenue where the right to consideration is conditional upon factors other than the passage of time are contract assets which are classified as nonfinancial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period. Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognized at fair value in the statement of profit and loss under 'other income', where all attaching conditions will be complied with and to the extent there is no significant uncertainty as to the ultimate realization on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established by the balance sheet date.

Profit /(loss) on sale of current investment

Profit /(loss) on sale of current investment is accounted when the sale is executed. On disposal of such investments, the difference between the carrying

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amount and the disposal proceeds, net of expenses, is recognised in the statement of profit and loss.

2.19 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit

and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

In respect of foreign subsidiaries retirement benefits are governed and accrued as per local statutes and there are no defined benefit plan. The amount contributed to the defined contribution plan is charged to the statement of profit and loss account on accrual basis.

2.20 Employee stock compensation cost

The Group recognises expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

2.21 Foreign currency

Functional currency

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (INR), whereas the functional currency of the foreign subsidiaries is the currency of their countries of domicile. These consolidated financial statements are presented in Indian Rupees (rounded off to the nearest lakhs except otherwise indicated).

The financial statements of subsidiary companies whose functional currency is the currency of a hyperinflationary economy are adjusted for the effects of changes in general price index (to reflect the change in purchasing

power of the local currency) and expressed in terms of the current unit of measurement at the closing date of the reporting period, in accordance with Ind AS 29 “Financial Reporting in Hyperinflationary Economies”.

Subsidiaries with the currency of hyperinflationary economy as their functional currency are restated as per Ind AS 29 before consolidation in accordance with Ind AS 110 ‘Consolidated Financial Statements’. Once restated, all items of the financial statements of such a subsidiary is converted to INR the closing exchange rate. To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country such as the trend of inflation rate over the past three years.

Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Foreign currency translation

Assets and liabilities of the entities with functional currency other than the presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss has been translated using monthly average exchange rates prevailing during the year. Translation adjustment have been reported as foreign currency translation reserve in the statement of changes in equity.

2.22 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- i) has a legally enforceable right to set off the recognised amounts; and

- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The current income tax for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which they operate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.23 Segment reporting policies

The Managing Director and Chief Executive Officer of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Group is structured into three reportable business segments – Rating, Research and Advisory. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are

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disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Inter segment transfers:

The Group generally accounts for inter segment services and transfers as if the services or transfers were to third parties at arm length price.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

2.24 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, Employee Stock Option Scheme (ESOS), etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Group has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.25 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

2.26 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the balance sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3A. Property, plant and equipment

For the year ended December 31, 2020

Particulars	Carrying value						Accumulated depreciation				Net Block		
	As at January 1, 2020	Additions	Deductions	Currency translation reserve	Adjustments (Refer note 44)	As at December 31, 2020	Up to January 1, 2020	For the year	Deductions	Currency translation reserve	Adjustments (Refer note 44)	Up to December 31, 2020	As at December 31, 2020
Buildings	10	-	-	-	-	10	10	-	-	-	-	10	-
Furniture and fixtures	1,017	52	123	(153)	1,071	1,864	699	89	98	(129)	987	1,548	316
Office equipments	1,813	56	27	(25)	150	1,967	1,207	152	16	(17)	149	1,475	492
Computers	6,613	2,108	72	(134)	3,696	12,211	4,799	1,556	69	(317)	3,574	9,543	2,668
Vehicles	812	27	219	(25)	-	595	528	165	194	(22)	-	477	118
Leasehold improvements	3,480	523	43	(204)	444	4,200	2,990	330	28	(1)	401	3,692	508
Total	13,745	2,766	484	(541)	5,361	20,847	10,233	2,292	405	(486)	5,111	16,745	4,102

For the year ended December 31, 2019

Particulars	Carrying value						Accumulated depreciation				Net Block		
	As at January 1, 2019	Additions	Deductions	Currency translation reserve	Adjustments	As at December 31, 2019	Up to January 1, 2019	For the year	Deductions	Currency translation reserve	Adjustments	Up to December 31, 2019	As at December 31, 2019
Buildings	10	-	-	-	-	10	10	-	-	-	-	10	-
Furniture and fixtures	1,054	41	33	(45)	-	1,017	594	176	27	(44)	-	699	318
Office equipments	1,794	171	95	(57)	-	1,813	1,046	295	72	(62)	-	1,207	606
Computers	5,834	1,508	389	(340)	-	6,613	4,217	1,295	375	(338)	-	4,799	1,814
Vehicles	947	128	221	(42)	-	812	524	214	166	(44)	-	528	284
Leasehold improvements	3,488	39	43	(4)	-	3,480	2,632	393	30	(5)	-	2,990	490
Total	13,127	1,887	781	(488)	-	13,745	9,023	2,373	670	(493)	-	10,233	3,512

3B. Right of Use Asset

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated depreciation				Net Block				
	Transitional impact of Ind AS 116 (Refer note 39)	Additions	Lease modification	Currency translation reserve	Adjustments (Refer Note 44)	As at December 31, 2020	Up to January 1, 2020	For the year	Lease modification	Currency translation reserve	Adjustments	Up to December 31, 2020	As at December 31, 2020
Building	22,264	3,590	(2,750)	223	3,258	26,585	-	6,935	(1,264)	6	-	5,677	20,908
Total	22,264	3,590	(2,750)	223	3,258	26,585	-	6,935	(1,264)	6	-	5,677	20,908

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4 Goodwill

(Rupees in lakhs)

Particulars	As at December	As at December
	31, 2020	31, 2019
Carrying value at the beginning of the year	28,861	27,725
On acquisition of Greenwich Associates LLC (Refer Note 44)	7,344	-
Foreign currency exchange gain/(loss)	1,381	1,136
Carrying value at the end of the year	37,586	28,861
Goodwill has been allocated in the following CGU's:		
Irevna	9,502	9,224
Coalition	24,463	16,016
Advisory	3,621	3,621
Total	37,586	28,861

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the CGU's level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use, both of which are calculated by the Group using a discounted cash flow analysis. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by the management. For calculation of the recoverable amount, the Group has used the following rates:

Particulars	Growth rate	Discount rate
Irevna business	5.00%	14.60%
Coalition business	5.00%	14.60%
Advisory business	5.00%	14.60%

The above discount rate is based on the weighted average cost of capital of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

An analysis of sensitivity of the computation to a change in key parameters (operating margins and discount rate) based on reasonably probable assumptions, did not identify any probable scenario in which recoverable amount of the CGU would decrease below its carrying amount.

As at December 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

5. Intangible assets

For the year ended December 31, 2020

Particulars	(Rupees in lakhs)												
	Carrying value					Accumulated amortisation					Net Block		
	As at January 1, 2020	Additions	Deductions	Currency translation reserve	Adjustments (Refer note 44)	As at December 31, 2020	Up to January 1, 2020	For the year	Deductions	Currency translation reserve	Adjustments (Refer note 44)	Up to December 31, 2020	As at December 31, 2020
Intangible assets	-	-	-	-	-	3,619	-	154	-	19	-	173	3,446
Brand (Refer note 44)	-	3,668	-	(49)	-	3,619	-	154	-	19	-	173	3,446
Technology	1,782	-	-	319	-	2,101	1,782	-	-	319	-	2,101	-
Database	838	2,994	-	94	-	3,926	838	631	-	140	-	1,609	2,317
Customer relationship (Refer note 44)	1,866	6,512	-	111	-	8,489	1,573	553	-	228	-	2,354	6,135
Tradenname	418	-	-	49	-	467	418	-	-	49	-	467	-
Platform	985	-	-	-	-	985	381	197	-	-	-	578	407
Software	4,201	869	-	(135)	7,672	12,607	2,583	1,349	-	129	7,195	11,256	1,351
Total	10,090	14,043	-	389	7,672	32,194	7,575	2,884	-	884	7,195	18,538	13,656

For the year ended December 31, 2019

Particulars	(Rupees in lakhs)												
	Carrying value					Accumulated amortisation					Net Block		
	As at January 1, 2019	Additions	Deductions	Currency translation reserve	Adjustments	As at December 31, 2019	Up to January 1, 2019	For the year	Deductions	Currency translation reserve	Adjustments	Up to December 31, 2019	As at December 31, 2019
Technology	1,543	-	-	239	-	1,782	1,543	-	-	239	-	1,782	-
Database	726	-	-	112	-	838	726	-	-	112	-	838	-
Customer relationship	1,691	-	-	175	-	1,866	1,216	183	-	174	-	1,573	293
Tradenname	381	-	-	37	-	418	319	63	-	36	-	418	-
Platform	985	-	-	-	-	985	184	197	-	-	-	381	604
Software	3,539	662	-	-	-	4,201	1,713	870	-	-	-	2,583	1,618
Total	8,865	662	-	563	-	10,090	5,701	1,313	-	561	-	7,575	2,515

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6. Investments

A. Non-current investments	As at December 31, 2020		As at December 31, 2019	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
<i>Unquoted equity investments carried at fair value through OCI (Refer Note 6.2)</i>				
Equity Shares of National Commodity and Derivative Exchange Limited of Rupees 10 each, fully paid up	1,875,000	3,082	1,875,000	3,204
Equity Shares of Caribbean Information and Credit Rating Agency of US \$ 1 each, fully paid up	300,000	155	300,000	120
Sub - total (a)		3,237		3,324
<i>Quoted equity investments carried at fair value through OCI (Refer Note 6.2)</i>				
Equity Share of ICRA Limited of Rupees 10 each, fully paid up (Refer Note 6.1)	1	-	1	-
Equity Share of CARE Ratings Limited of Rupees 10 each, fully paid up	2,622,431	13,791	2,622,431	16,756
Sub - total (b)		13,791		16,756
Total non-current investments - (a + b)		17,028		20,080
B. Current investments	As at December 31, 2020		As at December 31, 2019	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
Investments in mutual funds				
<i>(Unquoted investments carried at fair value through profit and loss) (Refer Note 34)</i>				
L&T Banking and PSU Debt Fund - Direct Plan - Growth	8,531,402	1,715	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	1,168,989	4,885	-	-
Invesco India Treasury Advantage Fund - Direct Plan - Growth	162,221	4,908	-	-
DSP Banking and PSU Debt Fund - Dir - Growth	25,341,488	4,855	-	-
IDFC Ultra Short Term Fund - Direct Plan - Growth	14,699,599	1,746	-	-
IDFC Low Duration Fund - Growth - Direct Plan	17,470,972	5,314	-	-
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan	1,223,662	5,177	-	-
Kotak Savings Fund - Direct Plan - Growth	5,741,861	1,974	-	-
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	-	-	2,500,000	255
Invesco India Short Term Fund - Direct Plan Growth	-	-	157,336	4,313
Axis Treasury Advantage Fund - Direct Growth	-	-	87,495	2,000
LIC MF Banking and PSU Debt Fund - Direct Plan - Growth	-	-	17,417,522	4,606
IDFC Bond Fund - Short Term Plan - Growth - (Direct Plan)	-	-	6,754,142	2,862
L&T Short Term Bond Fund - Direct Plan - Growth	-	-	14,588,155	2,863
L&T Money Market Fund - Direct Plan - Growth	-	-	19,892,581	4,001
DSP Short Term Fund - Direct Plan - Growth	-	-	5,104,208	1,797
DSP Corporate Bond Fund - Direct - Growth	-	-	4,325,447	501
Sundaram Corporate Bond Fund Direct Growth	-	-	7,064,600	2,027
Total investments in mutual funds (c)		30,574		25,225
Total investments (a + b + c)		47,602		45,305

The market value of quoted investments is equal to the carrying value

6.1 '-' in amounts' columns denote amount less than Rupees 50,000

6.2 The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2020 was Rupees 433 lakhs and for the year ended December 31, 2019 was Rupees 761 lakhs. Dividend from equity investments designated as FVTOCI relates to investments held at the end of the reporting period. The Group recognises dividend in statement of profit and loss under the head "other income". For all the equity instruments that are classified by the Group as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI.

7. Loans (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Unsecured, considered good, unless otherwise stated		
Security and other deposits	2,455	3,421
Total	2,455	3,421

8. Other financial assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Unsecured, considered good, unless otherwise stated		
Interest accrued on fixed deposits	5	2
-Deposits with more than 12 months maturity	103	85
[Deposit includes fixed deposits with banks Rupees 50 lakhs (Previous year: Rupees 73 lakhs) marked as lien for guarantees issued by banks on behalf of the Group (Refer Note 36)]		
Total	108	87

9. Income tax

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Current tax	11,984	13,115
Deferred tax	(1,628)	1,649
Total income tax expense recognised in current year	10,356	14,764

The tax year for the company being the year ending March 31, 2021, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2020 and the provisions for the nine months upto December 31, 2020. The tax provision for the nine months has been arrived at using effective tax rate for the period April 1, 2020 to March 31, 2021.

The reconciliation between income tax provision of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is summarized below:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Profit before income tax	45,829	49,159
Enacted income tax rate in India for fiscal year ended March 31, 2021 and March 31, 2020. (%)	25.17%	27.61%
Computed expected tax expense	11,534	13,575
Effect of:		
Income exempt from tax	(144)	(259)
Expenses that are not deductible in determining taxable profit	253	357
Income subject to different tax rates	(312)	150
Tax expense of prior years	(440)	20
Impact due to change in rate	-	1,264
Others	(535)	(343)
Total income tax expense recognised in the statement of profit and loss	10,356	14,764

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Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

As at December 31, 2020

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Recognised in retained earning	Exchange difference	Closing balance
Deferred tax liability on:						
Gains from investments	644	-	(20)	-	-	624
Gains from mutual funds	91	(28)	-	-	-	63
Gains/losses on forward contract	13	-	153	-	-	166
Business combination	407	(378)	-	-	-	29
Property, plant and equipment and intangibles	407	251	-	-	(20)	638
Discounting of security deposit	31	(31)	-	-	-	-
Gross deferred tax liability	1,593	(186)	133	-	(20)	1,520
Deferred tax asset on:						
Provision for compensated absences	1,426	370	-	-	1	1,797
Provision for bonus and commission	766	(85)	-	-	32	713
Provision for gratuity	607	19	130	-	-	756
Provision for doubtful debt	575	(41)	-	-	1	535
Initial rating fees and other deferred revenue	530	(149)	-	-	-	381
Lease liability and right to use	-	190	-	412	4	606
Property, plant and equipment and intangibles	1,145	155	-	-	2	1,302
On unabsorbed depreciation	67	(67)	-	-	-	-
40A(ia) of the Income Tax Act, 1961 and other items	603	(21)	-	-	20	602
Discounting of security deposit	-	120	-	-	-	120
Brought forward losses	-	713	-	-	20	733
Interest expense disallowance	-	141	-	-	4	145
Earnout payments	-	231	-	-	6	237
Gross deferred tax asset	5,718	1,576	130	412	90	7,926
MAT credit entitlement	134	(134)	-	-	-	-
Net deferred tax asset	4,259	1,628	(3)	412	110	6,406

As at December 31, 2019

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Recognised in retained earning	Exchange difference	Closing balance
Deferred tax liability on:						
Gains from investments	674	-	(30)	-	-	644
Gains from mutual funds	50	41	-	-	-	91
Gains / losses on forward contract	115	-	(102)	-	-	13
Business combination	407	-	-	-	-	407
Property, plant and equipment and intangibles	370	49	-	-	(12)	407
Lease rent amortisation	28	3	-	-	-*	31
Gross deferred tax liability	1,644	93	(132)	-	(13)	1,593
Deferred tax asset on:						
Provision for compensated absences	1,992	(567)	-	-	1	1,426
Provision for bonus and commission	1,028	(263)	-	-	1	766
Provision for gratuity	711	(173)	69	-	-	607
Provision for doubtful debt	1,214	(640)	-	-	1	575
Initial rating fees and other deferred revenue	597	(67)	-	-	-	530
Property, plant and equipment and intangibles	1,212	(68)	-	-	1	1,145
Unabsorbed depreciation	-	67	-	-	-	67
40A(ia) of the Income Tax Act, 1961 and other items	508	81	-	-	14	603
Gross deferred tax asset	7,262	(1,632)	69	-	18	5,718
MAT credit entitlement	58	76	-	-	-	134
Net deferred tax asset	5,676	(1,649)	201	-	30	4,259

* '-' in amounts' columns denote amount less than Rupees 50,000

Deferred tax liability on undistributed earnings of Rupees 10,298 lakhs (Previous year: 8,025 lakhs) of certain subsidiaries has not been recognised, as it is the intention of the Group to reinvest the earnings of these subsidiaries for the foreseeable future.

10. Tax assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Advance taxes paid (net of provision for taxation) [Provision of tax Rupees 126,182 lakhs (Previous year: Rupees 120,740 lakhs)]	7,969	7,396
Total	7,969	7,396

11. Other non-current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Prepaid rent	-	573
Capital advance	276	55
Prepaid expenses	378	438
Total	654	1,066

12. Trade receivable (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured (Refer Note 38)	30,736	19,937
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,109	2,375
Less: Allowance for impairment loss	(2,109)	(2,375)
Total	30,736	19,937

The Group uses a provision matrix to determine impairment loss allowance on the portfolio trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At period end, the historical observed default rates are updated and changes in the forward looking estimates are analyzed. Specific allowance for loss is also been provided by the management based on expected recovery on individual customers.

Reconciliation of loss allowance:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Opening balance	2,375	3,987
Movement during the year	(266)	(1,612)
Closing balance	2,109	2,375

13. Cash and cash equivalents (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Cash on hand	5	5
Balances with banks :		
On current accounts	26,817	11,631
Deposits with maturity of less than three months	666	22,533
[Deposit includes fixed deposits with banks Rupees Nil (Previous year: Rupees 12 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 36)]		
Total	27,488	34,169

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14. Other bank balances (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
On unpaid dividend accounts	76	75
Deposit with original maturity for more than 3 months but less than 12 months [Deposit includes fixed deposits with banks Rupees 114 lakhs (Previous year: Rupees 239 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 36)]	304	314
Total	380	389

15. Loans (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
<u>Unsecured, considered good, unless otherwise stated</u>		
Loans to employees	271	370
Security and other deposits		
- Considered good	1,850	352
- Considered doubtful	107	68
Less: Allowance for impairment loss	(107)	(68)
Total	2,121	722
Sub-classification of loans:		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	2,121	722
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	107	68
Less: Allowance for impairment loss	(107)	(68)
Total	2,121	722

16. Other financial assets (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Unsecured, considered good, unless otherwise stated		
Unbilled receivables (Refer Note 16.1)	9,179	7,682
Interest accrued on deposits	12	19
Fair value of foreign currency forward contract (Refer Note 34.2)	877	53
Others	108	147
Total	10,176	7,901

16.1 The balance lying in unbilled receivables as at December 31, 2019 is fully billed during the current year.

17. Other current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Prepaid rent	-	269
Prepaid expense	1,553	1,669
Balances with government authorities	1,676	2,336
Advances to suppliers and employees	1,121	1,165
Accrued revenue	2,293	2,396
Total	6,643	7,835

18. Assets held for sale

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Building (Refer Note 18.1)	318	318
Total	318	318

18.1 The Group has classified a building premise as asset held for sale at its carrying value Rupees 318 lakhs. The Group has actively marketed the premise. The premise has been classified as unallocable as the Group believes that it is currently not practicable to allocate the premise to any segment.

19. Share capital

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Authorised capital:		
100,000,000 Equity shares of Rupee 1 each (Previous year: 100,000,000 equity shares of Rupee 1 each)	1,000	1,000
Issued, subscribed and paid up:		
72,593,290 equity shares of Rupee 1 each fully paid up (Previous year: 72,304,326 equity shares of Rupee 1 each)	726	723
Total	726	723

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

Equity shares

Particulars	As at December 31, 2020	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	723	72,304,326
Add : Issued during the year-Under employee stock option scheme (ESOS) (Refer Note 45)	3	288,964
Outstanding at the end of the year	726	72,593,290

Particulars	As at December 31, 2019	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	721	72,115,782
Add : Issued during the year-Under employee stock option scheme (ESOS) (Refer Note 45)	2	188,544
Outstanding at the end of the year	723	72,304,326

(b) Terms/rights attached to equity shares

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

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

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

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Group Holding of the S&P Global Inc.		
31,209,480 equity shares of Rupee 1 each fully paid held by S&P India, LLC, fellow subsidiary (Previous year: 31,209,480 equity shares of Rupee 1 each)	312	312
11,523,106 equity shares of Rupee 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (Previous year: 11,523,106 equity shares of Rupee 1 each)	115	115
6,000,000 equity shares of Rupee 1 are held by Standard & Poor's International LLC, fellow subsidiary (Previous year: 6,000,000 equity shares of Rupee 1 each)	60	60
Total	487	487

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(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at	As at
	December 31, 2020	December 31, 2019
	Nos.	Nos.
Aggregate number of equity shares bought back by the Company (In last five years)	Nil	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company	Nil	Nil

(e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2020	
	% holding in the class	Nos.
<u>Equity shares of Rupee 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	42.99%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.87%	11,523,106
c) Standard & Poor's International LLC	8.27%	6,000,000
2. Life Insurance Corporation of India	5.95%	4,321,911
3. Jhunjhunwala Rakesh and Rekha	5.48%	3,975,000

Name of the shareholder	As at December 31, 2019	
	% holding in the class	Nos.
<u>Equity shares of Rupee 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.16%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.94%	11,523,106
c) Standard & Poor's International LLC	8.30%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	6.64%	4,797,793
3. Life Insurance Corporation of India	5.48%	3,965,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company (Refer Note 45).

(g) Capital management

The Group is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Group has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Group actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The Group has an overdraft and other loan facilities sanctioned from banks to support any temporary funding requirements, as and when required.

19.1 Explanation of reserves:

a) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the retained earnings.

b) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve

c) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

d) Other comprehensive income (OCI)

Other comprehensive income includes fair value changes in equity instruments, hedge reserve and currency fluctuation reserve through OCI.

e) Hedge reserve

Forward contracts are stated at fair value at each reporting date. Changes in the fair value of the forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes.

f) Currency fluctuation reserve

Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their respective functional currencies to the Group's functional currency is recognised directly in other comprehensive income and accumulated in the currency fluctuation reserve.

g) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets is accumulated in separate reserve within equity. The cumulative amount is reclassified to the statement of profit and loss over the life of the monetary asset on a straightline basis.

h) Retained earnings

Retained earnings represent the cumulative profits of the Group and the effects of measurements of defined benefit obligation.

i) Capital redemption reserve

The Group has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

j) Special economic zone (SEZ) reinvestment reserve

The SEZ reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilised by the Group for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.

20. Borrowings (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Secured long term loan from Non-banking finance companies (NBFC)*		
9.63% Kotak Mahindra Prime Limited	-	9
Less: Current maturities of long term borrowing	-	(5)
Total	-	4

*Nature of security for long term borrowing: Vehicle loans are secured by hypothecation of vehicles purchased against the loan

(Rupees in lakhs)

Terms of repayment of long term borrowings	As at	As at
	December 31, 2020	December 31, 2019
Name of the NBFC: Kotak Mahindra Prime Limited		
No. of vehicles for which loan has been availed	1	1
Equated monthly installment (EMI) (Rupees in lakhs)	0.45	0.45
No. of EMIs outstanding as on December 31, 2020	-	21

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21. Other financial liabilities (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Employee related payables	924	734
Lease liability	16,580	-
Sundry deposits	-	48
Earnout payments	957	-
Total	18,461	782

22. Provisions (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Provision for gratuity (Refer Note 40)	2,139	1,514
Total	2,139	1,514

23. Short term borrowings (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Bank overdraft (repayable on demand)	-	258
Total	-	258

24. Trade payables (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Total outstanding dues of micro enterprises and small enterprises (as per intimations received from suppliers)	10	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,526	7,543
Total	10,536	7,546

24.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
- Principal amount remaining unpaid, but not due	10	3
- Interest due thereon as at year end	-	-
- Interest paid by the Group in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
- Interest accrued and remaining unpaid as at year end	-	-
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Group regarding the status its suppliers.

25. Other financial liabilities (Current)

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Employee related payables	18,345	15,662
Current maturities of long term borrowings	-	5
Lease liability	5,833	-
Sundry deposit	48	75
Unpaid dividend (Investor education and protection fund will be credited as and when due)	76	75
Others	239	218
Total	24,541	16,035

26. Provisions (Current)

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Provision for compensated absences (Refer Note 40)	7,622	5,822
Provision for gratuity (Refer Note 40)	766	791
Total	8,388	6,613

27. Tax liabilities (Current)

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Current		
Provision for tax (net of advance tax) [Advance tax Rupees 13,915 lakhs (Previous year: Rupees 6,625 lakhs)]	1,620	1,530
Total	1,620	1,530

28. Other current liabilities

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Statutory liabilities	6,696	4,559
Advance received from customer (Refer Note 28.1)	574	382
Unearned revenue (Refer Note 28.1)	16,529	12,458
Total	23,799	17,399

28.1 The balance lying in 'Unearned revenue' and 'Advance received from customer' as at December 31, 2019 is fully recognised as revenue during the current year.

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29. Income from operations

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Ratings services	56,504	54,481
Research services	128,271	104,440
Advisory services	13,408	14,251
Total	198,183	173,172

29.1 The Group disaggregates revenue from contracts with customers by nature of services. (Refer note 37)

29.2 The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has right to consideration that corresponds directly with the value of entity's performance completed to date.

30. Other income

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Interest on bank deposits	173	109
Interest on income tax refund	3	369
Interest income on financial assets carried at amortized cost	257	230
Inflation adjustment results (Refer note 41)	845	869
Profit on sale of property, plant & equipment	9	27
Dividend on investments	441	777
Foreign exchange gain (net)	902	-
Profit on sale of current investments	703	981
Profit on fair valuation of current investments	268	387
Grant income (Refer Note 43)	2,774	2,103
Excess provision written back	395	349
Miscellaneous income	1,545	1,083
Total	8,315	7,284

31. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Salaries, wages and bonus	96,511	78,750
Share based payment to employees	247	814
Contribution to provident and other funds (Refer Note 40)	6,262	4,452
Contribution to gratuity fund (Refer Note 40)	848	771
Staff training and welfare expenses	2,976	2,969
Total	106,844	87,756

32. Finance cost

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Interest on lease liability (Refer Note 39)	1,410	-
Interest on term loan	-	1
Interest expense on bank overdraft	29	22
Total	1,439	23

33. Other expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Repairs and maintenance - Buildings	1,890	2,104
Repairs and maintenance - others	784	1,037
Electricity	633	1,076
Communication expenses	1,457	1,051
Insurance	197	69
Rent (Refer Note 39)	1,254	7,155
Rates and taxes	1,257	567
Printing and stationery	283	233
Conveyance and travelling	1,583	5,168
Books and periodicals	1,221	1,084
Remuneration to non-whole time directors (Refer Note 38)	161	157
Business promotion and advertisement	73	197
Foreign exchange loss	-	121
Professional fees	10,838	8,322
Associate service fee	13,163	7,264
Software purchase and maintenance expenses	1,917	1,007
Provision for doubtful debts/bad debts	94	-
Provision for doubtful deposits	45	-
Corporate social responsibility (CSR) expenses (Refer Note 48)	780	768
Auditors' remuneration	319	139
Recruitment expenses	508	757
Sales commission	508	785
Miscellaneous expenses	1,310	771
Total	40,275	39,832

34 Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2020 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	13,791	-	-	13,791	13,791
Unquoted equity investments	-	-	-	3,237	-	-	3,237	3,237
Mutual funds	-	-	30,574	-	-	-	30,574	30,574
Cash and cash equivalents	27,488	-	-	-	-	-	27,488	27,488
Other bank balances	380	-	-	-	-	-	380	380
Trade receivables	30,736	-	-	-	-	-	30,736	30,736
Loans	4,576	-	-	-	-	-	4,576	4,576
Other financial assets	9,407	-	-	-	-	877	10,284	10,284
Total	72,587	-	30,574	17,028	-	877	121,066	121,066
Liabilities								
Trade payables	10,536	-	-	-	-	-	10,536	10,536
Other financial liabilities	43,002	-	-	-	-	-	43,002	43,002
Total	53,538	-	-	-	-	-	53,538	53,538

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The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	16,756	-	-	16,756	16,756
Unquoted equity investments	-	-	-	3,324	-	-	3,324	3,324
Mutual funds	-	-	25,225	-	-	-	25,225	25,225
Cash and cash equivalents	34,169	-	-	-	-	-	34,169	34,169
Other bank balances	389	-	-	-	-	-	389	389
Trade receivables	19,937	-	-	-	-	-	19,937	19,937
Loans	4,143	-	-	-	-	-	4,143	4,143
Other financial assets	7,935	-	-	-	-	53	7,988	7,988
Total	66,573	-	25,225	20,080	-	53	111,931	111,931
Liabilities								
Borrowings	262	-	-	-	-	-	262	262
Trade payables	7,546	-	-	-	-	-	7,546	7,546
Other financial liabilities	16,817	-	-	-	-	-	16,817	16,817
Total	24,625	-	-	-	-	-	24,625	24,625

34.1 Fair value hierarchy

For financial reporting purpose, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value as at December 31, 2020 and December 31, 2019.

(Rupees in lakhs)

Particulars	As at December 31, 2020			As at December 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
A. Investments at FVTPL						
1. Mutual Funds	30,574	-	-	25,225	-	-
B. Investments at FVTOCI						
1. Quoted equity shares	13,791	-	-	16,756	-	-
2. Unquoted equity shares	-	-	3,237	-	-	3,324
C. Forward contracts receivable	-	877	-	-	53	-

34.2 Derivative financial instruments and hedging activity

The Group's risk management policy is to hedge substantial amount of forecast transactions for each of the major currencies presently US\$, GBP £ and Euro €. The hedge limits are governed by the risk management policy. The Group uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under:

As at December 31, 2020

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	39	41,162	31,855	Jan - Dec-21	77.39	1,005	(1,005)
	GBP	11	6,080	6,005	Jan - Dec-21	98.76	(219)	219
	EUR	12	4,212	3,763	Jan - Dec-21	89.34	(128)	128
Receivables hedge								
i) Foreign exchange forward contracts	USD	1	6,250	4,896	6-Jul-21	78.34	219	(219)

As at December 31, 2019

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	48	52,744	38,667	Jan - Dec-20	73	159	(159)
	GBP	11	5,969	5,650	Jan - Dec-20	95	(163)	163
	EUR	12	3,459	2,918	Jan - Dec-20	84	57	(57)

Movement in cash flow hedging reserve

(Rupees in lakhs)

Particulars	Foreign exchange forward contract
As at January 1, 2019	229
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	843
Less: Amounts reclassified to statement of profit or loss	(1,133)
Less: Tax relating to above (net)	101
As at January 1, 2020	40
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	179
Add: Amounts reclassified to statement of profit or loss	426
Less: Tax relating to above (net)	(153)
As at December 31, 2020	492

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The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge and receivable hedge.

Revenue hedge: For forecasted revenue transaction, the Group will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

Receivable hedge: The ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses).

Details of unhedged foreign exposure

Currency	As at December 31, 2020		As at December 31, 2020	
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	21,210	879	15,574	646
GBP	19	-	19	-
EUR	3,188	-	2,868	322
Others	1,285	3	340	123

Currency	As at December 31, 2019		As at December 31, 2019	
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	7,391	249	6,296	183
EUR	492	2	393	1
Others	5,048	662	639	165

35 Financial risk management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 34. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Group has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk Assessment is conducted periodically and the Group has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarized below:-

35.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rates, price and other market changes, the Group exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

Our exposure to market risk includes changes in foreign exchange rates. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO, and Pounds Sterling (GBP). As of December 31, 2020 and December 31, 2019, we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under Note 34.2

Following is the currency profile of non-derivative financial assets and financial liabilities:

Currency	As at December 31, 2020		As at December 31, 2020	
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	21,210	879	15,574	646
GBP	19	-	19	-
EURO	3,188	-	2,868	322
Others	1,285	3	340	123

Currency	As at December 31, 2019		As at December 31, 2019	
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	7,391	249	6,296	183
EURO	492	2	393	1
Others	5,048	662	639	165

For the year ended December 31, 2020, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by Rupees 886 lakhs (+/-1.73%). For the year ended December 31, 2019, operating margins would increase/decrease by Rupees 349 lakhs (+/-0.77%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence, and exit strategies in order to mitigate losses.

The Group is exposed price risk arising mainly from investments in mutual funds recognised at FVTPL. The details of such investment are given under Note 6. If the prices had been higher/lower by 5% from the market prices existing as at reporting dates, profit would increase/decrease by Rupees 1,529 lakhs and Rupees 1,261 lakhs for the year ended December 31, 2020 and December 31, 2019 respectively.

The Group is exposed price risk arising mainly from investments in quoted equity instruments recognised at FVTOCI. The details of such investment are given under Note 6. If the equity prices had been higher/lower by 5% from the market prices existing as at the reporting date, OCI for the year ended December 31, 2020 would increase/decrease by Rupees 690 lakhs and Rupees 838 lakhs for the year ended December 31, 2019.

35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Group, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Group continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Group has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Group's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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The treasury position of the Group is given below:

Financial assets maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2020	As at December 31, 2019
Trade receivables	30,736	19,937
Cash and cash equivalents	27,488	34,169
Other bank balances	380	389
Loans	2,121	722
Investments in mutual funds	30,574	25,225
Other financial assets	10,176	7,901
Total	101,475	88,343

Financial liabilities maturing within one year and after one year:

Particulars	(Rupees in lakhs)			
	As at December 31, 2020		As at December 31, 2019	
	within one year	more than one year	within one year	more than one year
Short term borrowings	-	-	258	-
Trade payables	10,536	-	7,546	-
Others	24,541	18,461	16,035	782
Total	35,077	18,461	23,839	782

35.3 Business and credit risks

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

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to this risk for receivables from customers.

To manage credit risk, the Group periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group uses a provision margin to compute the expected credit loss allowance for trade receivables. Further, the Group doesn't have significant credit risk exposure to any single counter party or a group of counter parties and have adequate provision for credit risk/bad debts. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

Particulars	(Rupees in lakhs)	
	As at December 31, 2020	As at December 31, 2019
<= 6 months	30,555	20,255
> 6 months but <= 1 year	1,310	869
> 1 year	980	1,188
Provision for doubtful receivables	(2,109)	(2,375)

36 Details of contingent liabilities and capital commitments are as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
A. Contingent liabilities		
1. Bank guarantee in the normal course of business	1,507	1,237
2. Disputed income tax, sales tax, service tax and GST demand:		
(i) Pending before appellate authorities in respect of which the Group is in appeal	8,888	8,502
(ii) Decided in the Group's favour by appellate authorities and department is in further appeal	1,215	1,263
3. Provident Fund		
Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.		
The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions of operations in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.		
	11,610	11,002
B. Capital commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	189	145
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.		
Total	11,799	11,147

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37 Segment reporting

Business segments:

The Group has three major business segments: Rating, Research and Advisory. A description of the types of products and services provided by each reportable segment is as follows:

Ratings – Ratings services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

Research – Research segment includes global research and analytical services, industry reports, customized research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Advisory – CRISIL provides advisory services and a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India

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Segment reporting for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 29)	56,504	128,271	13,408	198,183
Segment results	22,672	20,901	1,007	44,580
Add / (less) unallocables:				
1. Unallocable income				
Interest income				433
Profit on sale of current investments				703
Profit on sale of fixed asset				9
Grant income				2,774
Others*				4,396
2. Unallocable expenditure				(1,890)
3. Depreciation/amortisation (unallocable)				(5,176)
Profit before exceptional item				45,829
Exceptional item				-
Profit before tax				45,829
Tax expense				(10,356)
Profit after tax				35,473
Segment assets	8,401	103,961	14,925	127,287
Unallocable assets**				93,378
Segment liabilities	16,764	45,430	5,569	67,763
Unallocable liabilities**				21,721

Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	55,962	125,247
Europe	45,509	38,688
North America	81,760	35,585
Rest of the world	14,952	6,770
Total	198,183	206,290

Segment reporting for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 29)	54,481	104,440	14,251	173,172
Segment results	21,954	23,368	1,273	46,595
Add / (less) unallocables :				
1. Unallocable income				
Interest income				708
Profit on sale of current investments				981
Profit on sale of fixed asset				27
Grant income				2,103
Others*				3,465
2. Unallocable expenditure				(1,034)
3. Depreciation/amortisation (unallocable)				(3,686)
Profit before exceptional item				49,159
Exceptional item				-
Profit before tax				49,159
Tax expense				(14,764)
Profit after tax				34,395
Segment assets	4,735	73,985	12,637	91,357
Unallocable assets* *				77,516
Segment liabilities	14,262	23,891	3,858	42,011
Unallocable liabilities**				9,670

Revenue and total assets by geographic segments			(Rupees in lakhs)
Geography	Revenue	Assets #	
India	57,488	94,892	
Europe	44,729	44,173	
North America	54,457	11,688	
Rest of the world	16,498	6,465	
Total	173,172	157,218	

Notes to segmental results :

* Other income which have been allocated to business segments have not been considered in determining unallocable income.

**Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Group believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

#Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.

The top two customers of the Group each contributed to more than 10% of the consolidated revenue from operations of the Group.

The following table gives details in respect of revenues generated from top two customers:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2020	Year ended December 31, 2019
Total revenue from top two customers who contributed to more than 10% of the revenue from operations	22,086	34,803

38 List of related parties

Parties	Relationship
Related parties where control exists	
S&P Global Inc.	The Ultimate Holding Company
CRISIL Foundation	Controlled trust
Other related parties (to the extent where transactions have taken place)	
S&P India, LLC	Fellow subsidiary
Standard & Poor's International LLC	Fellow subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow subsidiary
S&P Global Canada Corp.	Fellow subsidiary
S&P Capital IQ (India) Private Limited	Fellow subsidiary
S&P Global UK Limited	Fellow subsidiary
S&P Global Ratings Europe Limited	Fellow subsidiary
Standard & Poor's Financial Services, LLC	Fellow subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow subsidiary
Standard & Poor's Hong Kong Limited	Fellow subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow subsidiary
S&P Global Market Intelligence LLC	Fellow subsidiary
S&P Global Market Intelligence Inc.	Fellow subsidiary
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
Fabindia Overseas Private Limited	Common director
Key Management Personnel	
Girish Paranjpe	Independent Director
Shyamala Gopinath	Independent Director (with effect from July 10, 2020)
Arundhati Bhattacharya	Independent Director (upto April 15, 2020)
Vinita Bali	Independent Director
M. Damodaran	Independent Director
Martin Fraenkel	Director (with effect from April 18, 2019)
Ewout Steenbergen	Director
Martina Cheung	Director (up to April 18, 2019)
John L Berisford	Chairman

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Parties	Relationship
Ravinder Singhania	Alternate Director (up to July 22, 2019)
Ashu Suyash	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Operating Officer
Sanjay Chakravarti*	Chief Financial Officer
Minal Bhosale*	Company Secretary

* Related Party under the Companies Act, 2013

Transactions with related parties			(Rupees in lakhs)	
Name of the related party	Nature of transaction / outstanding balances	As at and for	As at and for	
		the year ended December 31, 2020	the year ended December 31, 2019	
S&P Global Canada Corp.	Professional services rendered	161	178	
	Amount receivable	15	40	
	Reimbursement of expenses received	1	-	
S&P Global Ratings Europe Limited	Professional services rendered	4,516	4,639	
	Reimbursement of expenses received	6	4	
	Amount receivable	831	623	
Standard & Poor's Financial Services, LLC	Professional services rendered	13,354	11,766	
	Amount receivable	23	884	
	Reimbursement of expenses received	22	-	
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	656	714	
	Amount receivable	46	55	
Standard & Poor's Hong Kong Limited	Professional services rendered	1,221	876	
	Amount receivable	326	147	
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	608	470	
	Amount receivable	55	40	
S&P Global Market Intelligence LLC	Subscription fees paid	405	344	
	Professional services rendered	568	450	
	Amount payable	-	40	
	Amount receivable	79	492	
Standard & Poor's International LLC	Dividend paid	1,920	1,800	
	Share capital outstanding	60	60	
	Reimbursement of expenses received	-*	-	
	Amount receivable	-*	-	
S&P India, LLC	Dividend paid	9,987	9,363	
	Share capital outstanding	312	312	
S&P Global Asian Holdings Pte. Limited	Dividend paid	3,687	3,457	
	Share capital outstanding	115	115	
S&P Capital IQ (India) Private Limited	Reimbursement of expenses received	22	92	
	Amount receivable	-*	17	
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	1,232	1,008	
	Amount receivable	909	196	
S&P Ratings (China) Co. Ltd	Professional services rendered	-	11	
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	289	235	
	Amount receivable	25	19	
Asia Index Private Limited	Reimbursement of expenses paid	4	2	
S&P Global Inc.	Reimbursement of expenses paid	47	-*	
	Professional services rendered	80	41	
	Rent paid	372	237	
	Amount payable	326	-	
S&P Global Market Intelligence Inc.	Reimbursement of expenses received	56	52	
	Amount receivable	4	4	
S&P Global UK Limited	Rent paid	236	223	
	Professional services rendered	737	443	
	Amount payable	-	23	

Transactions with related parties

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for	As at and for the
		the year ended December 31, 2020	year ended December 31, 2019
	Amount receivable	220	236
CRISIL Foundation	Donation	856	1,070
	Reimbursement of expenses received	14	52
	Amount receivable	4	-
Fabindia Overseas Private Limited	Professional services rendered	-	2
Girish Paranjpe	Sitting fees and commission	44	40
Shyamala Gopinath	Sitting fees and commission	19	-
Arundhati Bhattacharya	Sitting fees and commission	11	35
Vinita Bali	Sitting fees and commission	43	41
M. Damodaran	Sitting fees and commission	44	41
Ashu Suyash**	Remuneration	633	559
	Options granted (nos.)	-	21,056
Amish Mehta**	Remuneration	399	364
	Options granted (nos.)	-	11,633
Sanjay Chakravarti**	Remuneration	172	155
	Options granted (nos.)	-	5,488
Minal Bhosale**	Remuneration	96	91
	Options granted (nos.)	-	1,039

-* in amounts column denote amount less than Rupees 50,000

**Note: As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial persons is not included above.

39 Leases

The Company has adopted Ind AS 116 effective January 1, 2020, using the modified retrospective method and has applied the standard to its leases with the cumulative impact recognized on the date of initial application i.e. January 1, 2020. Accordingly, previous period information has not been restated. The lease expenses which were recognized as rent expense in previous periods is now recognized as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The Company has elected not to recognize right-to-use assets and lease liabilities for short term leases (lease term of 12 months or less) and leases of low-value and has recognized the lease payments for such leases as an expense over the lease term. The transition has resulted in recognition of Right-of-Use (ROU) assets of Rupees 22,264 lakhs and Lease Liability of Rupees 22,167 lakhs in books. The cumulative effect of applying the standard resulted in Rupees 1,165 lakhs being debited to retained earnings (net of taxes).

39.1 The following is the movement in lease liabilities :

(Rupees in lakhs)

Particulars	Year ended December 31, 2020
Balance as at January 1, 2020	-
Additions (transitional impact on adoption of Ind AS 116)	22,167
Adjustments: On account of acquisition of Greenwich	3,690
Less: Modification of lease term	(1,809)
Add: Additions	3,559
Add : Fx Adjustment	239
Add: Interest recognised during the year	1,410
Less: Waiver of lease rent	(52)
Payment made	(6,791)
Balance as at December 31, 2020	22,413

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39.2 The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2020 on an undiscounted basis:

(Rupees in lakhs)

Particulars	Year ended	
	December 31, 2020	
Future minimum lease payments:		
Not later than one year		6,961
Later than one year and not later than five years		17,065
Later than five years		5,681
Total		29,707

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short term leases as per Ind AS 16 was Rupees 1,254 lakhs for the year.

Effective January 1, 2020, the Company has adopted Ind AS 116, Leases and has recognised interest on lease liability of Rupees 1,410 lakhs under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation expense in the Statement of Profit and Loss.

40 Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 the Group provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Group.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in Statement of Profit and Loss and OCI:

(Rupees in lakhs)

Particulars	Year ended	
	December 31, 2020	December 31, 2019
Current service cost	726	659
Interest cost on defined benefit obligation	124	112
Re-measurement - actuarial (gain)/loss (recognised in OCI)	551	239
Expected return on plan assets (recognised in OCI)	(38)	13
Adjustment	(2)	-
Net gratuity benefit expense	1,361	1,023

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Present value of funded obligations	5,957	4,862
Fair value of plan assets	(3,052)	(2,557)
Net liability	2,905	2,305

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

(Rupees in lakhs)

Particulars	As at	
	December 31, 2020	December 31, 2019
Opening defined benefit obligation	4,862	4,330
Current service cost	726	659
Interest cost	311	300
Actuarial (gain)/loss	(11)	(6)
Actuarial (gain)/loss (financial assumptions)	562	245
Benefits directly paid by company	-	(5)
Benefits paid	(493)	(661)
Closing defined benefit obligation	5,957	4,862

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Opening fair value of plan assets	2,557	2,261
Expected return on plan assets	-	(13)
Interest income on plan assets	187	188
Contribution by employer	763	782
Return on plan assets greater / (lesser) than discount rate recognised in OCI	38	-
Benefits paid	(493)	(661)
Closing fair value of plan assets	3,052	2,557

The defined benefit obligation shall mature after December 31, 2020 as follows:

Particulars	Rupees in lakhs
December 31, 2021	532
December 31, 2022	635
December 31, 2023	735
December 31, 2024	786
December 31, 2025	887
December 31, 2026 to December 31, 2031	4,755

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Group's plans is as below:

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Discount rate	5.70%	6.80%
Estimated rate of return on plan assets	7.00%	7.50%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for first 4 years starting 2020 and 7% thereafter	10% for first 4 years starting 2019 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	751	791

Broad category of plan assets as per percentage of total plan assets of the gratuity:-

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Government securities	81%	76%
Fixed deposits, debentures and bonds	13%	18%
Others	6%	6%
Total	100%	100%

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The significant actuarial assumptions for the determination of defined benefit obligations are discount rate and salary escalation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, holding all other assumptions constant.

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in discount rate	(224)
Effect on DBO due to 0.5% decrease in discount rate	240

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	194
Effect on DBO due to 0.5% decrease in salary escalation rate	(189)

Other benefits

The Group has recognised the following amounts in the statement of profit and loss: (Rupees in lakhs)

Particulars	Year ended	
	December 31, 2020	Year ended December 31, 2019
i. Contribution to provident fund	2,272	1,820
ii. Contribution to other funds	3,990	2,632

A provision of Rupees 7,622 lakhs has been made for compensated absences as at December 31, 2020 (Previous year: Rupees 5,822 lakhs).

41 Application of Ind AS 29 in financial reporting of Argentina subsidiary

Ind AS 29 "Financial reporting in Hyperinflation Economies", which requires that the financial statements of entities whose functional currency is that of Hyperinflation economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing rate of the reporting period, is still applicable for the company's Argentine subsidiary. The inflation adjustment was calculated by means of conversion factor derived from the Argentine price indexes published by the Argentina's Official Statistics Bureau ('INDEC'). The average index for the year ended December 31, 2020, was 1.34 (Previous year average index: 1.54).

The main procedures for the above-mentioned adjustment are as follows:

- i. Monetary assets and liabilities which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- ii. Non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date, and components of shareholders' equity are adjusted by applying the relevant conversion factors.
- iii. All items in the income statement are restated by applying the relevant conversion factors.
- iv. The effect of inflation on the Company's net monetary position is included in the income statement, in finance cost, net, under the caption "Inflation adjustment results".

The comparative figure as of December 31, 2019, have been stated as per changes in the general price index applicable to the financial reporting of the company's subsidiary with the Argentine peso as functional currency and, as result have been stated in terms of such currency as of the end of comparative reporting period.

42 Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of the Company. This transfer has been undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') which has been approved by Stock Exchanges. The Scheme has been sanctioned by the National Company Law Tribunal (NCLT) with appointed date as January 1, 2020 and the certified copy of the Order dated June 8, 2020 has been received on July 7, 2020 which has been filed with Registrar of Companies on July 20, 2020. Further SEBI and Reserve Bank of India (RBI) has given necessary approval on December 4, 2020 and December 31, 2020, respectively, to CRISIL Ratings Limited to act as a Credit Rating Agency. On receipt of approval, the Scheme became effective on December 31, 2020 with the appointed date of January 1, 2020.

- 43** During the year, the Group received export benefits amounting to Rupees 2,752 lakhs (Previous year: Rupees 2,093 lakhs) in the form of duty free saleable scrips under the Service Export Incentive Scheme (SEIS) from the Government authorities and the same has been accounted for as 'Other income' in the consolidated financial statements (Refer Note 30).

44 Business Combinations

On February 26, 2020, CRISIL completed the acquisition of 100% stake in Greenwich Associates LLC (USA) and its subsidiaries ('GA'), a company based in Stamford, USA, and its subsidiaries, a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers.

The business combination was conducted by entering into a share purchase agreement for a total consideration of USD 40 million, which includes upfront and deferred consideration.

Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of brand, database and customer relationships as intangible assets, which have been valued at INR 13,174 lakhs, to be amortised over the period of 20, 4 and 12 years respectively. The excess of purchase consideration over net assets and the identified intangible asset has been recognised as Goodwill.

All assets, liabilities and reserves in the books of Greenwich as on February 26, 2020 are recognised in the Company's books at their respective carrying values. The purchase price has been allocated based on the Company's estimates and independent appraisal of fair values as follows:

Particulars	Rupees in lakhs
Total net assets acquired *	4,599
Intangibles identified on business combination:	
Brand	3,668
Database	2,994
Customer relationship	6,512
Goodwill	7,344
Purchase consideration	25,117
Deferred consideration	4,820
Total purchase consideration	29,937

* Carrying value is equal to fair value

45 Employee stock option scheme ("ESOS")

The Group has formulated an ESOS based on which employees are granted options to acquire the equity shares of the parent company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Particulars	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	3-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	8-Jan-18*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	24-Jan-18*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	4-Apr-18	164,457	1,841.35	54,818	54,818	54,820	410.12
ESOS 2014 (9)	16-Apr-19	226,155	1,568.85	75,384	75,384	75,387	332.35

* At the end of 3rd, 4th & 5th year in equal tranches

**Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

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The Company had three schemes under which options have been granted in the past. Under ESOS 2011, ESOS 2012, ESOS 2014 (8) and ESOS 2014 (9) option vest over three years at each of the anniversaries. ESOS 2011 and ESOS 2012 are exercisable within three years from the date of vesting and are settled in equity on exercise. ESOS 2014 (8) and ESOS 2014 (9) are exercisable within two years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 (1-7) options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

The summary for each scheme as at December 31, 2020

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Forfeited during the year	-	N.A.	15,030	1,684.59	110,596	1,812.45
Exercised during the year	-	N.A.	19,200	1,119.85	269,764	1,226.04
Expired during the year	52,040	2,131.41	7,960	2,181.00	91,113	1,446.12
Outstanding at the end of the year	155,360	2,180.85	31,840	2,180.85	641,465	1,678.36
Exercisable at the end of the year	155,360	2,180.85	31,840	2,180.85	392,868	1,622.82

The summary for each scheme as at December 31, 2019

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Granted during the year	-	N.A.	-	N.A.	226,155	1,568.85
Forfeited during the year	-	N.A.	-	N.A.	246,193	1,795.83
Exercised during the year	-	N.A.	-	N.A.	188,544	1,217.20
Expired during the year	13,200	1,985.95	-	N.A.	35,359	1,217.00
Outstanding at the end of the year	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Exercisable at the end of the year	207,400	2,168.45	74,030	1,804.92	607,682	1,367.84

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	February 11, 2020	1,793.60
	April 21, 2020	1,366.43
	July 21, 2020	1,571.67
	October 20, 2020	1,762.51

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1119.85 to 1217.25	106 days
	1568.85 to 1,997.35	1110 days
	2,101.10 to 2,180.85	744 days

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

Particulars	Year ended December 31, 2020		Year ended December 31, 2019	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	288,964	3,522	188,544	2,295
Total	288,964	3,522	188,544	2,295

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, 2020		Year ended December 31, 2019	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	814,380	14,569	1,248,464	20,645
Later than two years & not later than five years	14,285	280	145,904	2,584
Total	828,665	14,849	1,394,368	23,229

46 Earning per share

The following reflects the profit and share data used in the basic and diluted earning per share (EPS) computations:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2020	Year ended December 31, 2019
Net profit for calculation of basic/diluted EPS	35,473	34,395

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2020	Year ended December 31, 2019
Weighted average number of equity shares in calculating basic EPS	72,494,072	72,243,688
Effect of dilution:		
Add: weighted average stock options granted under ESOS	53,214	95,840
Weighted average number of equity shares in calculating diluted EPS	72,547,286	72,339,528

Particulars	Earnings per share : Nominal value of Rupee 1	
	Year ended December 31, 2020	Year ended December 31, 2019
Basic (Rupees)	48.93	47.61
Diluted (Rupees) (On account of ESOS, Refer note 45)	48.90	47.55

The following potential equity shares are anti-dilutive and therefore excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	Year ended	
	December 31, 2020 Nos.	December 31, 2019 Nos.
Options to purchase equity shares had anti-dilutive effect	110,150	263,247

47 Dividend

Details of Dividend paid on equity shares are as under:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2020	Year ended December 31, 2019
Final dividend for the year 2019 (Previous year: 2018) Rupees 13 per equity share of Rupee 1 each (Previous year: Rupees 11 per share)	9,422	7,938
Dividend distribution tax on final dividend	-	1,632
Interim dividend for the year 2020 (Previous year: 2019) Rupees 19 per equity share of Rupee 1 each (Previous year: Rupees 19 per share)	13,781	13,735
Dividend distribution tax on interim dividend	-	1,857
Total	23,203	25,162

The Board of Directors at its meeting held on February 11, 2021 have recommended a payment of final dividend of Rupees 14 per equity share of face value of Rupee 1 each for the financial year ended December 31, 2020. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

48 Corporate Social Responsibility (CSR) expenses for the year ended 2020 includes Rupees 780 lakhs (Previous year: Rupees 768 lakhs) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rupees 730 lakhs (Previous year: Rupees 737 lakhs). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.

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49 Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or loss	Rupees in lakhs	As % of consolidated other comprehensive income	Rupees in lakhs	As % of consolidated total comprehensive income	Rupees in lakhs
	1	2	3	4	5	6	7	8
Parent: CRISIL Limited	53%	69,532	47%	16,672	327%	(2,891)	40%	13,781
Subsidiaries								
Indian								
1. CRISIL Risk and Infrastructure Solutions Limited *	4%	5,825	1%	381	-1%	11	1%	392
2. Pragmatix Services Private Limited*	1%	1,734	-*	52	1%	(14)	-*	38
3. CRISIL Ratings Limited*	12%	16,237	39%	13,698	8%	(69)	39%	13,629
Foreign								
1. CRISIL Irevna Argentina S.A.	3%	4,455	4%	1,251	-	-	4%	1,251
2. CRISIL Irevna Poland SP.Zo.o.*	-*	403	-*	96	-	-	-*	96
3. CRISIL Irevna UK Limited	39%	50,970	24%	8,391	-	-	24%	8,391
4. CRISIL Irevna US LLC*	7%	9,394	-4%	(1,323)	-	-	-4%	(1,323)
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.*	1%	839	1%	197	-	-	1%	197
6. Coalition Development Limited	4%	4,910	20%	7,118	-	-	21%	7,118
7. Coalition Development Singapore Pte Limited*	-*	574	1%	312	-	-	1%	312
8. Greenwich Associates LLC	2%	2,272	-7%	(2,328)	-	-	-7%	(2,328)
9. CRISIL Irevna Australia Pty Ltd	-*	-**	-*	-	-	-	-*	-
Total elimination/adjustment	-26%	(35,964)	-26%	(9,044)	-235%	2,078	-20%	(6,966)
TOTAL	100%	131,181	100%	35,473	100%	(885)	100%	34,588

*"- " denotes less than 1%

** 'in amounts' column denote amount less than Rupees 50,000

50 Personnel expenses to the extent of Rupees Nil (FY. Rupees 33 lakhs) is considered for capitalisation as intangible assets.

51 The Group has considered internal and external information and has performed sensitivity analyses based on current estimates, in assessing the recoverability of receivables, unbilled revenues, goodwill, intangible assets, other financial assets (including cash liquidity), and the profitability of the Group. Whilst the situation continues to be extremely dynamic, at present the Group does not see any material impact on the above. However, the actual impact of the pandemic on the Group's financial performance may differ from what is estimated, and the Group continues to monitor changes to future economic conditions.

52 Previous year's figures have been regrouped where necessary to conform to current year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Date: February 11, 2021
Place: Mumbai

Date: February 11, 2021
Place: Mumbai

Consolidated Financial Statements

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries
 (Information in respect of each subsidiary to be presented with amounts in Rupees in lakhs)

Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12
Particulars	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland SPZo.o.	CRISIL Irevna UK Limited	CRISIL Irevna US LLC	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Limited	Coalition Development Singapore Pte Limited	Pragmatix Services Private Limited	CRISIL Ratings Limited	Greenwich Associates LLC	CRISIL Irevna Australia Pty Ltd
The date since when subsidiary was acquired/ Investment in subsidiary	4-Aug-00	21-May-07	14-Nov-08	19-Oct-04	19-Oct-04	22-Jul-10	3-Jul-12	3-Jul-12	24-Jan-18	3-Jun-19	26-Feb-20	28-Feb-20
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020
Reporting currency	INR	ARS	PLN	GBP	USD	CNY	GBP	SGD	INR	INR	USD	AUD
Exchange rate as on the last date (Rs.)	1.00	0.87	19.82	99.15	73.43	11.24	99.15	55.32	1.00	1.00	73.43	55.85
Share capital	500	172	9	4,441	10,421	247	151	-*	314	2,610	6,666	-*
Reserves & surplus	5,325	4,283	394	46,529	(1,027)	592	4,759	574	1,420	13,627	(4,394)	-
Total Assets	10929	1,678	696	63,832	35,602	1,161	13,121	1,265	3,795	34,029	11,941	-*
Total liabilities	10929	1,678	696	63,832	35,602	1,161	13,121	1,265	3,795	34,029	11,941	-
Investments	-	-	-	37,083	25,117	-	-*	-	-	1,276	-	-
Turnover	9,355	5,039	1,480	30,945	10,649	1,789	28,699	5,632	1,505	34,795	22,713	-
Profit before taxation	549	1,311	123	8,557	(1,673)	213	8,715	352	80	18,391	(3,202)	-
Tax expense	168	60	27	166	(350)	16	1,597	40	28	4,693	(874)	-
Profit after taxation	381	1,251	96	8,391	(1,323)	197	7,118	312	52	13,698	(2,328)	-
Dividend Paid	-	-	-	-	-	-	7,883	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* - 'in amounts' columns denote amount less than Rs. 50,000

John L Berisford
 Chairman
 [DIN: 07554902]
 Place: Connecticut
Ashu Suyash
 Managing Director and Chief Executive Officer
 [DIN: 00494515]
 Place: Mumbai
Sanjay Chakravarti
 Chief Financial Officer
 Date: February 11, 2021
 Place: Mumbai
Minal Bhosale
 Company Secretary
 Place: Mumbai

Recognition for going beyond



Great Place to Work™

- For our open, inclusive, performance-driven culture



Legasis Compliance 10/10 award

- For Most Ethical Business Group



CFBP Jamnalal Bajaj Award for Fair Business Practices

- For the highest standard of ethical conduct, conflict-free work environment, and respect for client data confidentiality



CSR Excellence

- Jury commendation for Women Empowerment



Risk Markets Technology award

- For Best Modelling Innovation, Scenario Expansion Manager



IWEI Bronze Employer 2020

- For increasing awareness on LGBTQIA+ community and workplace equality



Standalone Financial Statements

Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 December 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Company's income from operations comprises of income from global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Refer Note 2.14 to the standalone financial statements, for details of revenue recognised during the year.</p> <p>The application of the accounting standard is complex and an area of focus in the audit, as it involved application of significant judgements and estimates relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Our audit of the recognition of contract revenue included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the revenue recognition policies adopted by the Company; • Evaluated key controls around the recognition of contract revenue. Tested the design, implementation and operating effectiveness of these identified key controls during the year and as at the year-end. • Evaluated the appropriateness of accounting policies selected by the Company on the basis of our understanding of the Company, the nature and size of its operation and the requirement of the relevant accounting standards under the Ind AS framework; • On a sample of contracts, tested the revenue recognition and our procedures included:

Due to the significance of the item to the financial statements, complexities involved and management judgement involved for ensuring appropriateness of accounting treatment, this matter has been identified as a key audit matter for the current year's audit.

- reviewing the contract terms and conditions;
 - evaluating the identification of performance obligations of the contract;
 - evaluating the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent recognition of revenue; and
 - evaluating the reasonableness of the estimates involved in the recognition of revenue.
- Tested revenue recognition for cut-off transactions on sample basis to assess whether the timing of revenue recognition is appropriate;
 - Evaluated the appropriateness and adequacy of the disclosures made in the accompanying standalone financial statements for revenue recorded during the year.

Accounting for Demerger of Ratings business

The Company has demerged its Rating Business division to CRISIL Ratings Limited ("CRL") ('the Demerger') pursuant to a Scheme of Arrangement ('the Scheme'). The demerger is pursuant to SEBI (Credit Rating Agencies) Regulations, 1999 (as amended from time to time), which mandates the segregation of ratings and non-ratings businesses of Credit Rating Agencies. The Scheme was approved by the National Company Law Tribunal (NCLT) with an Appointed date of January 1, 2020. Refer Note 46 to the Standalone Financial Statements for details of the Scheme.

The demerger transaction of the Rating division involved an in-depth discussion with the management and internally within the team on the disclosure requirements of Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, for the purpose of the interim quarterly financial results, and in assessing the point at which control is transferred. It further involved identification of assets and liabilities to be transferred to CRL as per the provisions of the Scheme.

The demerger has significant impact on the standalone financial statements of the Company including revenue, profit, tax, etc.

Considering the complexities involved as discussed above and significance of the rating division to the Company, this matter has been identified as a key audit matter for the current year's audit.

We further draw attention to Note 46, which states that the demerger transaction has been accounted in the accompanying financial statements as per the accounting prescribed in the Scheme by transferring the assets and liabilities pertaining to such business at their respective book values. The Scheme has been given effect from the Appointed Date of 1 January 2020 as approved by the National Company Law Tribunal vide its order dated 8 June 2020. Our opinion is not modified in respect of this matter.

Our audit included, but was not limited to, the following procedures:

- Obtained and reviewed the Scheme for understanding the nature of the transaction and the proposed accounting treatment
- Evaluated the design and tested the operating effectiveness of the Company's key internal controls on the accounting of demerger of business
- Assessed the appropriateness of the accounting treatment of the demerger for compliance with the applicable accounting standards and applicable tax and other statutes
- Evaluated the appropriateness and adequacy of the disclosures made in the accompanying standalone financial statements in respect of the Demerger

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;

- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 December 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 February 2021 as per Annexure II expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 34 (A) (2) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 December 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Khushroo B. Panthaky
 Partner
 Membership No.: 042423

UDIN: 21042423AAAAAX9467

Place: Mumbai
 Date: 11 February 2021

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited, on the standalone financial statements

for the year ended December 31, 2020

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular programme of verification once in 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of goods and service tax, sales-tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax and service-tax on account of any dispute, are as follows:

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (Rupees in lakhs)	Amount paid under Protest (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	50	-	AY 2000-01	High Court (Bombay)
		46	-	AY 2002-03	
		36	-	AY 2003-04	
		32	-	AY 2004-05	
		29	-	AY 2005-06	
		17	10	AY 2006-07	CIT (Appeals)
		832	-	AY 2007-08	High Court (Madras)
		75	-	AY 2007-08	CIT (Appeals)
		338	127	AY 2008-09	Income Tax Appellate Tribunal (ITAT)
		*	-	AY 2008-09	CIT (Appeals)
		1,492	810	AY 2009-10	ITAT
63	-	AY 2009-10	CIT (Appeals)		

Name of the statute	Nature of dues	Amount (Rupees in lakhs)	Amount paid under Protest (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
		1,048	903	AY 2010-11	
		903	751	AY 2011-12	
		1056	286	AY 2012-13	ITAT
		190	-	AY 2013-14	
		50	3	AY 2013-14	
		121	8	AY 2014-15	
		195	19	AY 2015-16	CIT (Appeals)
		3,802	-	AY 2016-17	
Finance Act, 1994	Service tax	453	11	FY 2013-14 to 2015-16	Commissioner of Central Excise (Appeals)

*represent amount lesser than Rupees 1 lakh

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Khushroo B. Panthaky
 Partner
 Membership No.: 042423

UDIN: 21042423AAAAAX9467

Place: Mumbai
 Date: 11 February 2021

Annexure II to the Independent Auditor's Report of even date to the members of CRISIL Limited on the standalone financial statements

for the year ended December 31, 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of CRISIL Limited ('the Company') as at and for the year ended 31 December 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and

their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 21042423AAAAAX9467

Place: Mumbai

Date: 11 February 2021

Standalone Balance Sheet

as at December 31, 2020

(Rupees in lakhs)

Particulars	Notes	As at	As at
		December 31, 2020	December 31, 2019
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3A	3,101	2,829
(b) Right of use assets	3B	10,697	-
(c) Intangible assets	4	795	1,087
(d) Intangible assets under development		979	1,180
(e) Financial assets			
i. Investments	5	37,921	38,373
ii. Loans	6	2,317	3,250
iii. Other financial assets	7	61	51
(f) Deferred tax assets (net)	8	2,433	2,836
(g) Tax assets	9	4,145	4,815
(h) Other non-current assets	10	372	1,031
2. Current assets			
(a) Financial assets			
i. Investments	5	29,298	25,225
ii. Trade receivables	11	11,723	15,343
iii. Cash and cash equivalents	12	9,775	7,127
iv. Other bank balances	13	168	167
v. Loans	14	6,685	715
vi. Other financial assets	15	10,387	3,670
(b) Other current assets	16	2,754	3,171
3. Asset held for sale	17	318	318
TOTAL ASSETS		133,929	111,188
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	18	726	723
(b) Other equity	19	68,806	75,152
2. Non-current liabilities			
(a) Financial liabilities			
Other financial liabilities	20	7,896	537
(b) Provisions	21	1,688	1,358
3. Current liabilities			
(a) Financial liabilities			
i. Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises		9	3
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,486	6,755
ii. Other financial liabilities	23	38,033	8,053
(b) Provisions	24	5,557	5,687
(c) Other current liabilities	25	5,728	12,920
TOTAL EQUITY AND LIABILITIES		133,929	111,188
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Balance Sheet referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Date: February 11, 2021
Place: Mumbai

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Standalone Statement of Profit and Loss

for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Notes	Year ended	Year ended
		December 31, 2020	December 31, 2019
Income			
Revenue from operations	26	88,878	83,901
Other income	27	10,395	12,981
Total		99,273	96,882
Expenses			
Employee benefits expenses	28	43,634	42,829
Finance cost	29	694	-
Depreciation and amortisation expenses	30	6,568	2,396
Other expenses	31	26,544	31,939
Total		77,440	77,164
Profit before tax from continuing operations		21,833	19,718
Tax expense	8		
Current tax		5,928	4,609
Deferred tax		(767)	1,558
Total tax expense		5,161	6,167
Profit after tax for the year from continuing operations		16,672	13,551
Profit before tax from discontinued operations	46	-	18,066
Tax expense of discontinued operations		-	4,988
Profit after tax from discontinued operations		-	13,078
Profit after tax for the year		16,672	26,629
Other comprehensive (income) / expense (OCI)			
A. Items that will be reclassified to profit or loss:			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		(579)	293
Tax effect on above		146	(102)
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		390	214
Equity instruments through other comprehensive income		3,052	9,279
Tax effect on above		(118)	(90)
Total comprehensive income for the year		13,781	17,035
Earnings per share : Nominal value of Rupee 1 per share	41		
From continuing operations			
Basic		23.00	18.76
Diluted		22.98	18.73
From discontinued operations			
Basic		-	18.10
Diluted		-	18.08
From continuing and discontinued operations			
Basic		23.00	36.86
Diluted		22.98	36.81
Number of equity shares used in computing earnings per share			
Basic		7,24,94,072	7,22,43,688
Diluted		7,25,47,286	7,23,39,528
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandio & Co LLPChartered Accountants
Firm Registration No.:001076N/N500013**Khushroo B. Panthaky**Partner
Membership No.: 042423Date: February 11, 2021
Place: Mumbai**For and on behalf of the Board of Directors of CRISIL Limited****John L Berisford**Chairman
[DIN: 07554902]
Place: Connecticut**Sanjay Chakravarti**

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai**Ashu Suyash**Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai**Minal Bhosale**Company Secretary
Place: Mumbai

Standalone Cash Flow Statement

for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
A. Cash flow from operating activities:		
Profit before tax (from continuing and discontinued operations)	21,833	37,784
Adjustments for :		
Depreciation/Amortisation	7,473	2,626
Interest income on financial assets carried at amortized cost	(249)	(227)
Waiver of lease liability	(167)	-
Unrealised foreign exchange gain	(701)	(243)
(Profit)/ loss on sale of property, plant and equipment	1	(39)
(Profit)/ loss on fair valuation of current investments	(252)	(387)
(Profit)/ loss on sale of current investments	(698)	(981)
Interest on lease liability	691	-
Interest on bank overdraft	3	-
Provision for doubtful debts/bad debts	140	168
Provision for doubtful security deposits	28	4
Excess provision written back	(395)	-
Interest on income tax refund	-	(361)
Interest on bank deposits	(46)	(30)
Interest on loan from subsidiary	(811)	(10)
Dividend on investments	(441)	(5,485)
Share based payment to employees	76	356
Operating profit before working capital changes	26,485	33,175
Movements in working capital		
- (Increase)/decrease in trade receivables	3,462	2,690
- (Increase)/decrease in loans	469	660
- (Increase)/decrease in other non-current assets	100	(357)
- (Increase)/decrease in other current financial assets	(5,562)	(2,101)
- (Increase)/decrease in other current assets	(423)	(46)
- Increase/(decrease) in trade payables	(1,249)	1,537
- Increase/(decrease) in provisions	205	52
- Increase/(decrease) in other current financial liabilities	27,693	1,336
- Increase/(decrease) in other current liabilities	(7,192)	281
- Increase/(decrease) in other non-current financial liabilities	(40)	(237)
Cash generated from operations	43,948	36,990
- Taxes paid	(5,258)	(10,456)
Net cash generated from operating activities - (A)	38,690	26,534
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances)	(2,576)	(2,386)
Proceeds from sale of property, plant and equipment and intangible assets	77	125
Interest on loan from subsidiaries	654	10
Loan (given to)/ repaid by subsidiaries (net)	(4,764)	175
Proceeds from / (investments in) mutual funds	(3,123)	(5,554)
Investment in CRISIL Ratings Limited	(2,600)	(10)
Fixed deposit with maturity more than three months placed	(7)	(2)
Interest on income tax refund	-	361
Interest on bank deposits	47	33
Dividend on investments	441	5,485
Net cash used in investing activities - (B)	(11,851)	(1,763)

Standalone Cash Flow Statement

for the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Year ended	
	December 31, 2020	December 31, 2019
C. Cash flow from financing activities :		
Receipts from issuance of share capital on account of exercise of ESOS	3,522	2,295
Receipts from subsidiaries for ESOS	171	458
Dividend and dividend tax paid	(23,203)	(25,162)
Payment of lease liability	(4,679)	-
Interest on bank overdraft	(3)	-
Net cash used in financing activities - (C)	(24,192)	(22,409)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,647	2,362
Cash and cash equivalents - Opening balance	7,127	4,774
Add : Exchange difference on translation of foreign currency cash and cash equivalents	1	(9)
Cash and cash equivalents - Closing balance	9,775	7,127
Net increase/(decrease) in cash and cash equivalents	2,647	2,362
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	9,775	6,727
Deposits with original maturity of less than three months	-	400
Total	9,775	7,127

The accompanying notes are an integral part of the standalone financial statements.

This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Date: February 11, 2021
Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited
John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Statement of Changes in Equity

for the year ended December 31, 2020

A. Equity share capital		(Rupees in lakhs)	
	Balance as at January 1, 2020	Changes in equity share capital during the year (Refer Note 18)	Balance as at December 31, 2020
	723	3	726
	Balance as at January 1, 2019	Changes in equity share capital during the year (Refer Note 18)	Balance as at December 31, 2019
	721	2	723

Particulars	Reserves & Surplus						Items of OCI			Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Retained earnings	Specialised Economic Zone (SEZ) Re-investment reserve	Equity Instruments through OCI	Hedge reserve		
Balance as at January 1, 2020	27	20,107	14,115	6,668	58,713	-	(24,514)	36	75,152	
Profit for the year	-	-	-	-	16,672	-	-	-	16,672	
Additions during the year	-	3,519	-	-	-	-	-	-	3,519	
Share based payment to employees	-	-	-	247	-	-	-	-	247	
Transitional impact on implementation of Ind AS 116 Leases (Refer Note 39)	-	-	-	-	(690)	-	-	-	(690)	
Other comprehensive income	-	-	-	-	(293)	-	(3,031)	433	(2,891)	
Final dividend (Refer Note 42)	-	-	-	-	(9,422)	-	-	-	(9,422)	
Interim dividend (Refer Note 42)	-	-	-	-	(13,781)	-	-	-	(13,781)	
Exercise of stock option	-	1,432	-	(1,432)	-	-	-	-	-	
Balance as at December 31, 2020	27	25,058	14,115	5,483	51,199	-	(27,545)	469	68,806	

(Refer Note 19.1)

Statement of Changes in Equity

for the year ended December 31, 2020

Particulars	Reserves & Surplus							Items of Other Comprehensive Income (OCI)			Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Equity Instruments through OCI	Hedge reserve			
Balance as at January 1, 2019	27	16,915	14,115	6,753	56,950	450	(15,265)	227	80,172		
Profit for the year	-	-	-	-	26,629	-	-	-	26,629		
Additions during the year	-	2,293	-	-	-	-	-	-	2,293		
Share based payment to employees	-	-	-	814	-	-	-	-	814		
Other comprehensive income	-	-	-	-	(154)	-	(9,249)	(191)	(9,594)		
Final dividend (Refer Note 42)	-	-	-	-	(7,938)	-	-	-	(7,938)		
Interim dividend (Refer Note 42)	-	-	-	-	(13,735)	-	-	-	(13,735)		
Corporate dividend tax (Refer Note 42)	-	-	-	-	(3,489)	-	-	-	(3,489)		
Transfer to SEZ reinvestment reserve	-	-	-	-	450	(450)	-	-	-		
Exercise of stock option	-	899	-	(899)	-	-	-	-	-		
Balance as at December 31, 2019	27	20,107	14,115	6,668	58,713	-	(24,514)	36	75,152		

(Refer Note 19.1)

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Date: February 11, 2021

Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited
John L Berisford

Chairman

[DIN: 07554902]

Place: Connecticut

Ashu Suyash

Managing Director and Chief Executive Officer

[DIN: 00494515]

Place: Mumbai

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021

Place: Mumbai

Minal Bhosale

Company Secretary

Place: Mumbai

Summary of significant accounting policies and other explanatory information to standalone financial statements as at and for the year ended December 31, 2020

1 Corporate information

CRISIL Limited ("the Company" or "CRISIL") [CIN : L67120MH1987PLC042363] is a globally-diversified analytical Company providing ratings and research services. CRISIL is the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better. CRISIL Limited is a public limited Company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognised stock exchanges in India - The Bombay Stock Exchange and the National Stock Exchange.

These standalone financial statements for the year ended December 31, 2020 were approved by the Board of Directors on February 11, 2021.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 67.13% as on December 31, 2020 of the Company's equity share capital (Refer Note 18).

2 Summary of significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information is presented in Indian rupees.

2.2 Basis of preparation

These standalone financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule

III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

2.3 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the years presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when it is assessed, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain

that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

- **Revenue recognition**

Revenue from rendering of services is recognised when the obligation to render services based on agreements/arrangements with the customers are satisfied and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. As actuarial valuation involves making various assumptions that may be different from the actual development in the future, key actuarial assumptions include discount rate, trends in salary escalation, attrition and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Valuation of taxes on income**

Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Company reviews the carrying amount of deferred

tax assets at the end of each reporting period. The policy for the same has been explained under note 2.17.

- **Provisions**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligations and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

- **Share-based payments**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised under property, plant and equipment includes purchase price, duties and taxes, other incidental expenses incurred during the construction/installation stage. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

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2.5 Intangibles

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure on development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.6 Depreciation/amortisation

Based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence in certain class of assets, the useful lives is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation/amortisation is provided on straight line method (SLM) over useful life.

Type of asset	Estimated useful life
Buildings	20 Years
Furniture and fixtures	10 Years
Office equipment	3 to 10 Years
Computers	3 Years
Vehicles	3 Years
Software	1 to 3 Years

The estimated useful lives of PPE and intangible assets as well as the depreciation and amortization period are reviewed at the end of each financial year and the depreciation and amortization method is revised to reflect the changed pattern, if any.

Leasehold improvements are amortized over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

2.7 Impairment

a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss

is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

b) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are measured at amortized cost e.g., loans, deposits, and bank balances.
- ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date.

For all other financial assets, ECL is measured at an amount equal to the twelve month ECL unless there has been a significant increase in credit risk from the initial recognition in which case those are measured at lifetime ECL.

2.8 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over

the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Company's lease assets consists of office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

Where the Company is a lessee

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

At the date of commencement of the lease, the Company recognises a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments based on an index or rate, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability and right of use assets have been presented separately in the Balance Sheet and lease payments are classified as cash used in financing activities in the statement of cash flows.

Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

Transition

Effective January 1, 2020, the Company has adopted Ind AS 116 "Leases" and applied the standard to all applicable lease contracts existing on January 1, 2020 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental rate at the date of initial application. Comparatives as at and for the year ended

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December 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended December 31, 2019.

2.9 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.10 Fair value of financial instruments

In determining the fair value of the financial instruments the Company uses variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realised. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.11 Financial instruments

Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company uses hedging instruments that are governed by the policies of the Company.

(i) Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity in the cash flow hedging

reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(ii) Receivable hedge

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses).

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Company transfers amounts from this reserve to retained earnings if these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.12 Provision, contingent liabilities and contingent assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed wherein an inflow of economic benefits is probable.

2.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.14 Revenue recognition

Income from operations

Income from operations comprises income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from IPO grading services and independent equity research (IER) services.

- Revenue from Initial rating fees are deemed to accrue on the date the rating is awarded.
- Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis and revenue is straight lined over the period of performance.
- Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out in a time proportion basis.
- Global research and analytics revenue consists of time and material contracts which is recognised on output basis measured by number of hours/days/weeks worked at the rates specified in the agreements.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Revenue from group companies is recognised based on transaction price which is at arm's length.

Accrued revenue are classified as Unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could

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undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognised at fair value in the statement of profit and loss under "other income", where all attaching conditions will be complied with and to the extent there is no significant uncertainty as to the ultimate realisation on transfer of scrips in the year of the sale. The related costs are recognised under "other expense".

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established by the balance sheet date.

Profit/(loss) on sale of current investment

Profit/(loss) on sale of current investment is accounted when the sale is executed. On disposal of such investments, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognized in the statement of profit and loss.

2.15 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value

of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Defined contribution plans

Retirement benefits in the form of provident fund is a defined contribution plan and is charge to the statement of profit and loss for each period of service rendered by the employees. Excess or short of contribution is recognised as an asset or liability in the financial statement. There are no other obligations other than the contribution payable to the respective authorities.

Employee stock compensation cost

The Company recognises expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the

options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

2.16 Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.17 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets includes Minimum Alternate Tax (MAT) paid in accordance with the tax laws which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, Employee Stock Option Scheme (ESOS), etc., that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Company has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of

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transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

2.22 Non-current assets held for sale and Discontinued operations

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the balance sheet date. Subsequently, such non-

current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

3A. Property, plant and equipment

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated depreciation			Net block		
	As at January 1, 2020	Additions	Deductions	Adjustments (Refer Note 46)	As at December 31, 2020	Up to January 1, 2020	For the year	Deductions (Refer Note 46)	Up to December 31, 2020	As at December 31, 2020
Buildings	10	-	-	-	10	10	-	-	10	-
Furniture and fixtures	925	39	123	8	833	665	75	98	635	198
Office equipments	1,708	42	27	45	1,673	1,176	123	16	1,246	427
Computers	5,627	1,531	35	331	6,792	4,190	895	33	4,796	1,996
Vehicles	601	24	148	150	327	341	115	123	250	77
Leasehold improvements	3,070	325	43	-	3,352	2,725	252	28	2,949	403
Total	11,936	1,961	376	534	12,987	9,107	1,460	298	9,886	3,101

(Rupees in lakhs)

For the year ended December 31, 2019

Particulars	Carrying value				Accumulated depreciation			Net block		
	As at January 1, 2019	Additions	Deductions	Adjustments	As at December 31, 2019	Up to January 1, 2019	For the year	Deductions	Up to December 31, 2019	As at December 31, 2019
Buildings	10	-	-	-	10	10	-	-	10	-
Furniture and fixtures	919	37	31	-	925	528	162	25	665	260
Office equipments	1,649	131	77	-	1,703	971	266	61	1,176	527
Computers	4,562	1,310	245	-	5,627	3,415	1,009	234	4,190	1,437
Vehicles	670	128	197	-	601	305	180	144	341	260
Leasehold improvements	3,052	18	-	-	3,070	2,424	301	-	2,725	345
Total	10,862	1,624	550	-	11,936	7,653	1,918	464	9,107	2,829

(Rupees in lakhs)

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3B. Right of use asset

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated depreciation			Net block As at December 31, 2020
	Transition impact of Ind AS 116 (Refer Note 39)	Additions	Lease Modification	Adjustments	As at December 31, 2020	Up to January 1, 2020	For the year	
Building	15,580	1,104	(2,339)	-	14,345	-	4,912	3,648
Total	15,580	1,104	(2,339)	-	14,345	-	4,912	3,648
							(1,264)	(1,264)
							(1,264)	10,697
								10,697

(Rupees in lakhs)

4. Intangible assets

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated amortisation				Net block As at December 31, 2020
	As at January 1, 2020	Additions	Deductions	Adjustments (Refer Note 46)	As at December 31, 2020	Up to January 1, 2020	For the year	Adjustments (Refer Note 46)	
Software	2,595	817	-	10	3,402	1,508	1,101	2	2,607
Total	2,595	817	-	10	3,402	1,508	1,101	2	2,607
									795
									795

(Rupees in lakhs)

For the year ended December 31, 2019

Particulars	Carrying value				Accumulated amortisation				Net block As at December 31, 2019
	As at January 1, 2019	Additions	Deductions	Adjustments	As at December 31, 2019	Up to January 1, 2019	For the year	Adjustments	
Software	2,463	132	-	-	2,595	800	708	-	1,508
Total	2,463	132	-	-	2,595	800	708	-	1,508
									1,087
									1,087

(Rupees in lakhs)

5. Investments

A. Non-current investments	As at December 31, 2020		As at December 31, 2019	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
Investments in subsidiaries				
<i>Unquoted equity investments carried at cost</i>				
Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Rupee 1 each, fully paid up (Refer Note 5.1)	49,999,970	707	49,999,970	707
Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up (Refer Note 5.1)	5,514,100	11,585	5,514,100	11,585
Equity Shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up (Refer Note 5.1)	704,018	147	704,018	147
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited (Refer Note 5.1)	-	244	-	244
Equity Shares of Pragmatix Services Private Limited of Rupees 10 each, fully paid up	3,140,000	5,600	3,140,000	5,600
Equity Shares of CRISIL Ratings Limited of Rupee 1 each, fully paid up (Refer Note 5.4)	261,000,000	2,610	1,000,000	10
Sub - total (a)		20,893		18,293
Other investments				
<i>Unquoted equity investments carried at fair value through OCI (Refer Notes 5.2 and 33)</i>				
Equity Shares of Caribbean Information and Credit Rating Agency of US \$1 each, fully paid up	300,000	155	300,000	120
Equity Shares of National Commodity and Derivative Exchange Limited of Rupees 10 each, fully paid up	1,875,000	3,082	1,875,000	3,204
Sub - total (b)		3,237		3,324
<i>Quoted equity investments carried at fair value through OCI (Refer Notes 5.2 and 33)</i>				
Other Investments				
Equity Share of CARE Ratings Limited of Rupees 10 each, fully paid up	2,622,431	13,791	2,622,431	16,756
Equity Share of ICRA Limited of Rupees 10 each, fully paid up (Refer Note 5.3)	1	-	1	-
Sub - total (c)		13,791		16,756
Total non-current investments (A) - (a + b + c)		37,921		38,373

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B. Current investments	As at December 31, 2020		As at December 31, 2019	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
Investments in mutual funds				
<i>(Unquoted investments carried at fair value through profit and loss)</i>				
<i>(Refer Note 33)</i>				
L&T Banking and PSU Debt Fund - Direct Plan - Growth	8,531,402	1,715	-	-
ICICI Prudential Savings Fund - Direct Plan - Growth	1,168,989	4,885	-	-
Invesco India Treasury Advantage Fund - Direct Plan - Growth	149,826	4,533	-	-
DSP Banking and PSU Debt Fund - Direct - Growth	25,079,791	4,805	-	-
IDFC Ultra Short Term Fund - Direct Plan - Growth	13,849,417	1,645	-	-
IDFC Low Duration Fund - Growth - Direct Plan	16,238,534	4,939	-	-
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan	1,135,020	4,802	-	-
Kotak Savings Fund - Direct Plan - Growth	5,741,861	1,974	-	-
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100%	-	-	2,500,000	255
Invesco India Short Term Fund - Direct Plan Growth	-	-	157,336	4,313
Axis Treasury Advantage Fund - Direct Growth	-	-	87,495	2,000
LIC MF Banking and PSU Debt Fund - Direct Plan - Growth	-	-	17,417,522	4,606
IDFC Bond Fund - Short Term Plan - Growth - (Direct Plan)	-	-	6,754,142	2,862
L&T Short Term Bond Fund - Direct Plan - Growth	-	-	14,588,155	2,863
L&T Money Market Fund - Direct Plan - Growth	-	-	19,892,581	4,001
DSP Short Term Fund - Direct Plan - Growth	-	-	5,104,208	1,797
DSP Corporate Bond Fund - Direct - Growth	-	-	4,325,447	501
Sundaram Corporate Bond Fund Direct Growth	-	-	7,064,600	2,027
Total investments in mutual funds (B)		29,298		25,225
Total investments (A + B)		67,219		63,598

The market value of quoted investments is equal to the carrying value

- 5.1 Includes deemed investment on account of share based payment recharge to employees of subsidiary companies.
- 5.2 The total dividend recognized pertaining to FVTOCI instruments for the year ended on December 31, 2020 was Rupees 433 lakhs and for the year ended December 31, 2019 was Rupees 761 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. For all the equity instruments that are classified by the Company as FVTOCI, fair value changes on the instrument, excluding dividends, are recognized in the OCI. The Company recognizes dividend in statement of profit and loss under the head "other income".
- 5.3 '-' in amounts' columns denote amounts less than Rupees 50,000.
- 5.4 Company has invested additional Rupees 2,500 lakhs and Rupees 100 lakhs on March 31, 2020 and May 20, 2020 respectively pursuant to the requirements of SEBI (Credit Rating Agencies) Regulations, 1999.

6. Loans (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
<i>Unsecured, considered good, unless otherwise stated</i>		
Security deposits	2,317	3,250
Total	2,317	3,250

7. Other financial assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Unsecured, considered good, unless otherwise stated		
Interest accrued on fixed deposits	4	-
Other bank balances		
Bank deposits with original maturity for more than 12 months	57	51
{Deposit includes fixed deposits with banks Rupees 6 lakhs (Previous year: 37 lakhs) marked as lien for guarantees issued by banks on behalf of the Company (Refer Note 34)}		
Total	61	51

8. Income tax

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Current tax (from continuing and discontinued operations)	5,928	9,259
Deferred tax (from continuing and discontinued operations)	(767)	1,896
Total income tax expense recognised in current year	5,161	11,155

The tax year for the Company being the year ending March 31, 2021, the tax expense for the year is the aggregate of the provision made for the three month period ended March 31, 2020 and the provision for the nine month period ended December 31, 2020. The tax provision for the nine month period has been arrived at using effective tax rate for the period April 1, 2020 to March 31, 2021.

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Profit before tax (from continuing and discontinued operations)	21,833	37,784
Enacted income tax rate in India for fiscal year ended March 31, 2021 and March 31, 2020. (%)	25.17%	27.61%
Computed expected tax expense	5,495	10,433
Effect of:		
Income exempt from tax	(111)	(292)
Expenses that are not deductible in determining taxable profit	162	289
Tax expense/(reversal) of prior years	(368)	66
Income subject to different tax rates	-	(477)
Change in income tax rate	-	1,247
Others	(17)	(111)
Total income tax expense recognised in the statement of profit and loss	5,161	11,155

Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

As at December 31, 2020

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in retained earnings	Recognised in OCI	Others*	Closing balance
Deferred tax liability on :						
Gains from other investments	642	-	-	(20)	-	622
Gains from mutual funds	91	(28)	-	-	-	63
Gains / losses on forward contracts	13	-	-	146	-	159
Gross deferred tax liability	746	(28)	-	126	-	844
Deferred tax asset on :						
Discounting on security deposits	12	153	-	-	-	165
Provision for compensated absences	1,238	233	-	-	(225)	1,246
Provision for bonus and commission	123	64	-	-	(371)	(184)
Provision for gratuity	535	28	-	98	(84)	577
Provision for doubtful debt	261	55	-	-	(182)	134
Unearned revenue	531	-	-	-	(531)	-
40A(ia) of the Income Tax Act, 1961 and other items	43	3	-	-	-	46
Property, plant and equipment and intangibles	839	102	-	-	19	960
On lease liability and right to use	-	101	232	-	-	333
Gross deferred tax asset	3,582	739	232	98	(1,374)	3,277
Net deferred tax asset	2,836	767	232	(28)	(1,374)	2,433

* represents the amount of deferred tax as on December 31, 2019 pertaining to Rating business which has been transferred to CRISIL Ratings Limited. (Refer Note 46)

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As at December 31, 2019

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in retained earnings	Recognised in OCI	Others*	Closing balance
Deferred tax liability on :						
Gains from other investments	672	-		(30)	-	642
Gains from mutual funds	50	41		-	-	91
Gains / losses on forward contracts	115	-		(102)	-	13
Gross deferred tax liability	837	41		(132)	-	746
Deferred tax asset on :						
Discounting on security deposits	11	1		-	-	12
Provision for compensated absences	1,826	(588)		-	-	1,238
Provision for bonus and commission	634	(511)		-	-	123
Provision for gratuity	662	(187)		60	-	535
Provision for doubtful debt	620	(359)		-	-	261
Unearned revenue	598	(67)		-	-	531
40A(ia) of the Income Tax Act, 1961 and other items	36	7		-	-	43
Property, plant and equipment and intangibles	990	(151)		-	-	839
Gross deferred tax asset	5,377	(1,855)		60	-	3,582
Net deferred tax asset	4,540	(1,896)		192	-	2,836

9. Tax assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Advance income-tax (net of provision for taxation) {Provision of tax Rupees 120,050 lakhs (Previous year : Rupees 114,122 lakhs)}	4,145	4,815
Total	4,145	4,815

10. Other non-current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Prepaid rent	-	558
Capital advance	54	55
Prepaid expenses	318	418
Total	372	1,031

11. Trade receivable (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured (Refer Note 37)	11,723	15,343
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	490	1,008
Less: Allowance for impairment loss	(490)	(1,008)
Total	11,723	15,343

The Company uses a provision matrix to determine impairment loss allowance on the portfolio trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At period end, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

Specific allowance for loss is also been provided by the management based on expected recovery on individual customers.

Reconciliation of loss allowance:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Opening balance	1,008	1,755
Transferred to CRISIL Ratings Limited	(714)	-
Movement during the year	196	(747)
Closing balance	490	1,008

12. Cash and cash equivalents (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Balances with banks:		
On current accounts	9,775	6,727
Deposits with original maturity of less than 3 months	-	400
Total	9,775	7,127

13. Other bank balances (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
On unpaid dividend accounts	76	75
Deposit with original maturity for more than 3 months but less than 12 months {(Deposit includes fixed deposits with banks Rupees 5 lakhs (Previous year Rupees 29 lakhs) marked as lien for guarantees issued by banks on behalf of the Company. (Refer Note 34)}	92	92
Total	168	167

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14. Loans (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
<i>Unsecured, considered good, unless otherwise stated</i>		
Loan to subsidiaries (Refer Notes 37 and 38)	5,089	325
Loans to employees	213	323
Security deposits		
- Considered good	1,383	67
- Considered doubtful	43	27
Less: Allowance for impairment loss	(43)	(27)
Total	6,685	715
Sub-classification of loans:		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	6,685	715
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	43	27
Less: Allowance for impairment loss	(43)	(27)
Total	6,685	715

15. Other financial assets (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Unsecured, considered good, unless otherwise stated		
Advances recoverable (Refer Note 37)	909	673
Receivable from CRISIL Ratings Limited on account of transfer against purchase consideration (Refer Note 37)	5,170	-
Unbilled receivables (Refer Note 15.1)	3,301	2,939
Accrued interest on fixed deposit	3	8
Interest accrued on loan to subsidiaries	158	1
Fair value of foreign currency forward contract (Refer Note 33)	846	49
Total	10,387	3,670

15.1 The balance lying in unbilled receivables as at December 31, 2019 is fully billed during the current year.

16. Other current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Prepaid rent	-	246
Prepaid expense	1,104	1,426
Balances with government authorities	863	931
Advances to suppliers and employees	787	568
Total	2,754	3,171

17. Asset held for sale

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Building (Refer Note 17.1)	318	318
Total	318	318

17.1 The Company has classified a building premise as asset held for sale at its carrying value amounting to Rupees 318 lakhs. The Company has actively marketed the premise. The premise has been classified as unallocable as the Company believes that it is currently not practicable to allocate the premise to any segment.

18. Equity share capital

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Authorised capital:		
100,000,000 equity shares of Rupee 1 each (Previous year 100,000,000 equity shares of Rupee 1 each)	1,000	1,000
Issued, subscribed and paid up:		
72,593,290 equity shares of Rupee 1 each fully paid up (Previous year 72,304,326 equity shares of Rupee 1 each)	726	723
Total	726	723

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

Equity shares

Particulars	As at December 31, 2020	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	723	72,304,326
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 45)	3	288,964
Outstanding at the end of the year	726	72,593,290

Particulars	As at December 31, 2019	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	721	72,115,782
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 45)	2	188,544
Outstanding at the end of the year	723	72,304,326

(b) Terms/rights attached to equity shares

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

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

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

Out of equity shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries/ associates are as below:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Group Holding of the S&P Global Inc.		
31,209,480 equity shares of Rupee 1 each fully paid held by S&P India, LLC, fellow subsidiary (Previous year 31,209,480 equity shares of Rupee 1 each)	312	312
11,523,106 equity shares of Rupee 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (Previous year 11,523,106 equity shares of Rupee 1 each)	115	115
6,000,000 equity shares of Rupee 1 are held by Standard & Poor's International LLC, fellow subsidiary (Previous year 6,000,000 equity shares of Rupee 1 each)	60	60
Total	487	487

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(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Equity shares bought back by the Company (in numbers)		
Aggregate number of equity shares bought back by the Company (In last five years)	Nil	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company	Nil	Nil

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at December 31, 2020	
	% holding in the class	Nos.
Equity shares of Rupee 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	42.99%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.87%	11,523,106
c) Standard & Poor's International LLC	8.27%	6,000,000
2. Life Insurance Corporation of India	5.95%	4,321,911
3. Jhunjhunwala Rakesh and Rekha	5.48%	3,975,000

Name of the shareholder	As at December 31, 2019	
	% holding in the class	Nos.
Equity shares of Rupee 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.16%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.94%	11,523,106
c) Standard & Poor's International LLC	8.30%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	6.64%	4,797,793
3. Life Insurance Corporation of India	5.48%	3,965,000

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company (Refer Note 45).

(g) Capital management

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The company has a overdraft facility with banks to support any temporary funding requirements which has not been utilised as at December 31, 2020.

19. Explanation of reserves

a) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the retained earnings.

b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium.

c) Retained earnings

Retained earnings represent the cumulative profits of the Company and the effects of measurements of defined benefit obligation.

d) Share-based payment reserve

The share-based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Other comprehensive income (OCI)

Other comprehensive income includes fair value changes in equity instruments and hedge reserve through OCI.

f) Hedge reserve

Forward contracts are stated at fair value at each reporting date. Changes in the fair value of the forward contracts that are designated and effective as hedges of future cash flows are recognized directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes.

g) Capital redemption reserve

The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

h) Special Economic Zone (SEZ) reinvestment reserve

The SEZ reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.

20. Other financial liabilities (non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Employee related payables	499	489
Lease liability (Refer Note 39)	7,397	-
Sundry deposits	-	48
Total	7,896	537

21. Provisions (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Gratuity (Refer Note 40)	1,688	1,358
Total	1,688	1,358

22. Trade payables (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Total outstanding dues of micro enterprises and small enterprises (as per intimation received from suppliers)	9	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,486	6,755
Total	5,495	6,758

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22.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
-Principal amount remaining unpaid, but not due	9	3
-Interest due thereon as at year end	-	-
-Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
-Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
-Interest accrued and remaining unpaid as at year end	-	-
-Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.

23. Other financial liabilities (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Employee related payables	6,622	7,903
Lease liability (Refer Note 39)	3,668	-
Payable to CRISIL Ratings Limited on account of transfer of business (Refer Note 37)	27,619	-
Unpaid dividend (Investor education and protection fund will be credited as and when due)	76	75
Sundry deposit	48	75
Total	38,033	8,053

24. Provisions (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Compensated absences (Refer Note 40)	4,951	4,920
Gratuity (Refer Note 40)	606	767
Total	5,557	5,687

25. Other current liabilities

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Statutory liabilities	2,079	2,253
Advance received from customer (Refer Note 25.1)	191	382
Unearned revenue (Refer Note 25.1)	3,458	10,285
Total	5,728	12,920

25.1 The balance lying in 'Unearned revenue' and 'Advance received from customer' as at December 31, 2019 is fully recognised as revenue during the current year.

26. Income from operations

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Ratings services	21,709	20,514
Research services	67,169	63,387
Total	88,878	83,901

26.1 The Company disaggregates revenue from contracts with customers by nature of services which has been described above. Further, disaggregation of revenue by geographical region is as under :

(Rupees in lakhs)

Geographical region	Year ended	Year ended
	December 31, 2020	December 31, 2019
India	12,905	15,509
Europe	25,893	24,654
North America	41,730	34,822
Rest of the world	8,350	8,916
Total	88,878	83,901

26.2 The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has right to consideration that corresponds directly with the value of entity's performance completed to date.

27. Other income

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Interest on :		
- Income tax refund	-	361
- Bank deposits	46	30
- Loan to subsidiaries	811	10
- Financial assets carried at amortized cost	249	227
Grant income (Refer Note 47)	2,649	2,025
Profit on sale of property, plant and equipment	-	39
Dividend on investments (Refer Note 37)	441	5,485
Foreign exchange gain (net)	1,542	374
Profit on sale of current investments	698	836
Profit on fair valuation of current investments	252	532
Excess provision written back	395	78
Support and management fees	3,116	2,959
Miscellaneous income	196	25
Total	10,395	12,981

28. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Salaries, wages and bonus	41,245	39,707
Share based payment to employees	76	220
Contribution to provident and other funds	1,327	1,346
Contribution to gratuity fund (Refer Note 40)	666	615
Staff training and welfare expenses	999	1,491
Less : Recoveries from subsidiaries towards overhead allocated	(679)	(550)
Total	43,634	42,829

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29. Finance cost

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Interest expense on bank overdraft	3	-
Interest on lease liability (Refer note 39)	842	-
Reimbursement of interest on lease liability recovered from subsidiaries	(151)	-
Total	694	-

30. Depreciation and amortisation

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Depreciation and amortisation on tangible, intangible and right of use assets (Refer Notes 3A, 3B and 4)	7,473	2,626
Less: Depreciation allocated to discontinuing operations	-	(167)
Less: Reimbursement of common depreciation recovered from subsidiaries	(905)	(63)
Total	6,568	2,396

31. Other expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Repairs and maintenance - buildings	1,482	1,620
Repairs and maintenance - others	630	749
Electricity	493	866
Communication expenses	906	686
Insurance	119	57
Rent (Refer Note 39)	128	4,364
Rates and taxes	219	12
Printing and stationery	64	115
Conveyance and travelling	741	2,239
Books and periodicals	791	738
Vehicle expenses	2	3
Remuneration to non-whole time directors	161	157
Business promotion and advertisement	37	25
Professional fees (Refer Note 37)	19,743	19,268
Associate service fee	2,282	2,257
Software purchase and maintenance expenses	1,215	911
Provision for doubtful deposits	28	3
Provision for doubtful debts / bad debts	140	-
Loss on sale of property, plant and equipment	1	-
Corporate social responsibility (CSR) expenses (Refer Note 43)	774	761
Donation (Refer Note 37)	84	328
Auditors' remuneration (Refer Note 35)	65	66
Recruitment expenses	197	251
Miscellaneous expenses	352	297
Less : Overhead allocated to discontinued operations	-	(2,785)
Less : Recoveries from subsidiaries towards overhead allocated	(4,110)	(1,049)
Total	26,544	31,939

32. Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 33. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarized below:

32.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas operations, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of December 31, 2020 and December 31, 2019, the Company has entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given. (Refer Note 33.2)

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2020			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	27,849	1,682	20,446	1,235
GBP	2,711	-	2,687	-
EURO	1,148	-	1,030	-
Others	362	1,907	142	324

Particulars	As at December 31, 2019			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	19,717	3,363	14,070	2,400
GBP	2,786	-	2,599	-
EURO	679	12	541	9
Others	1,695	2,839	891	371

For the year ended December 31, 2020, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by Rupees 1,137 lakhs (+/-6.08 %). For the year ended December 31, 2019, operating margins would increase/decrease by Rupees 766 lakhs (+/-2.79%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence, and exit strategies in order to mitigate losses.

The Company is exposed to price risk arising mainly from investments in mutual funds recognized at FVTPL. The details of such investment are given under Note 5. If the prices had been higher/lower by 5% from the market prices existing as at the reporting date, profit would increase/decrease by Rupees 1,465 lakhs and Rupees 1,261 lakhs for the year ended December 31, 2020 and for the year ended December 31, 2019 respectively.

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The Company is also exposed to price risk arising mainly from investments in equity instruments recognized at FVTOCI. The details of such investment are given under Note 5. If the equity prices had been higher/lower by 5% from the market prices existing as at the reporting date, OCI for the year ended December 31, 2020 would increase/decrease by Rupees 690 lakhs and Rupees 838 lakhs for the year ended December 31, 2019.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The treasury position of the Company is given below:

Financial assets maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Trade receivables	11,723	15,343
Cash and cash equivalents	9,775	7,127
Other bank balances	168	167
Loans	6,685	715
Investments in mutual funds	29,298	25,225
Others	10,387	3,670
Total	68,036	52,247

Financial liabilities maturing within and after one year:

(Rupees in lakhs)

Particulars	As at December 31, 2020		As at December 31, 2019	
	within one year	after one year	within one year	after one year
Trade payables	5,495	-	6,758	-
Others	38,033	7,896	8,053	537
Total	43,528	7,896	14,811	537

32.3 Business and credit risks

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

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

(Rupees in lakhs)

Receivables	As at	As at
	December 31, 2020	December 31, 2019
<= 6 months	11,653	15,888
> 6 months but <= 1 year	508	391
> 1 year	52	72
Provision for doubtful receivables	(490)	(1,008)

33. Financial Instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2020 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	13,791	-	-	13,791	13,791
Unquoted equity investments	-	-	-	3,237	-	-	3,237	3,237
Mutual funds	-	-	29,298	-	-	-	29,298	29,298
Cash and cash equivalents	9,775	-	-	-	-	-	9,775	9,775
Other bank balances	168	-	-	-	-	-	168	168
Trade receivables	11,723	-	-	-	-	-	11,723	11,723
Loans	9,002	-	-	-	-	-	9,002	9,002
Other financial assets	9,602	-	-	-	-	846	10,448	10,448
Total	40,270	-	29,298	17,028	-	846	87,442	87,442
Liabilities								
Trade payables	5,495	-	-	-	-	-	5,495	5,495
Other financial liabilities	45,929	-	-	-	-	-	45,929	45,929
Total	51,424	-	-	-	-	-	51,424	51,424

The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	16,756	-	-	16,756	16,756
Unquoted equity investments	-	-	-	3,324	-	-	3,324	3,324
Mutual funds	-	-	25,225	-	-	-	25,225	25,225
Cash and cash equivalents	7,127	-	-	-	-	-	7,127	7,127
Other bank balances	167	-	-	-	-	-	167	167
Trade receivables	15,343	-	-	-	-	-	15,343	15,343
Loans	3,965	-	-	-	-	-	3,965	3,965
Other financial assets	3,672	-	-	-	-	49	3,721	3,721
Total	30,274	-	25,225	20,080	-	49	75,628	75,628
Liabilities								
Trade payables	6,758	-	-	-	-	-	6,758	6,758
Other financial liabilities	8,590	-	-	-	-	-	8,590	8,590
Total	15,348	-	-	-	-	-	15,348	15,348

33.1 Fair value hierarchy

For financial reporting purpose, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value as at December 31, 2020 and December 31, 2019.

(Rupees in lakhs)

Particulars	As at December 31, 2020			As at December 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
A Investments at FVTPL						
1. Mutual Funds	29,298	-	-	25,225	-	-
B Investments at FVTOCI						
1. Quoted equity shares	13,791	-	-	16,756	-	-
2. Unquoted equity shares	-	-	3,237	-	-	3,324
C Forward contracts receivable	-	846	-	-	49	-

33.2 Derivative financial instruments and hedging activity

The Company's risk management policy is to hedge substantial amount of forecast transactions for each of the major currencies presently US\$, GBP £ and Euro €. The hedge limits are governed by the risk management policy. The Company uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under:

As at December 31, 2020

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	20	39,791	30,796	Jan - Dec-21	77.40	974	(974)
	GBP	11	6,080	6,005	Jan - Dec-21	98.76	(219)	219
	EUR	12	4,212	3,763	Jan - Dec-21	89.34	(128)	128
Receivables hedge								
i) Foreign exchange forward contracts	USD	1	6,250	4,896	6-Jul-21	78.34	219	(219)

As at December 31, 2019

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	24	51,415	37,692	Jan - Dec-20	73.31	155	(155)
	GBP	11	5,969	5,650	Jan - Dec-20	94.66	(163)	163
	EUR	12	3,459	2,918	Jan - Dec-20	84.36	57	(57)

Movement in cash flow hedging reserve		(Rupees in lakhs)
Particulars	Foreign exchange forward contract	
As at January 1, 2019		227
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge		840
Less: Amounts reclassified to profit or loss		(1,133)
Less: Tax relating to above (net)		102
As at January 1, 2020		36
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge		161
Add: Amounts reclassified to profit or loss		418
Less: Tax relating to above (net)		(146)
As at December 31, 2020		469

The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge and receivable hedge.

Revenue hedge

For forecasted revenue transaction, the Company will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

Receivable hedge

The ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses).

Details of unhedged foreign exposure

Currency	As at December 31, 2020			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	27,849	1,682	20,446	1,235
GBP	2,711	-	2,687	-
EUR	1,148	-	1,030	-
Others	362	1,907	142	324
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
Others	796	-	105	-

Currency	As at December 31, 2019			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	19,717	3,363	14,070	2,400
GBP	2,786	-	2,599	-
EUR	679	12	541	9
Others	1,695	2,839	891	371
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
Others	796	-	105	-

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34. Details of contingent liabilities and capital commitments are as under:

(Rupees in lakhs)

Receivables	As at	As at
	December 31, 2020	December 31, 2019
A. Contingent liabilities		
1. Bank guarantee in the normal course of business	75	132
2. Disputed income tax, sales tax, service tax and GST demand:		
(i) Pending before appellate authorities in respect of which the Company is in appeal	8,544	8,158
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,146	1,146
3. Provident fund		
Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.		
The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions of operations in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.		
	9,765	9,346
B. Capital commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various authorities.	189	138
Total	9,954	9,574

35. Auditors' remuneration includes :

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Audit fees (including limited review fees)	52	52
In any other matter:		
Certification work	7	10
Out of pocket expenses	6	4
Total	65	66

36. Segment reporting

In accordance with Paragraph 3 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

37. List of related parties

Parties	Relationship
<u>Related parties where control exists</u>	
S&P Global Inc.	Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited ('CRIS')	Subsidiary
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
Pragmatix Services Private Limited	Subsidiary
CRISIL Ratings Limited (Refer note 46)	Subsidiary (with effect from June 3, 2019)
CRISIL Irevna Australia Pty Ltd	Subsidiary of CRISIL Irevna UK Limited (with effect from August 28, 2020)
Greenwich Associates LLC	Subsidiary of CRISIL Irevna US LLC (with effect from February 26, 2020)
Greenwich Associates International, LLC	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020 and till December 22, 2020)
Greenwich Associates UK (Holdings) Limited	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates Singapore PTE. LTD.	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates Japan K.K.	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates Canada ULC	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates UK Limited	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
CRISIL Foundation	Controlled Trust
<u>Other related parties (to the extent where transaction have taken place)</u>	
S&P India, LLC	Fellow subsidiary
Standard & Poor's International LLC	Fellow subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow subsidiary
S&P Global Canada Corp.	Fellow subsidiary
S&P Global UK Limited	Fellow subsidiary
S&P Capital IQ (India) Private Limited	Fellow subsidiary
S&P Global Ratings Europe Limited	Fellow subsidiary
Standard & Poor's Financial Services, LLC	Fellow subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow subsidiary
Standard & Poor's Hong Kong Limited	Fellow subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow subsidiary
S&P Global Market Intelligence LLC	Fellow subsidiary
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
Fabindia Overseas Private Limited	Common Director
<u>Key Management Personnel</u>	
Girish Paranjpe	Independent Director
Vinita Bali	Independent Director
M. Damodaran	Independent Director
Shyamala Gopinath	Independent Director (with effect from July 10, 2020)
Arundhati Bhattacharya	Independent Director (upto April 15, 2020)
Ewout Steenbergen	Director
Martin Fraenkel	Director (with effect from April 18, 2019)
Martina Cheung	Director (up to April 18, 2019)
John L Berisford	Chairman
Ravinder Singhania	Alternate Director (up to July 22, 2019)
Ashu Suyash *	Managing Director and Chief Executive Officer
Amish Mehta *	Chief Operating Officer
Sanjay Chakravarti *	Chief Financial Officer
Minal Bhosale *	Company Secretary

* Related parties as per Companies Act, 2013

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Transactions with related parties

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the	As at and for the
		year ended December 31, 2020	year ended December 31, 2019
S&P Global UK Limited	Professional services rendered	690	362
	Amount receivable	220	216
S&P Global Canada Corp.	Professional services rendered	161	178
	Reimbursement of expenses received	1	-
	Amount receivable	15	40
S&P Global Ratings Europe Limited	Professional services rendered	4,516	4,639
	Amount receivable	830	622
Standard & Poor's Financial Services, LLC	Professional services rendered	13,354	11,766
	Reimbursement of expenses received	22	-
	Amount receivable	23	884
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	656	714
	Amount receivable	46	55
Standard & Poor's Hong Kong Limited	Professional services rendered	1,221	876
	Amount receivable	326	147
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	608	470
	Amount receivable	55	40
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	289	235
	Amount receivable	25	19
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	1,232	1,008
	Amount receivable	909	196
S&P Capital IQ (India) Private Limited	Reimbursement of expenses received	22	92
	Amount receivable	-*	17
S&P Global Market Intelligence LLC	Subscription fees paid	143	81
	Professional services rendered	2	14
	Amount payable	-	40
	Amount receivable	-	14
S&P Ratings (China) Co. Ltd	Professional services rendered	-	11
S&P India, LLC	Dividend paid	9,987	9,363
	Share capital outstanding	312	312
Standard & Poor's International LLC	Dividend paid	1,920	1,800
	Share capital outstanding	60	60
	Reimbursement of expenses received	-*	-
	Amount receivable	-*	-
S&P Global Asian Holdings Pte. Limited	Dividend paid	3,687	3,457
	Share capital outstanding	115	115
S&P Global Inc.	Professional services rendered	2	2
Asia Index Private Limited	Reimbursement of expenses paid	4	2
Fabindia Overseas Private Limited	Professional services rendered	-	2
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	-*	-*
	Support and management fee	-	72
	Expenses recovered	400	583
	Share of overhead expenses received	1,127	1,000
	Reimbursement of expense received (ESOS)	13	9
	Transfer of employee related liabilities	11	98
	Sale of property, plant and equipment	-	15
	Purchase of property, plant and equipment	1	2
	Loan given	750	150
	Loan repaid	300	600
	Loan outstanding	500	50
	Interest on loan received	40	8
	Interest receivable	17	1

Name of the related party	Nature of transaction / outstanding balances	As at and for the	As at and for the	
		year ended December 31, 2020	year ended December 31, 2019	
CRISIL Irevna UK Limited	Investment outstanding	707	707	
	Amount receivable	454	386	
	Professional services rendered	16,357	16,438	
	Support and management fee	398	227	
	Support services for product development	203	-	
	Reimbursement of expenses received	30	24	
	Reimbursement of expense received (ESOS)	11	18	
	Dividend income	-	4,306	
	Loan given	14,991	-	
	Loan repaid	10,925	-	
	Loan outstanding	4,589	-	
	Interest income	770	-	
	Interest amount receivable	141	-	
CRISIL Irevna US LLC	Investment outstanding	11,585	11,585	
	Amount receivable	2,236	1,319	
	Professional services rendered	1,381	5,251	
	Billing done on behalf of Company	6,482	16,377	
	Professional fees paid	6,493	5,904	
	Support and management fee	366	510	
	Reimbursement of expenses received	88	12	
	Sale of property, plant and equipment	2	-	
	Amount received on behalf of the Company	2,201	-	
	Reimbursement of expense received (ESOS)	(7)	32	
	Amount receivable (net)	184	2,924	
	CRISIL Irevna Argentina, S.A.	Professional fees paid	5,039	4,910
		Investment outstanding	147	147
CRISIL Irevna Poland Sp.zo.o	Amount payable	404	376	
	Professional fees paid	1,424	1,537	
	Reimbursement of expenses received	-	4	
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Reimbursement of expense received (ESOS)	-	-*	
	Amount payable	264	161	
	Dividend income	-	402	
	Professional fees paid	1,789	2,101	
	Reimbursement of expenses received	-	1	
Coalition Development Limited	Sale of property, plant and equipment	-	1	
	Investment outstanding	244	244	
	Amount payable	167	161	
	Amount receivable	-	2	
	Professional services rendered	1,423	1,253	
	Support and management fee	1,098	1,092	
	Reimbursement of expense received (ESOS)	5	310	
	Reimbursement of expense received	-	1	
	Amount receivable	-	568	
	Amount payable	191	-	
Coalition Development Singapore Pte Limited	Professional services rendered	4,151	4,319	
	Reimbursement of expense received (ESOS)	18	26	
	Professional fees paid	354	173	
	Amount receivable	128	888	
	Amount payable	95	16	
CRISIL Foundation	Donation	850	1,070	
	Reimbursement of expenses received	14	52	
	Amount receivable	4	-	
Pragmatix Services Private Limited	Support and management fee	-	72	
	Professional fees paid	-	2	
	Expenses recovered	97	258	
	Share of overhead expenses received	532	599	
	Reimbursement of expense received (ESOS)	50	62	
	Transfer of employee related liabilities	6	7	
	Purchase of property, plant and equipment	-*	-	
	Sale of property, plant and equipment	-	4	

Standalone Financial Statements

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended December 31,	As at and for the year ended December 31,
		2020	2019
	Loan given	-	485
	Loan repaid	275	210
	Interest on loan received	1	1
	Loan outstanding	-	275
	Investment outstanding	5,600	5,600
	Interest receivable	-	-*
	Amount receivable (net)	396	28
CRISIL Ratings Limited #	Investment made during the year	2,600	10
	Net assets transferred to CRISIL Ratings Limited	5,170	-
	Reimbursement of expense received	30	-
	Reimbursement of expense received (ESOS)	83	-
	Share of overhead expenses received	3,070	-
	Expenses recovered	856	-
	Amount receivable	5,170	-
	Amount payable (net)	27,619	-
Greenwich Associates LLC	Professional services rendered	208	-
	Professional fees paid	63	-
	Amount receivable	65	-
	Amount payable	62	-
Girish Paranjpe	Sitting fees and commission	44	40
Shyamala Gopinath	Sitting fees and commission	19	-
Arundhati Bhattacharya	Sitting fees and commission	11	35
Vinita Bali	Sitting fees and commission	43	41
M. Damodaran	Sitting fees and commission	44	41
Ashu Suyash**	Remuneration	633	559
	Options granted (nos.)	-	21,056
Amish Mehta**	Remuneration	399	364
	Options granted (nos.)	-	11,633
Sanjay Chakravarti**	Remuneration	172	155
	Options granted (nos.)	-	5,488
Minal Bhosale**	Remuneration	96	91
	Options granted (nos.)	-	1,039

-* in amounts column denote amount less than Rupees 50,000

**Note: As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial persons is not included above.

As per the NCLT Order, rating business has been demerged from the Company with effect from the appointed date i.e 1 January 2020. Therefore, all current account transaction between January 1, 2020 to the date on which the scheme becoming effective have not been shown as related party transactions as these were done in trust and on behalf of CRISIL Ratings Limited (Refer Note 46).

Standalone Financial Statements

38. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013 and disclosure under SEBI (LODR) Regulations, 2016:

(Rupees in lakhs)

Name of the entity	Relationship	Purpose for which the loan to be utilised	Particulars of loans	Amount outstanding as at December 31, 2020	Amount outstanding as at December 31, 2019	Maximum amount outstanding during the year
CRISIL Risk and Infrastructure Solutions Limited (CRIS)	100% subsidiary	Operational	The loan is repayable on demand. These loans carry interest @ 12.5% per annum.	500	50	600
Pragmatix Services Private Limited (PSPL)	100% subsidiary	Operational	The loan is repayable on demand. These loans carry interest as per ICICI Bank Limited's six months MCLR rate.	-	275	275
CRISIL Irevna UK Limited	100% subsidiary	Acquisition	Loan given as an unsecured loan for 10 years carrying an interest @ 6.413% per annum for financing acquisition.	4,589	-	15,719

For details of investments and advances provided to related parties Refer Note 37.

39. Leases

The Company has adopted Ind AS 116 effective January 1, 2020, using the modified retrospective method and has applied the standard to its leases with the cumulative impact recognized on the date of initial application i.e. January 1, 2020. Accordingly, previous period information has not been restated. The lease expenses which were recognized as rent expense in previous periods is now recognized as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The Company has elected not to recognize right-to-use assets and lease liabilities for short term leases (lease term of 12 months or less) and leases of low-value and has recognized the lease payments for such leases as an expense over the lease term. The transition has resulted in recognition of Right-of-Use (ROU) assets of Rupees 15,580 lakhs and Lease Liability of Rupees 15,105 lakhs in books. The cumulative effect of applying the standard resulted in Rupees 690 lakhs being debited to retained earnings (net of taxes). The adoption of this standard did not have any significant impact on the profit after tax and earnings per share.

39.1 The following is the movement in lease liabilities:

(Rupees in lakhs)

Particulars	Year ended December 31, 2020
Balance as at January 1, 2020	-
Additions (transitional impact on adoption of Ind AS 116)	15,105
Additions during the year	1,053
Add: Interest recognised during the year	842
Less: Waiver of lease rent	(25)
Less: Change in lease term	(1,231)
Payment made	(4,679)
Balance as at December 31, 2020	11,065

39.2 The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2020 on an undiscounted basis:

(Rupees in lakhs)

Particulars	Year ended December 31, 2020
Future minimum lease payments:	
Not later than one year	4,072
Later than one year and not later than five years	10,053
Later than five years	238
Total	14,363

Standalone Financial Statements

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short term leases as per Ind AS 16 was Rupees 128 lakhs for the year.

Effective January 1, 2020, the Company has adopted Ind AS 116, Leases and has recognised interest on lease liability of Rupees 842 lakhs under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation expense in the Statement of Profit and Loss. (Refer note 30)

40. Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972, CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in statement of Profit and Loss and OCI:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Current service cost	565	592
Interest cost on defined benefit obligation	105	104
Re-measurement - actuarial (gain)/loss (recognized in OCI)	410	201
Expected return on plan assets (recognized in OCI)	(20)	13
Adjustment	(4)	21
Less: Amount transferred to discontinued operations	-	(102)
Net gratuity benefit expense	1,056	829

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Present value of funded obligations	4,620	4,445
Fair value of plan assets	(2,326)	(2,320)
Net liability	2,294	2,125

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Opening defined benefit obligation	4,445	3,965
Current service cost	565	592
Interest cost	246	275
Acquisitions/ transfer (credit)/ cost	(669)	25
Actuarial (gain)/loss	(28)	(24)
Actuarial (gain)/loss (financial assumptions)	438	225
Benefits paid	(377)	(613)
Closing defined benefit obligation	4,620	4,445

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2019
Opening fair value of plan assets	2,320	2,008
Acquisition/ transfer adjustment	(384)	-
Expected return on plan assets	-	(13)
Interest (income) / expense on plan assets	141	171
Contribution by employer	606	767
Return on plan assets greater / (lesser) than discount rate	20	-
Benefits paid	(377)	(613)
Closing fair value of plan assets	2,326	2,320

The defined benefit obligation shall mature after December 31, 2020 as follows:

Particulars	Rupees in lakhs
December 31, 2021	408
December 31, 2022	484
December 31, 2023	566
December 31, 2024	599
December 31, 2025	680
December 31, 2026 to December 31, 2030	3,718

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans is as below:

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Discount rate	5.70%	6.80%
Rate of return on plan assets	7.00%	7.50%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for First 4 years starting 2020 and 7% thereafter	10% for First 4 years starting 2019 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	606	767

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

Particulars	Year ended	Year ended
	December 31, 2020	December 31, 2019
Government securities	81%	76%
Fixed deposit, debentures and bonds	13%	18%
Others	6%	6%
Total	100%	100%

The actuarial assumptions for the determination of defined benefit obligations are discount rate and salary escalation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, holding all other assumptions constant.

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Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in discount rate	(176)
Effect on DBO due to 0.5% decrease in discount rate	189

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	155
Effect on DBO due to 0.5% decrease in salary escalation rate	(151)

Other benefits

The Company has recognised the following amounts in the statement of profit and loss: (Rupees in lakhs)

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
i. Contribution to provident fund	1,170	1,178
ii. Contribution to other funds	157	168

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rupees 4,951 lakhs has been made as at December 31, 2020 (Rupees 4,920 lakhs as at December 31, 2019).

41. Earning per share

The following reflects the profit and share data used in the basic and diluted Earning Per Share (EPS) computations:

(Rupees in lakhs)

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
Net profit for calculation of basic/diluted EPS		
From continuing operations	16,672	13,551
From discontinued operations	-	13,078

Particulars	Year ended December 31, 2020 (Nos.)	Year ended December 31, 2019 (Nos.)
Weighted average number of equity shares in calculating basic EPS	72,494,072	72,243,688
Effect of dilution:		
Add: weighted average stock options granted under ESOS	53,214	95,840
Weighted average number of equity shares in calculating diluted EPS	72,547,286	72,339,528

Earnings per share : Nominal value of Rupee 1	Year ended December 31, 2020 (Rupees)	Year ended December 31, 2019 (Rupees)
From continuing operations		
Basic	23.00	18.76
Diluted (On account of ESOS, Refer note 45)	22.98	18.73
From discontinued operations		
Basic	-	18.10
Diluted (On account of ESOS, Refer note 45)	-	18.08
From continuing and discontinued operations		
Basic	23.00	36.86
Diluted (On account of ESOS, Refer note 45)	22.98	36.81

The following potential equity shares are anti-dilutive and therefor excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	Year ended December 31, 2020 (Nos.)	Year ended December 31, 2019 (Nos.)
Options to purchase equity shares had anti-dilutive effect	110,150	263,247

42. Dividend

Details of dividend paid on equity shares are as under:

(Rupees in lakhs)

Particulars	Year ended December 31, 2020	Year ended December 31, 2019
Final dividend for the year 2019 (Previous year 2018) Rupees 13 per equity share (Previous year Rupees 11 per share) of Rupee 1 each	9,422	7,938
Dividend distribution tax on final dividend	-	1,632
Interim dividend for the year 2020 (Previous year 2019) Rupees 19 per equity share (Previous year Rupees 19 per share) of Rupee 1 each	13,781	13,735
Dividend distribution tax on interim dividend	-	1,857
Total	23,203	25,162

Proposed dividend

The Board of Directors at its meeting held on February 11, 2021 have recommended a payment of final dividend of Rupees 14 per equity share of face value of Rupee 1 each for the financial year ended December 31, 2020. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

- 43.** Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2020 includes Rupees 774 lakhs (Previous year Rupees 761 lakhs) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rupees 728 lakhs (Previous year Rupees 733 lakhs). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.
- 44.** The Company has considered internal and external information and has performed sensitivity analyses based on current estimates, in assessing the recoverability of receivables, unbilled revenues, goodwill, intangible assets, other financial assets (including cash liquidity), and the profitability of the company. Whilst the situation continues to be extremely dynamic, at present the company does not see any material impact on the above. However, the actual impact of the pandemic on the company’s financial performance may differ from what is estimated, and the company continues to monitor changes to future economic conditions.

45. Employee stock option scheme (“ESOS”)

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	3-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	08-Jan-18*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	24-Jan-18*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	4-Apr-18	164,457	1,841.35	54,818	54,818	54,820	410.12
ESOS 2014 (9)	16-Apr-19	226,155	1,568.85	75,384	75,384	75,387	332.35

* At the end of 3rd, 4th & 5th year in equal tranches

**Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

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The Company had three schemes under which options have been granted in the past. Under ESOS 2011, ESOS 2012, ESOS 2014 (8) and ESOS 2014 (9) option vest over three years at each of the anniversaries. ESOS 2011 and ESOS 2012 are exercisable within three years from the date of vesting and are settled in equity on exercise. ESOS 2014 (8) and ESOS 2014 (9) are exercisable within two years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 (1-7) options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

The summary for each scheme as at December 31, 2020

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Forfeited during the year	-	N.A.	15,030	1,684.59	110,596	1,812.45
Exercised during the year	-	N.A.	19,200	1,119.85	269,764	1,226.04
Expired during the year	52,040	2,131.41	7,960	2,180.85	91,113	1,446.12
Outstanding at the end of the year	155,360	2,180.85	31,840	2,180.85	641,465	1,678.36
Exercisable at the end of the year	155,360	2,180.85	31,840	2,180.85	392,868	1,622.82

The summary for each scheme as at December 31, 2019

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Granted during the year	-	N.A.	-	N.A.	226,155	1,568.85
Forfeited during the year	-	N.A.	-	N.A.	246,193	1,795.83
Exercised during the year	-	N.A.	-	N.A.	188,544	1,217.20
Expired during the year	13,200	1,985.95	-	N.A.	35,359	1,217.20
Outstanding at the end of the year	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Exercisable at the end of the year	207,400	2,168.45	74,030	1,804.92	607,682	1,367.84

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	February 11, 2020	1,793.60
	April 21, 2020	1,366.43
	July 21, 2020	1,571.67
	October 20, 2020	1,762.51

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1119.85 to 1217.25	106 days
	1568.85 to 1,997.35	1110 days
	2,101.10 to 2,180.85	744 days

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

Particulars	Year ended December 31, 2020		Year ended December 31, 2019	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	288,964	3,522	188,544	2,295
Total	288,964	3,522	188,544	2,295

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, 2020		December 31, 2019	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	814,380	14,569	1,248,464	20,645
Later than two years & not later than five years	14,285	280	145,904	2,584
Total	828,665	14,849	1,394,368	23,229

46. Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of the Company. This transfer has been undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') which has been approved by Stock Exchanges. The Scheme has been sanctioned by the National Company Law Tribunal (NCLT) with appointed date as January 1, 2020 and the certified copy of the Order dated June 8, 2020 has been received on July 7, 2020 which has been filed with Registrar of Companies on July 20, 2020. Further SEBI and Reserve Bank of India (RBI) has given necessary approval on December 4, 2020 and December 31, 2020, respectively, to CRISIL Ratings Limited to act as a Credit Rating Agency. On receipt of approval, the Scheme became effective on December 31, 2020 with the appointed date of January 1, 2020. The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date.

46.1 The details of assets and liabilities transferred to CRISIL Ratings Limited are as under:

Particulars	(Rupees in lakhs)
	As at January 1, 2020
A. Assets	
Property, plant and equipment	151
Intangible assets	8
Trade receivables	2,124
Loans	37
Cash and cash equivalents	2,880
Other bank balance	67
Current Investments	10,193
Other financial assets	963
Other current assets	58
Total assets	16,481
B. Liabilities	
Trade payable	306
Other financial liabilities	1,773
Provisions	1,226
Other current liabilities	8,006
Total liabilities	11,311
C. Net Assets	5,170

46.2 Pursuant to the requirements of Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations', the financial results of Ratings business transferred was presented as discontinued operations in the year ended December 31, 2019 as follows:

Particulars	(Rupees in lakhs)
	Year ended December 31, 2019
Revenue from operations	33,967
Total expense	15,901
Profit before tax	18,066
Tax expense	4,988
Profit after tax	13,078

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Cash flow from discontinued operations is as follows:

(Rupees in lakhs)

Particulars	Year ended December 31, 2019
Cash generated from operating activities	15,553
Cash used in investing activities	(3,748)

47. During the year, the Company received export benefits amounting to Rupees 2,649 lakhs (Previous year 2,025 lakhs) in the form of duty free saleable scrips under the Service Export Incentive Scheme (SEIS) from the government authorities and the same has been accounted for as "Other income" in the standalone financial statements.

48. Previous year's figures have been regrouped where necessary to conform to current year classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Date: February 11, 2021
Place: Mumbai

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer

Date: February 11, 2021
Place: Mumbai

Ashu Suyash

Managing Director and Chief Executive Officer
[DIN: 00494515]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Notice

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting (“AGM”) of the members of CRISIL Limited (the Company) will be held on Tuesday, April 20, 2021 at 4.00 p.m IST through Video Conferencing (VC) and/or other audio visual means (OAVM) means, without the in-person presence of shareholders.

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide circular dated January 13, 2021 and Securities and Exchange Board of India (“SEBI”) vide circular dated January 15, 2021 (hereinafter referred to as “Circulars”) permitted companies to hold their general meetings through video conferencing (VC) or other audiovisual means (OAVM) for the year 2021. In keeping with government advisories on Covid-19 and considering the current extraordinary circumstances, which are not conducive to a safe conduct of the AGM with physical attendance of stakeholders, the Board of Directors has approved conduct of the 34th Annual General Meeting through Video Conferencing and/or other audio visual means (OAVM) (hereinafter referred to as “VC/OAVM”).

Notice is hereby given that the following business will be transacted at the AGM:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Financial Statements of the Company for the year ended December 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2020, together with the Report of the Auditors thereon.

2. Declaration of dividend

To declare final dividend on equity shares of Rs.14 per equity share and to approve and confirm the declaration and payment of three interim dividends aggregating Rs. 19 per equity share for the year ended December 31, 2020.

3. Re-appointment of Mr. John Berisford

To appoint a Director in place of Mr. John Berisford (DIN 07554902), who retires by rotation and, being eligible, seeks re-appointment.

By order of the Board

For **CRISIL Limited**
Minal Bhosale

Company Secretary
ACS 12999

Mumbai, February 11, 2021

NOTES

FOR JOINING THE AGM THROUGH VC/OAVM:

1. The detailed procedure for participating in the AGM through VC/OAVM is as under:
 - i. Members will be provided with a facility to attend the AGM through the National Securities Depository Limited (NSDL) integrated e-voting and AGM attendance system.
 - ii. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available against the name and EVEN of the Company.
 - iii. Members who do not have the User ID and Password for e-voting through NSDL system or have forgotten the User ID and Password may retrieve the same by following the procedure stated in the instructions related to e-voting, mentioned in the Notice. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
 - iv. Members can participate in the AGM through smart phone/laptop, however, for better experience and smooth participation, members are advised to join through a laptop connected through broadband. Please note that members connecting from mobile devices or tablets or through laptops etc., connected via mobile hotspot, may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection.
 - v. Members who would like to express their views/pose questions/register as speaker shareholders at the AGM, may send their questions in advance at least 48 hours before the start of the AGM i.e. by April 18, 2021 by 4.00 p.m. IST from their registered email address mentioning their name, demat account number/folio number and mobile number, to the Company's email address investors@crisil.com. The Company reserves the right to restrict the number of speakers as appropriate for smooth conduct of the AGM.
 - vi. For convenience of the members and proper conduct of AGM, members can login and join the AGM 15 minutes before the time scheduled for the AGM. Access will be open throughout the proceedings of AGM as well.
 - vii. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

viii. Members who need assistance before or during the AGM with use of technology, can:

- Send a request at evoting@nsdl.co.in or use toll free no.: 1800-1020-990/1800-22-44 30; or
- Specifically for assistance with VC/OAVM facility, contact Mr. Sanjeev Yadav, Assistant Manager, NSDL at the designated email ID: evoting@nsdl.co.in or SanjeevY@nsdl.co.in or at telephone number +91- 9324006225; or
- Specifically for escalation/assistance with e-voting, contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or at 'toll free no. 1800-1020-990/1800-22-44 30.

2. Corporate Members are requested to send a scanned copy of a duly certified copy of the Board Resolution authorising their representative(s) with attested specimen signature of the authorised representative to the Company, at investors@crisil.com for participating at the AGM.
3. As physical attendance of the members is dispensed with by law for VC/OAVM facilitated AGMs, the facility of appointment of proxies by members will not be available for the Meeting.

INSTRUCTIONS RELATED TO E-VOTING:

4. The Company will be providing e-voting facility to the members so as to facilitate them to cast their vote on all resolutions set forth in this Notice electronically, through e-voting services provided by NSDL.
5. The remote e-voting period shall commence on Friday, April, 16, 2021 at 10:00 a.m. and end on Monday, April 19, 2021 at 5:00 p.m. The remote e-voting module shall be disabled at 5.00 p.m. on April 19, 2021. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
6. The instructions for e-voting are as under:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

- How to Log-in to NSDL e-voting website?
 - a) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
 - b) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 - c) A new screen will open. Member will need to enter his/her User ID, Password and a verification code as shown on the screen. Alternatively, if the member is registered for NSDL eservices i.e. IDEAS, he/she can log-in at <https://eservices.nsdl.com/> with existing IDEAS login. Once the member logs-in to NSDL eservices after using log-in credentials, click

on e-voting and proceed to Step 2 i.e. Cast your vote electronically.

d) User ID details are given below:

Manner of holding Your User ID is: shares	
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****.
c) For Members holding shares in physical form	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001***

e) The password details are given below:

- 1) If the member is already registered for e-voting, then he/she can use the existing password to login and cast his/her vote.
- 2) If the member is using NSDL e-voting system for the first time, the member will need to retrieve the 'initial password' which was communicated to the member. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force the member to change the password.
- 3) How to retrieve the 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is the 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please refer to point 25 below.
- f) If the member is unable to retrieve or have not received the "Initial password" or has forgotten the password:
 - 1) Click on "Forgot User Details/Password?" option available on www.evoting.nsdl.com, if you are

holding shares in your demat account with NSDL or CDSL.

- 2) Click on “Physical User Reset Password?” option available on www.evoting.nsd.com, if you are holding shares in physical mode.
 - 3) If the member is still unable to get the password by aforesaid two options, he/she can send a request at evoting@nsdl.co.in mentioning the demat account number/folio number, PAN, name and registered address.
 - 4) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- g) After entering the password, tick on Agree to “Terms and Conditions” by selecting on check box.
- h) Thereafter the member will have to click on “Login” button.
- i) After the member clicks on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

- How to cast your vote electronically on NSDL e-voting system?
 - a. After successful login at Step 1, the member will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
 - b. After clicking on Active Voting Cycles, the member will be able to see all the companies “EVEN” in which he/she is holding shares and whose voting cycle is in active status.
 - c. Select “EVEN” of Company for which you wish to cast your vote.
 - d. Now you are ready for e-voting as the voting page opens.
 - e. Cast the vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
 - f. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - g. The member can also take the printout of the votes cast by him/her by clicking on the print option on the confirmation page.
 - h. Once the member confirms the vote on the resolution, he/she will not be allowed to modify the vote.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

7. 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 AGM.
8. Members who are participating in the AGM through VC/OAVM on April 20, 2021 can cast their vote during the meeting electronically through e-voting services provided by NSDL.
9. The e-voting at the AGM will begin once the Chairman or Company Secretary announces the commencement of the e-voting during the AGM.
10. The e-voting module shall be disabled by NSDL for voting after the conclusion of the meeting.
11. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
12. The procedure for e-voting at the AGM is the same as mentioned above for remote e-voting and the same e-voting credentials need to be entered while e-voting at the AGM.
13. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.
14. Members can reach out for assistance in this respect to NSDL personnel at phone number and email ids mentioned at 1 (viii) above.

INSTRUCTIONS COMMONLY APPLICABLE TO E-VOTING PRIOR TO OR AT THE AGM

15. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date (i.e April 13, 2021) shall only be entitled to attend the AGM through VC/OAVM on April 20, 2021 and avail the aforesaid facility of remote e-voting as well as e-voting at the AGM.
16. Any person who acquires shares of the Company after dispatch of this Notice and holds shares as of the Cut-Off Date i.e. as on Tuesday, April 13, 2021, may obtain login ID and password by sending a request to evoting@nsdl.co.in with a copy to investors@crsil.com by mentioning his/her Folio No. or DP ID and Client ID. However, if you are already registered with NSDL for e-voting, you can use your existing User ID and password for casting your vote and attending the AGM.
17. In case of joint shareholders, only such joint holder who is higher in the order of names will be entitled to vote.
18. Corporate/Institutional Members (Corporate/FIs/FLLs/Trusts/Mutual Funds/Banks, etc.) are required to send

scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to scrutinisers@mmjc.in with a copy to evoting@nsdl.co.in.

19. It is strongly recommended not to share e-voting password with any other person and take utmost care to keep your password confidential. Access to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
20. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990/1800-22-44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or at toll free no.: 1800-1020-990/1800-22-44 30.
21. The e-voting credentials sent along with the notice be considered for the purpose of remote e-voting, attending and e-voting at the AGM.
22. Mr. Makarand Joshi, Practicing Company Secretary, has been appointed Scrutiniser for scrutinising the e-voting process in a fair and transparent manner. The Scrutiniser shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, forthwith to the Chairman of the Company.
23. The Results of remote e-voting and e-voting at the AGM, on resolutions shall be aggregated and declared on or after the AGM and the resolutions will be deemed to be passed on AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
24. 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 NSDL within forty eight hours of the conclusion of the AGM and communicated to the Stock Exchanges where the shares of the Company are listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

UPDATION OF EMAIL ADDRESS TO RECEIVE E-COPY OF ANNUAL REPORT, ATTENDANCE AND E-VOTING CREDENTIALS

25. In accordance with Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and the aforesaid Circulars, the Annual Report of the Company for the financial year 2020, including the Notice convening the AGM, are being sent by email 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 Companies (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered postal address. The same is also available on the Company’s website at www.crisil.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com. Members who have not registered their email addresses so far are requested to get their email addresses registered. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. Members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, KFin Technologies Private Limited at einward.ris@kfintech.com with a copy to investors@crisil.com to receive copies of the Annual Report 2020 in electronic mode by providing Folio No., name, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card) and AADHAR (self-attested scanned copy of Aadhar card) for registering email address.

INSTRUCTIONS RELATED TO THE PAYMENT OF FINAL DIVIDEND FOR THE YEAR ENDING DECEMBER 31, 2020:

26. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, April 1, 2021 to Friday, April 2, 2021 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the AGM.
27. Dividend as recommended by the Board of Directors, if declared at the AGM, shall be paid on Monday, April 26, 2021:
 - (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 Thursday, April 1, 2021; and,
 - (ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Thursday, April 1, 2021.
28. 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 holding shares in physical form are requested to advise such changes to the Company’s Registrar and Transfer Agent, KFin Technologies Private Limited. Members are encouraged to use the Electronic

Clearing Services (ECS) for receiving dividends. Members desirous of availing ECS facility for payment of dividend may download the required ECS mandate form from the website of the Company, www.crisil.com.

29. The Company has transferred the unclaimed or un-encashed dividends for financial years upto 2013 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately. The detailed dividend history, due dates for transfer to IEPF and the details of unclaimed amounts lying with the Company in respect of dividends declared since 2014 are available on website of the Company, www.crisil.com.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company in respect of dividends declared in financial year 2020, on the website of the Company.

GENERAL INSTRUCTIONS

30. All the documents referred to in the Notice will be available for inspection in electronic mode by the Members between 11.00 a.m. and 1.00 p.m. on all working days, except Saturdays, from the date hereof upto the date of the Meeting by sending an email to investors@crisil.com.
31. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2011, Employee Stock Option Scheme – 2012 and Employee Stock Option Scheme – 2014 are being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members of the Company will be available for inspection by the members during AGM in electronic mode upon login at NSDL e-voting system at www.evoting.nsdl.com. Members can also inspect the same by sending an email to investors@crisil.com up to date of this Annual General Meeting i.e. April 20, 2021.
32. The Annual Report of the Company along with the Notice of the 34th Annual General Meeting is also available on the website of the Company, www.crisil.com and on the website of BSE Ltd. and National Stock Exchange of India Ltd. As per Section 136(1), the copies of the aforesaid documents will also be available for inspection in electronic mode between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, by sending an email to investors@crisil.com.

33. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM in electronic mode upon login at NSDL e-voting system at www.evoting.nsdl.com. Members can also inspect the same by sending an email to investors@crisil.com up to date of this Annual General Meeting i.e. April 20, 2021.

34. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.

35. Since the AGM will be held through VC/OAVM means, the Route Map is not annexed in this Notice. The Registered Office of the Company will be deemed to be the venue of the AGM.

36. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, the following information is furnished about the Directors proposed to be appointed/re-appointed:

1. Mr. John Berisford:

Mr John Berisford (age 57 years) was appointed as a director of the Company w.e.f. July 19, 2016.

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

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

Previously, Mr Berisford was the Executive Vice President of Human Resources for S&P Global Inc. (formerly known as The McGraw-Hill Companies). In this role, he was instrumental in creating and executing the Company's growth and value plan, resulting in the creation of McGraw Hill Financial and the sale of McGraw Hill Education. He led the initiative to create the Company's focused business unit operating model, while strengthening the human resource function with new capabilities to support growth and performance goals.

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

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

Mr Berisford is a director in Standard & Poor's Financial Services LLC, S&P Global Real Estate Inc., S&P Global International LLC, Standard & Poor's Credit Market Services Europe Limited and S&P Global Ratings.

Mr Berisford is a member of the Nomination and Remuneration Committee of the Board of Directors of CRISIL Limited.

Mr Berisford will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Mr Berisford's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

By order of the Board

For **CRISIL Limited**

Minal Bhosale

Company Secretary

ACS 12999

Mumbai, February 11, 2021

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Office Locations

Registered Office:

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

Argentina

Avenida del Libertador General San
Martin 174,
1st, 5th & 10th floor. Vicente López,
Buenos Aires, Argentina

China

Hangzhou
1603 & 1606, Hengxin Mansion, #588,
JiangNan Road, Binjiang
Hangzhou 310052

Dubai

Pragmatix Services Pvt Ltd.
Office No. 201,
Office court Building,
Unit No. RP004, PO Box No. 121 086

India

Ahmedabad

D - 709/710, The First,
Near Keshavbaug,
Off. 132, Ring Road, Vastrapur,
Ahmedabad - 380 015

Bengaluru

W - 101, 1st floor, Sunrise Chambers,
22, Ulsoor Road,
Bengaluru - 560 042

Chennai

9th Floor, A Wing
Prestige Polygon IT park
Anna Salai, Teynampet
Chennai - 600 018

Gurgaon

Plot No. 46, Sector 44,
Opp PF Office,
Gurgaon - 122 003

Hyderabad

Uma Chambers, 3rd Floor,
Plot No. 9 & 10, Nagarjuna Hills,
Near Punjagutta Cross Road,
Hyderabad - 500 082

Workafella,
Western Aqua Building,
12th Floor, Hitech City,
Kondapur, Hyderabad,
Telangana - 500 084

Kolkata

BioWonder, Unit No 1002,
10th Floor, 789,
Anandpur Main Road, EM Bypass,
West Bengal, Kolkata - 700 107

Marol

1st Floor, Fleet House,
Andheri - Kurla Rd,
Gamdevi, Marol Naka,
Mumbai - 400 059

Navi Mumbai

Unit 2, 5th Floor, Bldg. 5 & 6
MindSPACE SEZ
Thane Belapur Rd, Airoli,
Navi Mumbai - 400 708

Pune

1187/17, Ghole Road,
Shivaji Nagar,
Pune - 411 005

IT - 3, 1st Floor,
Qubix Business Park Private Limited,
Neopro SEZ, Plot No 2,
Blue Ridge Township,
Rajiv Gandhi Infotech Park, Phase 1,
Hinjewadi, Pune - 411057

Japan

Greenwich Associates,
Partir Akasaka,
Room 414, Minato-Ku,
Tokyo, Japan

Poland

Renaissance Business Centre,
Sw. Mikotaja 7, 50-125,
Wrocław, 6th floor

Singapore

Coalition Development Singapore Pte Ltd
80 Robinson Road
#15-02 Singapore 068 898

Greenwich Associates Singapore Pte. Ltd.
The Great Room, 1 George Street,
#10-01 Singapore 049 145

UK

London

CRISIL Limited & Coalition
Development Limited.
8th Floor & 12th Floor,
20 Canada Square,
London E145LH UK

CRISIL IREVNA UK Limited
1 Giltspur Street,
London EC1A 9DD

USA

CRISIL Limited & Coalition
Development Limited.
39th Floor, 55 Water Street,
New York NY 10041

Greenwich Associates LLC,
Six High Ridge Park,
Stamford CT 06905

CRISIL

An S&P Global Company

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