

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of CRISIL Risk and Infrastructure Solutions Limited will be held on Friday, March 20, 2020 at 3:30 p.m. at the registered office of the Company at CRISIL House, Hiranandani Business Park, Powai, Mumbai 400 076 to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2019, together with the Report of the Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Anupam Kaura

To appoint director in place of Mr. Anupam Kaura (Director Identification Number 07790067), who retires by rotation and, being eligible, seeks re-appointment.

Special Business:

3. Appointment of Mr. Amish Mehta as a Non-Executive Director, liable to retire by rotation

To consider, and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT Mr. Amish Mehta (DIN 00046254), who was appointed as an Additional Director of the Company with effect from April 16, 2019 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things that may be necessary to give effect to the aforesaid resolution.”

By order of the Board,
For CRISIL Risk and Infrastructure Solutions Limited

Hiresh Dhakan
Company Secretary
(ACS 24568)

Mumbai, February 4, 2020

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
4. The Statement setting out the details relating to the Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act is annexed hereto. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the Meeting.

5. Pursuant to Secretarial Standard-2, the following information is furnished about the Directors proposed to be appointed / re-appointed:

Brief Profile of Directors

1. Mr. Anupam Kaura:

Mr. Anupam Kaura (age 45 years) was appointed on the Board of CRISIL Risk And Infrastructure Solutions Limited as an additional director on April 19, 2017.

Mr. Kaura is President, Human Resources, CRISIL Limited. In his current role, he is responsible for CRISIL's Human Resource practices, processes and policies, and for enhancing its employee-oriented, innovative and high-performance culture aimed at delivering world-class quality, productivity and attainment of customer goals across the organisation. He is a member of CRISIL's Executive Committee and its leadership team.

Mr. Kaura holds a Master's degree in Personnel Management & Industrial Relations from Tata Institute of Social Sciences, Mumbai. He has over 22 years of HR leadership and business partnership experience, of which 16 years have been in Banking, Insurance and ITES HR.

Prior to joining CRISIL, Mr. Kaura served as Head of HR Advisory and Products at IDFC Bank. Here he was instrumental in driving the build-out of all businesses and functions for IDFC Bank - Consumer and Rural Retail banking, SME, Wholesale banking, Risk, Operations & Technology, and Functions aggregating 3500 employees, across 56 locations across India. He has also worked with Citibank N.A., AXA Business Services and PwC in various HR roles.

Mr. Kaura is a Director in CRISIL subsidiaries – CRISIL Irevna UK Limited, CRISIL Irevna Information Technology (Hangzhou) Co. Ltd., CRISIL Irevna US LLC, CRISIL Irevna Argentina SA and CRISIL Irevna Poland Sp. Zo.o., Pragmatix Services Private Limited and CRISIL Ratings Limited. He is a member of the Corporate Social Responsibility Committee of the Company.

Mr. Kaura will not be paid any remuneration. He holds 10 shares in the Company as a nominee of CRISIL Limited and is not related to any Director or Key Managerial Personnel of the Company in any way. Mr. Kaura attended 3 out of 4 meetings of the Board held during 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Kaura, is in any way, interested or concerned in this Resolution.

2. Mr. Amish Mehta

Mr. Amish is the Chief Operating Officer at CRISIL Limited. He oversees the business of India Research, Small and Medium Enterprises ratings and the Global Analytical Centre in addition to Corporate Strategy at CRISIL. He is a member of CRISIL's Executive Committee and its leadership team.

He has over 25 years of experience across variety of leadership roles, including finance, strategy and operations in several large companies across different industries and functions. He is a Chartered Accountant from The Institute of Chartered Accountants of India (ICAI).

Mr Mehta has previously worked as the Chief Financial Officer with Indus Towers Limited (world's largest telecom tower company & a Joint Venture company between Bharti Infratel Limited, Vodafone and Aditya Birla Telecom), as the Director Finance with Castrol India Limited (a listed subsidiary of BP in India), in senior roles in Ernst & Young Private Limited and Mobil India Private Limited.

Mr. Mehta is a Director in CRISIL subsidiaries –Coalition Development Limited, Pragmatix Services Private Limited and CRISIL Ratings Limited.

Mr. Mehta will not be paid any remuneration. He holds 10 shares in the Company as a nominee of CRISIL Limited and is not related to any Director or Key Managerial Personnel of the Company in any way. Mr. Mehta has attended all meetings of the Board held so far during his tenure i.e. the meetings held on April 16, July 18 and October 18, 2019.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Mehta, is in any way, interested or concerned in this Resolution.

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

Item No. 3: Appointment of Mr. Amish Mehta as a Non-Executive Director, liable to retire by rotation

Mr. Amish Mehta has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective April 16, 2019 holds office up to the date of this Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose the candidature of Mr. Amish Mehta for the office of Director. A brief resume of Mr. Amish Mehta and other details, as required to be given pursuant to Secretarial Standard - 2, has been given elsewhere in this Notice.

The Board of Directors considers it in the interest of the Company to appoint Mr. Amish Mehta as a Director. None of the Directors of the Company or their relatives, except Mr. Amish Mehta, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 3 of the notice for approval of the members.

By order of the Board,
For CRISIL Risk and Infrastructure Solutions Limited

Sd/-
Hiresh Dhakan
Company Secretary
(ACS 24568)

Mumbai, February 4, 2020

CRISIL Risk and Infrastructure Solutions Limited

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

Tel.: 022-3342 3000; Fax: 022-3342 3810

CIN: U72100MH2000PLC128108; e-mail: hires.dhakan@crisil.com

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FORM OF PROXY

Name of Member(s) :

Registered address :

Email ID :

Folio No. / DP Id - Client ID :

I / We, being the Member(s) holding shares of CRISIL Risk and Infrastructure Solutions Limited, hereby appoint:

1. Name :
- Address :
- Email ID :
- Signature :, or failing him/ her

2. Name :
- Address :
- Email ID :
- Signature :, or failing him/ her

3. Name :
- Address :
- Email ID :
- Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Friday, March 20, 2020 at 3:30 p.m. at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements
2. Re-appointment of Mr. Anupam Kaura

Special Business:

3. Appointment of Mr. Amish Mehta as a Non-Executive Director, liable to retire by rotation

Signed this day of, 2020

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Re. 1 Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CRISIL Risk and Infrastructure Solutions Limited

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

Tel.: 022-3342 3000; Fax: 022-3342 3810

CIN: U72100MH2000PLC128108; e-mail: hiresh.dhakan@crisil.com

ATTENDANCE SLIP

20th Annual General Meeting – March 6, 2020

1. Full Name and Registered Address of the Member (in BLOCK LETTERS)	
2. Full Name of the Proxy (in BLOCK LETTERS)	
3. Folio No.	
4. No. of Equity Shares held	

I / We, being the Registered Shareholder / Proxy for the Registered Shareholder* of the Company, hereby record my / our presence at the 20th Annual General Meeting of the Company held on Friday, March 20, 2020 at 3:30 p.m. at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 and at any adjournment(s) thereof.

Member's / Proxy's Signature

* **Strike-off whichever is not relevant**

FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



Annual Return

Form language English Hindi

Refer the instruction kit for filing the form.

I. REGISTRATION AND OTHER DETAILS

(i) * Corporate Identification Number (CIN) of the company

U72100MH2000PLC128108

Pre-fill

Global Location Number (GLN) of the company

* Permanent Account Number (PAN) of the company

AABCC4655M

(ii) (a) Name of the company

CRISIL RISK AND INFRASTRUCT

(b) Registered office address

CRISIL HOUSE, CENTRAL AVENUE,
HIRANANDANI BUSINESS PARK, POWAI
MUMBAI
Mumbai City
Maharashtra
400076

(c) *e-mail ID of the company

minal.bhosale@crisil.com

(d) *Telephone number with STD code

02233423221

(e) Website

(iii) Date of Incorporation

04/08/2000

(iv)	Type of the Company	Category of the Company	Sub-category of the Company
	Public Company	Company limited by shares	Indian Non-Government company

(v) Whether company is having share capital

Yes No

(vi) *Whether shares listed on recognized Stock Exchange(s)

Yes No

(b) CIN of the Registrar and Transfer Agent

Pre-fill

Name of the Registrar and Transfer Agent

Registered office address of the Registrar and Transfer Agents

(vii) *Financial year From date (DD/MM/YYYY) To date (DD/MM/YYYY)(viii) *Whether Annual general meeting (AGM) held Yes No(a) If yes, date of AGM (b) Due date of AGM (c) Whether any extension for AGM granted Yes No**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY***Number of business activities

S.No	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	K	Financial and insurance Service	K8	Other financial activities	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)*No. of Companies for which information is to be given

S.No	Name of the company	CIN / FCRN	Holding/ Subsidiary/Associate/ Joint Venture	% of shares held
1	CRISIL LIMITED	L67120MH1987PLC042363	Holding	100

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY**(i) *SHARE CAPITAL**

(a) Equity share capital

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Total number of equity shares	60,000,000	49,999,970	49,999,970	49,999,970
Total amount of equity shares (in Rupees)	60,000,000	49,999,970	49,999,970	49,999,970

Number of classes

Class of Shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
EQUITY				
Number of equity shares	60,000,000	49,999,970	49,999,970	49,999,970
Nominal value per share (in rupees)	1	1	1	1
Total amount of equity shares (in rupees)	60,000,000	49,999,970	49,999,970	49,999,970

(b) Preference share capital

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid-up capital
Total number of preference shares	0	0	0	0
Total amount of preference shares (in rupees)	0	0	0	0

Number of classes

0

Class of shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Number of preference shares				
Nominal value per share (in rupees)				
Total amount of preference shares (in rupees)				

(c) Unclassified share capital

Particulars	Authorised Capital
Total amount of unclassified shares	0

(d) Break-up of paid-up share capital

Class of shares	Number of shares	Total nominal amount	Total Paid-up amount	Total premium
Equity shares				
At the beginning of the year	49,999,970	49,999,970	49,999,970	
Increase during the year	0	0	0	0
i. Public Issues	0	0	0	0
ii. Rights issue	0	0	0	0
iii. Bonus issue	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0
v. ESOPs	0	0	0	0

vi. Sweat equity shares allotted	0	0	0	0
vii. Conversion of Preference share	0	0	0	0
viii. Conversion of Debentures	0	0	0	0
ix. GDRs/ADRs	0	0	0	0
x. Others, specify				
Decrease during the year	0	0	0	0
i. Buy-back of shares	0	0	0	0
ii. Shares forfeited	0	0	0	0
iii. Reduction of share capital	0	0	0	0
iv. Others, specify				
At the end of the year	49,999,970	49,999,970	49,999,970	
Preference shares				
At the beginning of the year	0	0	0	
Increase during the year	0	0	0	0
i. Issues of shares	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0
iii. Others, specify				
Decrease during the year	0	0	0	0
i. Redemption of shares	0	0	0	0
ii. Shares forfeited	0	0	0	0
iii. Reduction of share capital	0	0	0	0
iv. Others, specify				
At the end of the year	0	0	0	

(ii) Details of stock split/consolidation during the year (for each class of shares)

0

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / Consolidation	Number of shares			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) *

Nil

[Details being provided in a CD/Digital Media]

Yes No Not Applicable

Separate sheet attached for details of transfers

Yes No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of the previous annual general meeting		08/03/2019	
Date of registration of transfer (Date Month Year)		16/04/2019	
Type of transfer	Equity Shares	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock	
Number of Shares/ Debentures/ Units Transferred	10	Amount per Share/ Debenture/Unit (in Rs.)	1
Ledger Folio of Transferor	24		
Transferor's Name	Pai		Ramraj
	Surname	middle name	first name
Ledger Folio of Transferee	27		
Transferee's Name	Agrawal		Pawan
	Surname	middle name	first name

Date of registration of transfer (Date Month Year)	<input type="text" value="18/07/2019"/>
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Type of transfer	<input type="text" value="Equity Shares"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock
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Number of Shares/ Debentures/ Units Transferred	<input type="text" value="10"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text" value="1"/>
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Ledger Folio of Transferor	<input type="text" value="20"/>
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Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text" value="V Srinivasan"/>
	Surname	middle name	first name

Ledger Folio of Transferee	<input type="text" value="28"/>
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Transferee's Name	<input type="text" value="Viswanathan"/>	<input type="text"/>	<input type="text" value="Venkatesh"/>
	Surname	middle name	first name

Date of registration of transfer (Date Month Year)	<input type="text"/>
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Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock
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Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
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Ledger Folio of Transferor	<input type="text"/>
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Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

Ledger Folio of Transferee	<input type="text"/>
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Transferee's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

(iv) *Indebtedness including debentures (Outstanding as at the end of financial year)

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures	0	0	0
Partly convertible debentures	0	0	0
Fully convertible debentures	0	0	0
Secured Loans (including interest outstanding/accrued but not due for payment) excluding deposits			0
Unsecured Loans (including interest outstanding/accrued but not due for payment) excluding deposits			64,500,000
Deposit			0
Total			64,500,000

Details of debentures

Class of debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures	0	0	0	0
Partly convertible debentures	0	0	0	0
Fully convertible debentures	0	0	0	0

(v) Securities (other than shares and debentures)

0

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
Total					

V. *Turnover and net worth of the company (as defined in the Companies Act, 2013)**(i) Turnover**

940,935,000

(ii) Net worth of the Company

545,564,000

VI. (a) *SHARE HOLDING PATTERN - Promoters

S. No.	Category	Equity	Preference
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		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	0	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	49,999,970	100	0	
10.	Others	0	0	0	
	Total	49,999,970	100	0	0

Total number of shareholders (promoters)

7

(b) *SHARE HOLDING PATTERN - Public/Other than promoters

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	0	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	

2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	
	Total	0	0	0	0

Total number of shareholders (other than promoters)

0

**Total number of shareholders (Promoters+Public/
Other than promoters)**

7

**VII. *NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS
(Details, Promoters, Members (other than promoters), Debenture holders)**

Details	At the beginning of the year	At the end of the year
Promoters	7	7
Members (other than promoters)	0	0
Debenture holders	0	0

VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Composition of Board of Directors

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive

A. Promoter	0	0	0	0	0	0
B. Non-Promoter	0	4	0	3	0	0
(i) Non-Independent	0	4	0	3	0	0
(ii) Independent	0	0	0	0	0	0
C. Nominee Directors representing	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
Total	0	4	0	3	0	0

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

3

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
BHASKARA NAGESWA	00287260	Director	0	
ANUPAM MOHINDER K	07790067	Director	10	
AMISH MEHTA	00046254	Additional director	10	

(ii) Particulars of change in director(s) and Key managerial personnel during the year

3

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
MARTINA LI WAN CHE	07551069	Director	16/04/2019	cessation
RAVINDER SINGHANI/	00006921	Alternate director	16/04/2019	cessation
AMISH MEHTA	00046254	Additional director	16/04/2019	Appointment

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS

Number of meetings held

1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding
Annual General Meeting	08/03/2019	7	5	100

B. BOARD MEETINGS

*Number of meetings held

4

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	08/02/2019	3	3	100
2	16/04/2019	4	3	75
3	18/07/2019	3	3	100
4	18/10/2019	3	2	66.67

C. COMMITTEE MEETINGS

Number of meetings held

1

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of the meeting	Attendance	
				Number of members attended	% of attendance
1	CORPORATE	08/02/2019	3	3	100

D. *ATTENDANCE OF DIRECTORS

S. No.	Name of the director	Board Meetings			Committee Meetings			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
1	BHASKARA N	4	4	100	1	1	100	No
2	ANUPAM MOI	4	3	75	1	1	100	No
3	AMISH MEHT	3	3	100	0	0	0	No

X. *REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

0

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1							0
	Total						

Number of CEO, CFO and Company secretary whose remuneration details to be entered

0

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1							0
	Total						

Number of other directors whose remuneration details to be entered

1

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	BHASKARA NAGESH	DIRECTOR	0	150,000	0	0	150,000
	Total		0	150,000	0	0	150,000

XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year Yes No

B. If No, give reasons/observations

XII. PENALTY AND PUNISHMENT - DETAILS THEREOF

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which penalised / punished	Details of penalty/ punishment	Details of appeal (if any) including present status

(B) DETAILS OF COMPOUNDING OF OFFENCES Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which offence committed	Particulars of offence	Amount of compounding (in Rupees)

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment

Yes No

XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

ASHITA KAUL

Whether associate or fellow

Associate Fellow

Certificate of practice number

6529

I/We certify that:

- (a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.
 (b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.

Declaration

I am Authorised by the Board of Directors of the company vide resolution no. ... dated

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

- Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
- All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be digitally signed by

Director

ANUPAM KAURA
Digitally signed by ANUPAM KAURA
Date: 2020.05.15 17:11:52 +05'30'

DIN of the director

07790067

To be digitally signed by

ASHITA KAUL
Digitally signed by ASHITA KAUL
Date: 2020.05.15 18:10:39 +05'30'

- Company Secretary
 Company secretary in practice

Membership number

Certificate of practice number

Attachments

1. List of share holders, debenture holders
2. Approval letter for extension of AGM;
3. Copy of MGT-8;
4. Optional Attachement(s), if any

Attach
Attach
Attach
Attach

List of attachments

MGT-8_CRIS_2019.pdf list of shareholders.pdf

Remove attachment

Modify

Check Form

Prescrutiny

Submit

This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company

ASHITA KAUL & ASSOCIATES
Practicing Company Secretaries
F-76-A, 1st Floor, Eternity Commercial Complex,
Teen Haath Naka, LBS Marg, Thane West-400602
Mobile: 9326212731/9324676519

Form No. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies (Management and Administration) Rules, 2014]

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

We have examined the registers, records and books and papers of CRISIL Risk and Infrastructure Solutions Limited (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on December 31, 2019. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that:

- A. the Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.
- B. during the aforesaid financial year the Company has complied with provisions of the Act & Rules made there under in respect of:
 1. The status of the Company is active.
 2. The Company has maintained the following registers:
 - a) Register of Directors and KMP and their shareholding;
 - b) Register of Members;
 - c) Register of contract with related party and contracts and Bodies etc. in which directors are interested.
 - d) Register of Beneficial owners holding significant beneficial interest
 3. The Company has duly filed the forms and returns as stated in the annual return, with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities within the prescribed time.
 4. The Board of Directors duly met four times on February 08, 2019, April 16, 2019, July 18, 2019 and October 18, 2019 as stated in the annual return in respect of which meetings, proper notices were given and the meetings have been properly recorded in the Minute Book/registers maintained for the purpose and the same have been signed;

Neither circular resolutions nor resolutions by postal ballot were passed;



ASHITA KAUL & ASSOCIATES
Practicing Company Secretaries
F-76-A, 1st Floor, Eternity Commercial Complex,
Teen Haath Naka, LBS Marg, Thane West-400602
Mobile: 9326212731/9324676519

The Annual General Meeting was held on March 08, 2019 for the year ended December 31, 2018 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose and the same have been signed;

One CSR committee meeting was held on February 08, 2019.

5. Closure of Register of Members / Security holders, as the case may be;
6. The Company has not provided any advances/loans to its directors and/or persons or firms or companies referred in section 185 of the Act.
7. The Company has entered into contracts/arrangements with related parties as specified in section 188 of the Act which are at arm's length and in ordinary course of business.
8. The Company has not done any issue or allotment or transmission or buy back of securities/redemption of preference shares or debentures/ alteration or reduction of share capital/ conversion of shares/ securities and issue of security certificates in all instances. The details of transfers are
 - i) Mr. Ramraj Pai, Nominee director of Crisil Limited transferred his 10 equity shares to Mr. Pawan Agrawal, Nominee director of Crisil Limited
 - ii) Mr. Vinkataraman Srinivasan, Nominee director of Crisil Limited transferred his 10 equity shares to Mr. Venkatesh S. Viswanathan, Nominee director of Crisil Limited
9. There were no transactions necessitating the Company keeping in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act
10. The Company has not declared nor paid any dividend; the whole of the amount of unpaid/ unclaimed dividend/other amounts as applicable have been transferred to the Investor Education and Protection Fund in accordance with section 125 of the Act.
11. The Company has duly signed the audited financial statement as per the provisions of Section 134 of the Act and Report of Directors is as per sub - sections (3), (4) and (5) thereof;
12. The Board of directors of the Company is duly constituted; During the year under review below changes in board has taken place:
 - a) Cessation of Ms. Martina Li Wan Cheung (DIN: 07551069) as a Director of the Company with effect from April 16, 2019



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- b) Cessation of Mr Ravindra Singhania (DIN: 00006921) as an Alternate Director to Ms Martina Cheung due to vacation of office with effect from April 16, 2019
- c) Appointment of Mr Amish Mehta (DIN: 00046254) as an Additional Director with effect from April 16, 2019
13. The Company has duly appointed M/s. Walker Chandiook & Co. LLP, Chartered Accountants, as the Auditor of the Company as per the provisions of Section 139 of the Act;
14. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year
15. The Company has not accepted any public deposits;
16. The Company has not made any borrowings from its directors, members, public financial institutions, banks and others and creation/ modification/ satisfaction of charges in that respect, wherever applicable;
17. The Company has not made any loans and investments or guarantees given or providing of securities to other bodies corporate or persons falling under the provisions of section 186 of the Act;
18. The Company has not altered any provisions of Memorandum of Association and Articles of Association.

Place: Thane
Date: March 14th 2020
UDIN: F006988A000608921



For Ashita Kaul & Associates
Practising Company Secretaries

Ashita
Proprietor
FCS 6988/ CP 6529

First Name	Middle Name	Last Name	Folio Number	DP ID-Client Id Account Number	Number of Shares held	Class of Shares
CRISIL LIMITED			8		4,99,99,900	Equity share
AMISH	as a nominee of CRISIL	MEHTA	21			10 Equity share
GURPREET	as a nominee of CRISIL	CHHATWAL	25			20 Equity share
VENKATESH	as a nominee of CRISIL	VISWANATHAN	28			10 Equity share
PAWAN	as a nominee of CRISIL	AGRAWAL	27			10 Equity share
SUBODH	as a nominee of CRISIL	KUMAR RAI	22			10 Equity share
ANUPAM	as a nominee of CRISIL	KAURA	26			10 Equity share

CRISIL RISK AND INFRASTRUCTURE SOLUTIONS LIMITED

Changes in Directors during the year:

RESIGNATION

1. Ms. Martina Cheung resigned as a Director of the Company with effect from April 16, 2019.
2. Mr. Ravinder Singhanian also ceased to be an Alternate Director of the Company, consequent upon the resignation of Ms. Martina Cheung.

APPOINTMENT

1. Mr. Amish Mehta was appointed as an Additional Director of the Company with effect from April 16, 2020

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
SB Marg, Elphinstone (W)
Mumbai - 400 013
India

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Independent Auditor's Report

To the Members of CRISIL Risk and Infrastructure Solutions Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of CRISIL Risk and Infrastructure Solutions Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 December 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Page 1 of 9

CRISIL Risk and Infrastructure Solutions Limited Independent Auditor's Report on the Audit of the Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those charged with Governance for the Financial Statements

5. 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. 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

8. 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.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



CRISIL Risk and Infrastructure Solutions Limited Independent Auditor's Report on the Audit of the Financial Statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. 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.
13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid 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 2019 from being appointed as a director in terms of Section 164(2) of the Act;



CRISIL Risk and Infrastructure Solutions Limited
Independent Auditor's Report on the Audit of the Financial Statements

- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 December 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 4 February 2020 as per Annexure II expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 31 A to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2019;
 - 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 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 December 2019; 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 financial statements. Hence reporting under this clause is not applicable.

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



Manish Gujral
Partner
Membership No.: 105117

UDIN: 20105117AAAAAH3776

Place: Mumbai
Date: 04 February 2020

**CRISIL Risk and Infrastructure Solutions Limited
Independent Auditor's Report on the Audit of the Financial Statements**

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Risk and Infrastructure Solutions Limited on the financial statements for the year ended 31 December 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (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.



Annexure I (Contd)

- (b) There are no dues in respect of duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service tax and goods and service tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	5.33	-	AY 2005-06	Commissioner of Income Tax [CIT] (Appeals)
		35.68	-	AY 2006-07	CIT (Appeals)
		68.85	-	AY 2008-09	High Court
		46.83	-	AY 2008-09	High Court
		57.94	-	AY 2010-11	Assessing Officer
		105.14	-	AY 2011-12	CIT (Appeals)
		20.93	-	AY 2012-13	CIT (Appeals)
		7.19	-	AY 2013-14	CIT (Appeals)
Finance Act 1994	Service tax	86.60	-	FY 2008-09	Assistant of Service Tax Division- III, Mumbai
		25.65	25.65	2013-14 to 2016-17	Commissioner of GST and Central Excise

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3 (xii) of the Order are not applicable.



CRISIL Risk and Infrastructure Solutions Limited
Independent Auditor's Report on the Audit of the Financial Statements

Annexure I (Contd)

- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (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 Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Manish Gujral
Partner
Membership No.: 105117

UDIN: 20105117AAAAAH3776

Place: Mumbai
Date: 04 February 2020

**CRISIL Risk and Infrastructure Solutions Limited
Independent Auditor's Report on the Audit of the Financial Statements**

Annexure II to the Independent Auditor's Report of even date to the members of CRISIL Risk and Infrastructure Solutions Limited on the financial statements for the year ended 31 December 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of CRISIL Risk and Infrastructure Solutions Limited ("the Company") as at and for the year ended 31 December 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Responsibilities of Management and Those charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal controls 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.

Auditors' Responsibility for the Audit of the Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Annexure II (Contd)

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Manish Gujral
Partner
Membership No.: 105117

UDIN.: 20105117AAAAAH3776

Place: Mumbai
Date: 04 February 2020

CRISIL Risk and Infrastructure Solutions Limited
Balance Sheet as at December 31, 2019

Particulars	Notes	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	75.43	83.58
(b) Intangible assets	4	470.36	2.60
(c) Intangible assets under development		-	286.71
(d) Financial assets			
i. Loans	5	41.85	11.50
ii. Other financial assets	6	46.58	39.73
(e) Deferred tax assets (net)	7	746.35	860.24
(f) Tax assets	8	2,373.13	1,879.79
(g) Other non current assets	9	15.03	22.65
2. Current assets			
(a) Financial assets			
i. Trade receivables	10	2,424.04	3,639.32
ii. Cash and cash equivalents	11	165.88	209.23
iii. Other bank balances	12	166.68	218.94
iv. Loans	13	215.26	207.52
v. Other financial assets	14	71.76	1,443.82
(b) Other current assets	15	2,230.21	321.92
Total - Assets		9,042.56	9,227.55
Equity and liabilities			
1. Equity			
(a) Equity share capital	16	500.00	500.00
(b) Other equity		4,955.64	4,414.76
2. Non-current liabilities			
(a) Financial liabilities			
i. Other financial liabilities	18	30.28	32.22
(b) Provisions	19	81.89	34.52
3. Current liabilities			
(a) Financial liabilities			
i. Borrowings	20	308.52	746.28
ii. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	21	0.17	17.19
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,237.62	1,589.91
iii. Other financial liabilities	22	530.93	393.96
(b) Provisions	23	457.88	497.37
(c) Other current liabilities	24	939.63	1,001.34
Total - Equity and liabilities		9,042.56	9,227.55
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the 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

For and on behalf of the Board of Directors of
CRISIL Risk and Infrastructure Solutions Limited



Manish Gujral
Partner
Membership No.: 105117



M.B.N. Rao
Director
DIN - 00287260



Anupam Kaura
Director
DIN - 07790067




Hitesh Dhakan
Company Secretary

Place: Mumbai
Date: February 4, 2020



Place: Mumbai
Date: February 4, 2020

CRISIL Risk and Infrastructure Solutions Limited
Statement of Profit and Loss for the year ended December 31, 2019

Particulars	Notes	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Income			
Revenue from operations	25	9,409.35	9,608.88
Other income	26	162.57	198.87
Total		9,571.92	9,807.75
Expenses			
Employee benefits expenses	27	4,570.67	4,590.92
Finance cost	28	30.41	2.31
Depreciation and amortisation expenses	3, 4	122.54	227.93
Other expenses	29	4,041.53	6,507.43
Total		8,765.15	11,328.59
Profit / (loss) before tax		806.77	(1,520.84)
Tax expense / (credit)			
Current tax	7	132.68	126.98
Deferred tax expense / (credit)		118.98	(533.78)
Total tax expense / (credit)		251.66	(406.80)
Profit / (loss) after tax for the year		555.11	(1,114.04)
Other comprehensive income / (expense) (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(22.21)	(2.16)
Tax effect on above		5.90	0.60
Items that will be reclassified to profit or loss			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		2.88	1.83
Tax effect on above		(0.80)	(0.51)
Total comprehensive income / (loss) for the year		540.88	(1,114.28)
Earnings per share : Nominal value of ₹ 1 per share			
Basic & Diluted	39	1.11	(2.23)
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our audit report of even date

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



Manish Gujral
Partner
Membership No.: 105117



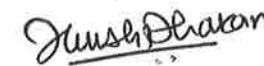
For and on behalf of the Board of Directors of
CRISIL Risk and Infrastructure Solutions Limited



M.B.N. Rao
Director
DIN - 00287260



Anupam Kaura
Director
DIN - 07790067



Hiresh Dhakan
Company Secretary

Place: Mumbai
Date: February 4, 2020

Place: Mumbai
Date: February 4, 2020



CRISIL Risk and Infrastructure Solutions Limited
Cash Flow Statement for the year ended December 31, 2019

Particulars	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
A. Cash flow from operating activities :		
Profit before tax	806.77	(1,520.84)
Adjustments for :		
Depreciation	122.54	227.93
Unrealised foreign exchange (gain) / loss	(20.13)	21.78
(Profit) / loss on sale of property, plant and equipment	(4.58)	(2.65)
(Profit) / loss on sale of investments	-	(9.98)
Provision for doubtful debts / bad debts	-	1,922.80
Provision written back	(64.10)	(5.38)
Interest income on fixed deposits	(17.75)	(18.91)
Interest expense	30.41	2.31
Interest income on financial assets carried at amortised cost	(1.72)	-
Dividend income received from current investments	-	(0.15)
Operating profit before working capital changes	851.44	616.91
Movements in working capital :		
- (Increase)/decrease in trade receivables	1,288.96	(2,280.33)
- (Increase)/decrease in non current loans	(28.64)	(4.00)
- (Increase)/decrease in other non current assets	(12.32)	(2.16)
- (Increase)/decrease in other current financial assets	1,375.91	347.08
- (Increase)/decrease in current loans	5.99	(33.61)
- (Increase)/decrease in other current assets	(1,912.16)	(84.90)
- Increase/(decrease) in trade payables	(370.02)	376.27
- Increase/(decrease) in provisions	(14.33)	71.75
- Increase/(decrease) in other financial liabilities	135.03	(172.89)
- Increase/(decrease) in other current liabilities	(61.71)	138.24
Cash generated from / (used) in operations	1,258.15	(1,027.64)
- Taxes paid	626.03	495.12
Net cash generated from / (used in) operating activities - (A)	632.12	(1,522.76)
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advance)	(279.93)	(299.78)
Proceeds from sale of property, plant and equipment	9.02	6.17
Sale proceeds from investments in mutual funds	-	810.44
Bank deposits placed	(7.23)	(20.66)
Increase / (decrease) in balances held as margin money	52.26	86.16
Interest on fixed deposits received	18.73	18.47
Dividend income received from current investments	-	0.15
Net cash (used in) / generated from investing activities - (B)	(207.15)	600.95
C. Cash flow from financing activities :		
Proceeds from /(repayment of) short term borrowings	(437.76)	746.28
Interest on loan	(30.41)	(1.69)
Net cash (used in) / generated from financing activities - (C)	(468.17)	744.59
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(43.20)	(177.22)
Cash and cash equivalents - Opening balance	209.23	385.64
Less: Exchange difference on translation of foreign currency cash and cash equivalent	(0.15)	0.81
Cash and Cash Equivalents - Closing balance	165.88	209.23
Net (decrease) / increase in cash and cash equivalents	(43.20)	(177.22)



CRISIL Risk and Infrastructure Solutions Limited
Cash Flow Statement for the year ended December 31, 2019

Particulars	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Components of cash and cash equivalents (Refer note 11)		
With banks on current account	165.88	194.56
Deposits with original maturity of less than three months	-	14.67
Total	165.88	209.23

The accompanying notes form an integral part of the financial statements.

This is the cash flow statement referred to in our audit report of even date.

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

For and on behalf of the Board of Directors of
CRISIL Risk and Infrastructure Solutions Limited



Manish Gujral
Partner
Membership No.: 105117



M.B.N. Rao
Director
DIN - 00287260



Anupam Kaura
Director
DIN - 07790067



Place: Mumbai
Date: February 4, 2020



Hiresh Dhakan
Company Secretary

Place: Mumbai
Date: February 4, 2020



CRISIL Risk and Infrastructure Solutions Limited
Statement of Changes in Equity for the year ended December 31, 2019

Equity share capital		Rupees in lakhs
Balance as at January 1, 2019	Changes in equity share capital during the year	Balance as at December 31, 2019
500.00	-	500.00

		Rupees in lakhs
Balance as at January 1, 2018	Changes in equity share capital during the year	Balance as at December 31, 2018
500.00	-	500.00

Particulars	Reserves & surplus			Items of OCI	Others	Total
	Retained earnings			Hedge reserve	Other deemed equity	
Balance as at January 1, 2019	4,206.07			1.32	207.37	4,414.76
Profit / (loss) for the year	555.11			-	-	555.11
Other comprehensive income / (expense)	(16.31)			2.08	-	(14.23)
Balance as at December 31, 2019	4,744.87			3.40	207.37	4,955.64

Particulars	Reserves & surplus			Items of OCI	Others	Total
	Retained earnings			Hedge reserve	Other deemed equity	
Balance as at January 1, 2018	5,321.67			-	207.37	5,529.04
Profit / (loss) for the year	(1,114.04)			-	-	(1,114.04)
Other comprehensive income / (expense)	(1.56)			1.32	-	(0.24)
Balance as at December 31, 2018	4,206.07			1.32	207.37	4,414.76

The accompanying notes form an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Manish Gujral
Partner
Membership No.: 105117



Place: Mumbai
Date: February 4, 2020

For and on behalf of the Board of Directors of
CRISIL Risk and Infrastructure Solutions Limited



M.B.N. Rao
Director
DIN - 00287260



Anupam Kaura
Director
DIN - 07790067



Hiresh Dhakan
Company Secretary

Place: Mumbai
Date: February 4, 2020



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

1. Corporate information

CRISIL Risk and Infrastructure Solutions Limited (CIN U72100MH2000PLC128108) 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 Company is engaged in providing infrastructure advisory and risk solutions.

Infrastructure Advisory is a leading advisor to regulators and governments, multilateral agencies, investors, and large public and private sector firms. Risk Solutions provides a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks, and corporates.

These financial statements for the year ended December 31, 2019 were approved by the Board of Directors on February 4, 2020.

2. Summary of significant accounting policies

2.1 Statement of compliance

These financial statements for the current year 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.

The Company has prepared the financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the years presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

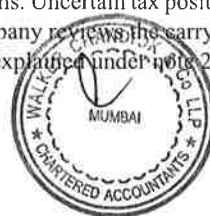
Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage 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, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. As actuarial valuation involves making various assumptions that may be different from the actual development in the future, Key actuarial assumptions include discount rate, trends in salary escalation, attrition and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Valuation of taxes on income**

Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.17.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

• Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligations and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

2.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalized under property, plant and equipment includes purchase price, duties and taxes, other incidental expenses incurred during the construction / installation stage. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

2.5 Intangibles

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure on development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.6 Depreciation / amortization

Based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence in certain class of assets, the useful lives is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation is provided on straight line method (SLM) over useful life.

Assets	Estimated Useful Life
Furniture and fixtures	10 Years
Office equipments	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 depreciation and amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

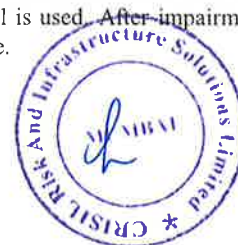
Leasehold Improvements are amortized over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

2.7 Impairment

a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) has no impairment loss been recognized 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.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

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:

- a) Financial assets that are measured at amortized cost e.g., loans, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, ECL is measured at an amount equal to the twelve month ECL unless there has been a significant increase in credit risk from the initial recognition in which case those are measured at lifetime ECL.

2.8 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

2.9 Share capital

Ordinary shares are classified as equity.

2.10 Fair value of financial instruments

In determining the fair value of the financial instruments the Company uses variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realized. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.11 Financial instruments

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company uses hedging instruments that are governed by the policies of the Company.

Hedge Accounting

The Company uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognized immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Company transfers amounts from this reserve to retained earnings if these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognized from the Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.12 Provision, contingent liabilities and contingent assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

Contingent liabilities are disclosed in the Notes for:

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) 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 not recognized in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

2.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.14 Revenue recognition

Effective January 1, 2019, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of retrospectively applying this standard is recognised at the date of initial application (i.e. January 1, 2019). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. On account of adoption of Ind AS 115, accrued revenue (contract asset) as at December 31, 2019 has been considered as non financial asset and accordingly classified under other current assets. Refer note 2.14– Significant accounting policies – Revenue recognition in the signed financials of the Company for the year ended December



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized only if following conditions are satisfied:

- The performance obligations have been met;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection

Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognized when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

Income from operations comprises of income from infrastructure advisory and risk management services. Revenue from infrastructure advisory services and risk management services are recognized in accordance with percentage completion method. Percentage of completion in case of 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 customization are recognized over execution period. Revenue from annual maintenance are recognized 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.

Amounts received or billed in advance of services performed are recorded as unearned revenue.

Accrued revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

Accrued revenue (contract asset) as at December 31, 2019 has been considered as non-financial asset and accordingly classified under other current assets.

Use of significant judgements in revenue recognition

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.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company 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.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

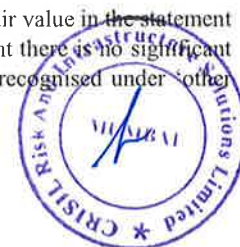
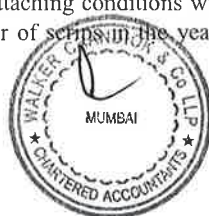
Dividend Income is recognized when the Company's right to receive payment is established by the balance sheet date.

Profit /(loss) on sale of current investments

Profit /(loss) on sale of investment is accounted when the sale is executed . On disposal of such investments, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognized in the Statement of Profit and Loss.

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'.



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Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

2.15 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Retirement benefits in the form of Provident Fund is a defined contribution plan and is charged to the Statement of Profit and Loss for each period of service rendered by the employees. Excess or short of contribution is recognized as an asset or liability in the financial statement. There are no other obligations other than the contribution payable to the respective authorities.

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.

2.16 Foreign currency transactions

Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Exchange difference

Exchange gains and losses arising on settlement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss.

2.17 Taxes on income

Income tax expense comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and



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Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets includes MAT paid in accordance with the tax laws which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.18 Segment reporting policies

The Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The analysis of geographical segment is based on the area in which there are major customers of the Company.

2.19 Earnings per share

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.

2.20 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.

2.21 Recent accounting pronouncement

Ind AS 116 Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company is evaluating the requirement of the amendment and the impact on the financial statements.



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Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 January 2020 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 January 2020 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

The Company is evaluating the requirement of the amendment and the impact on the financial statements.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019

3. Property, plant and equipment

For the year ended December 31, 2019

Particulars	Carrying value			Accumulated depreciation			Rupees in lakhs	
	As at January 1, 2019	Additions	Deductions	As at December 31, 2019	For the year	Deductions	Up to December 31, 2019	Net block As at December 31, 2019
Tangible assets								
Furniture & Fixtures	-	0.81	-	0.81	0.05	-	0.05	0.76
Office equipments	14.57	1.03	8.64	6.96	2.23	7.98	4.82	2.14
Computers	155.16	54.86	26.99	183.03	34.83	25.17	133.84	49.19
Vehicles	82.99	-	24.08	58.91	23.31	22.13	35.57	23.34
Total tangible assets	252.72	56.70	59.71	249.71	60.42	55.28	174.28	75.43

For the year ended December 31, 2018

Particulars	Carrying value			Accumulated depreciation			Rupees in lakhs	
	As at January 1, 2018	Additions	Deductions	As at December 31, 2018	For the year	Deductions	Up to December 31, 2018	Net block As at December 31, 2018
Tangible assets								
Furniture & Fixtures	-	-	-	-	-	-	-	-
Office equipments	18.14	-	3.57	14.57	4.79	3.50	10.57	4.00
Computers	155.92	13.60	14.36	155.16	41.76	10.91	124.18	30.98
Vehicles	62.42	40.99	20.42	82.99	27.09	20.42	34.39	48.60
Total tangible assets	236.48	54.59	38.35	252.72	73.64	34.83	169.14	83.58

4. Intangible assets

For the year ended December 31, 2019

Particulars	Carrying value			Accumulated amortization			Rupees in lakhs	
	As at January 1, 2019	Additions	Deductions	As at December 31, 2019	For the year	Deductions	Up to December 31, 2019	Net block As at December 31, 2019
Intangible assets								
Software	310.17	529.88	-	840.05	62.12	-	369.69	470.36
Total intangible assets	310.17	529.88	-	840.05	62.12	-	369.69	470.36

For the year ended December 31, 2018

Particulars	Carrying value			Accumulated amortization			Rupees in lakhs	
	As at January 1, 2018	Additions	Deductions	As at December 31, 2018	For the year	Deductions	Up to December 31, 2018	Net block As at December 31, 2018
Intangible assets								
Software	239.73	70.44	-	310.17	154.29	-	307.57	2.60
Total intangible assets	239.73	70.44	-	310.17	154.29	-	307.57	2.60

4.1 Personnel expenses to the extent of ₹ 32.73 lakhs (December 31, 2018 ₹ 47.47 lakhs) is considered for capitalization as Intangible assets.



5. Loans	As at	As at
	December 31, 2019	December 31, 2018
	Rupees in lakhs	Rupees in lakhs
Non-current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Security deposits	40.73	-
Earnest money and other deposits	1.12	11.50
Total	41.85	11.50

6. Other financial assets	As at	As at
	December 31, 2019	December 31, 2018
	Rupees in lakhs	Rupees in lakhs
Non-current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Accrued interest on fixed deposits	1.54	1.92
Deposits with maturity for more than 12 months (Deposit includes fixed deposits with banks ₹ 41.51 lakhs (₹ 35.78 lakhs as at December 31, 2018) marked as lien for performance guarantees issued by banks on behalf of the Company)	45.04	37.81
Total	46.58	39.73



7. Income tax	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Current tax expense	132.68	126.98
Deferred tax charge / (credit)	118.98	(533.78)
Total income tax expense recognised in the year	251.66	(406.80)

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Profit before tax	806.77	(1,520.84)
Enacted income tax rate in India	27.82%	27.82%
Computed expected tax expense	224.43	(423.10)
Effect of:		
Expenses that are not deductible in determining taxable profit	0.99	2.05
Tax expense of prior years	32.65	-
Others	(6.41)	14.25
Total income tax expense recognised in the statement of profit and loss	251.66	(406.80)

The tax year for the Company being the year ending March 31, 2020, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2019 and the provisions for the nine months upto December 31, 2019. The tax provision for the nine months has been arrived at using effective tax rate for the period April 1, 2019 to March 31, 2020. The applicable Indian statutory income tax rate for the fiscal year ended March 31, 2020 is 27.82% and for March 31, 2019 was 27.82%.

Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

As at December 31, 2019				Rupees in lakhs
Particulars	Opening balance as at January 1, 2019	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance as at December 31, 2019
Deferred tax liability on:				
Forward contracts	0.51	-	0.80	1.31
Gross deferred tax liability	0.51	-	0.80	1.31
Deferred tax asset on:				
Provision for compensated absences	134.14	(10.93)	-	123.21
Provision for bonus and commission	54.78	(31.68)	-	23.10
Provision for gratuity	18.36	2.70	5.90	26.96
Provision for bad and doubtful debt and earnest money and other deposits	505.50	(217.53)	-	287.97
Property, plant and equipment and intangibles	65.80	(37.58)	-	28.22
Disallowance under section 40(a) of the Income Tax Act, 1961 and others	24.13	25.53	-	49.66
Unabsorbed depreciation	-	66.70	-	66.70
Brought forward losses	-	8.21	-	8.21
Gross deferred tax assets	802.72	(194.58)	5.90	614.03
MAT credit entitlement	58.02	75.61	-	133.63
Net deferred tax assets	860.24	(118.98)	5.10	746.35

As at December 31, 2018				Rupees in lakhs
Particulars	Opening balance as at January 1, 2018	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance as at December 31, 2018
Deferred tax liability on:				
Gains from mutual funds	2.11	(2.11)	-	-
Forward contracts	-	-	0.51	0.51
Gross deferred tax liability	2.11	(2.11)	0.51	0.51
Deferred tax asset on:				
Provision for compensated absences	122.36	11.78	-	134.14
Provision for bonus and commission	46.90	7.88	-	54.78
Provision for gratuity	7.80	9.96	0.60	18.36
Provision for bad and doubtful debt and earnest money and other deposits	99.07	406.43	-	505.50
Deferred revenue	1.97	(1.97)	-	-
Property, plant and equipment and intangibles	30.20	35.60	-	65.80
Disallowance under section 40(a) of the Income Tax Act, 1961 and others	20.17	3.96	-	24.13
Gross deferred tax assets	328.47	473.64	0.60	802.72
MAT credit entitlement	-	58.02	-	58.02
Net deferred tax assets	326.36	533.78	0.09	860.24

8. Tax assets	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Non current		
Advance taxes paid (net of provision for taxation ₹ 3,332.73 lakhs and December 31, 2018 ₹ 3,200.05 lakhs)	2,373.13	1,879.79
Total	2,373.13	1,879.79



9. Other non current assets	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Non current assets		
Prepaid expenses	0.36	2.71
Capital advances	-	19.94
Prepaid rent	14.67	-
Total	15.03	22.65

10. Trade receivables	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Unsecured, considered good (Refer note 34)	2,424.04	3,639.32
Considered doubtful	1,238.06	1,762.19
Less : Allowance for doubtful trade receivables	(1,238.06)	(1,762.19)
Total	2,424.04	3,639.32

10.1 Trade receivables are non-interest bearing and are generally on credit terms of 30 days

10.2 Trade receivables	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,424.04	3,639.32
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired - unsecured	1,238.06	1,762.19

11. Cash and cash equivalents	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Balances with banks:		
On current accounts	165.88	194.56
Deposits with original maturity of less than three months (Deposit includes fixed deposits with banks ₹ Nil (₹ 13.98 lakhs as on December 31, 2018) marked as lien for guarantees issued by banks on behalf of the Company.	-	14.67
Total	165.88	209.23

12. Other bank balances	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Deposits with maturity more than 3 months and less than 12 months (Deposit includes fixed deposits with banks ₹ 155.99 lakhs (₹ 207.53 lakhs as on December 31, 2018) marked as lien for guarantees issued by banks on behalf of the Company	166.68	218.94
Total	166.68	218.94

13. Loans	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
<u>Unsecured, considered good, unless otherwise stated</u>		
Loans to employees	30.39	42.75
Earnest money and other deposits - considered good	184.87	164.77
- Considered doubtful	41.12	54.86
	225.99	219.63
Less : Provision for doubtful earnest money and other deposits	(41.12)	(54.86)
	184.87	164.77
Total	215.26	207.52

13.1 Loans	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Loans considered good - secured	-	-
Loans receivables considered good - unsecured	215.26	207.52
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	41.12	54.86

14. Other financial assets	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Accrued interest on fixed deposits	7.57	8.17
Accrued revenue (Refer note 14.1)	-	1,415.12
Forward contract receivables (Refer note 38)	4.71	1.83
Receivable from related parties (Refer note 34)	35.94	-
Others	23.54	18.70
Total	71.76	1,443.82

14.1 The balance lying in 'Accrued revenue' as at December 31, 2018 is fully recognised as revenue during the current year except for ₹ 11.25 lakhs.

15. Other current assets	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Prepaid expenses	35.11	46.36
Prepaid rent	4.20	-
Accrued revenue	1,833.68	-
Balance with government authorities	311.90	165.50
Advance to supplier and employee	45.32	110.06
Total	2,230.21	321.92



16. Equity share capital	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Authorised capital: 60,000,000 equity shares of ₹ 1 each (60,000,000 of ₹ 1 each as on December 31, 2018)	600.00	600.00
Issued, subscribed and paid up: 49,999,970 equity shares (49,999,970 of ₹ 1 each as on December 31, 2018) of ₹ 1 each fully paid up.	500.00	500.00
Total	500.00	500.00

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

Particulars	As at December 31, 2019	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of ₹ 1 per share)	500.00	49,999,970
Outstanding at the end of the year	500.00	49,999,970
Particulars	As at December 31, 2018	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of ₹ 1 per share)	500.00	49,999,970
Outstanding at the end of the year	500.00	49,999,970

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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 company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
49,999,970 equity shares of ₹ 1 are held by CRISIL Limited, Holding Company and its nominees (49,999,970 of ₹ 1 each as on December 31, 2018)	500.00	500.00

(d) The Company has neither issued shares for consideration other than cash or bonus shares nor there has been any buy back of shares during the five years immediately preceding December 31, 2019.

(e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2019	
	% holding in the class	Nos.
<u>Equity shares of ₹ 1 each fully paid</u> CRISIL Limited, Holding Company and its nominees	100%	49,999,970

Name of the shareholder	As at December 31, 2018	
	% holding in the class	Nos.
<u>Equity shares of ₹ 1 each fully paid</u> CRISIL Limited, Holding Company and its nominees	100%	49,999,970

(f) 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 concern 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 an overdraft facility with bank to support any temporary funding requirements. The Company has arrangements with the holding Company to support any temporary funding requirements.

Particulars	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Total debt	308.52	746.28
Total equity plus total debt	808.52	1,246.28
Total debt to equity ratio (gearing ratio)	0.38	0.60

17. Explanation of reserves:**a) Retained earnings**

Retained earnings represent the cumulative profits of the Company and the effects of measurements of defined benefit obligation.

b) Other comprehensive income (OCI)

Other comprehensive income includes hedge reserve and actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets.

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.



18. Other financial liabilities	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Non-current		
Employee related payable	30.28	32.22
Total	30.28	32.22

19. Provisions	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Non-current		
Gratuity (Refer note 36)	81.89	34.52
Total	81.89	34.52

20. Borrowings	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Bank overdraft	258.52	246.28
Loan from related party (Refer note 34)	50.00	500.00
Total	308.52	746.28

20.1 The Company has availed overdraft facility from a bank which is unsecured and is repayable on demand. Interest is payable at I-MCLR 6M + 0% spread per annum (as at December 31, 2019 rate 8.20%) on the principal amount of loan outstanding each day.

20.2 The Company has taken an unsecured loan from its holding company amounting to ₹ 150 lakhs during the current year (₹ 500 lakhs during the previous year) which is repayable on demand and bearing an interest rate of 12.50% per annum. (Refer note 34)

21. Trade payables	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Total outstanding dues of micro and small enterprises	0.17	17.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,237.62	1,589.91
Total	1,237.79	1,607.10

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

Particulars	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
-Principal amount remaining unpaid	0.17	17.19
-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.

22. Other financial liabilities	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Employee related payable	530.31	393.34
Interest accrued and due	0.62	0.62
Total	530.93	393.96

23. Provisions	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Gratuity (Refer note 36)	15.01	31.47
Compensated absences (Refer note 37)	442.87	465.90
Total	457.88	497.37

24. Other current liabilities	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Current		
Statutory liabilities	298.50	245.16
Unearned revenue (Refer note 24.1)	641.13	756.18
Total	939.63	1,001.34

24.1 The balance lying in 'Unearned revenue' as at December 31, 2018 is fully recognised as revenue during the current year.



25. Revenue from operations	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Income from advisory services	6,753.30	6,626.36
Income from risk management services	2,656.05	2,982.52
Total	9,409.35	9,608.88

Disaggregated revenue information

The company disaggregates revenue from contracts with customers by geographical market. (Refer note 33)

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.

26. Other income	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Interest income on fixed deposits	17.75	18.91
Interest income on financial assets carried at amortised cost	1.72	-
Dividend income on current investments	-	0.15
Net gain on sale of current investments	-	9.98
Foreign exchange gain (net)	6.78	85.35
Profit on sale of fixed assets (net)	4.58	2.65
Grant income	67.64	76.41
Excess provision written back	64.10	5.38
Miscellaneous income	-	0.04
Total	162.57	198.87

27. Employee benefits expenses	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Salaries, wages and bonus	3,731.27	3,666.24
Share based payment to employees (Refer note 41)	9.10	94.52
Contribution to provident and other funds (Refer note 37)	155.23	153.38
Contribution to gratuity funds (Refer note 36)	22.18	41.95
Staff training and welfare expenses	102.74	84.60
Allocation of common overhead expenses	550.15	550.23
Total	4,570.67	4,590.92

28. Finance cost	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Interest expense on bank overdraft	21.99	1.63
Interest on loan from related party	8.42	0.68
Total	30.41	2.31

29. Other expenses	Year ended December 31, 2019 Rupees in lakhs	Year ended December 31, 2018 Rupees in lakhs
Printing and stationery	10.80	31.61
Conveyance and travelling	577.89	860.98
Data subscription	53.57	61.91
Remuneration to non-whole time directors	1.50	1.50
Business promotion and advertisement	11.48	2.46
Professional fees	2,160.94	2,476.62
Software maintenance expenses	16.24	11.91
Software purchase expenses	13.52	21.16
Provision for doubtful debt / bad debts	-	1,922.80
Auditors' remuneration (Refer note 32)	12.53	11.14
Recruitment expenses	16.68	19.78
Corporate social responsibility (CSR) expenses (Refer note 40)	7.09	15.66
Repairs and maintenance - Buildings	66.60	71.69
Repairs and maintenance - Others	68.76	109.12
Electricity	34.41	44.19
Communication expenses	30.78	33.99
Insurance	0.34	4.69
Rent (Refer note 35)	410.70	370.56
Rates and taxes	0.05	0.12
Miscellaneous expenses	97.86	112.57
Allocation of common overhead expenses	449.79	322.97
Total	4,041.53	6,507.43



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

30. 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 summarized in Note 30.4. The main types of risks are market risk (foreign currency exchange rate 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 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:-

30.1 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.

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 Indian Rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of 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 38.

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2019		As at December 31, 2019	
	Foreign Currency in lakhs		Rupees in lakhs	
	Assets	Liabilities	Assets	Liabilities
USD	12.11	0.62	864.03	43.91
GBP	0.06	-	5.25	-
EUR	0.63	-	50.53	-
Others	307.30	-	2.37	-

Particulars	As at December 31, 2018		As at December 31, 2018	
	Foreign Currency in lakhs		Rupees in lakhs	
	Assets	Liabilities	Assets	Liabilities
USD	20.17	1.15	1,419.16	80.94
GBP	-	-	-	-
EUR	0.17	-	13.89	-
Others	396.45	-	91.92	-

For the year ended December 31, 2019, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by (+/-) ₹ 43.91 lakhs (+/- 5.51%). For the year ended December 31, 2018, operating margins would increase/decrease by (+/-) ₹ 72.20 lakhs (+/- 4.87%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. None the less, 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. As at December 31, 2019 and December 31, 2018, the Company does not have any significant exposure.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

30.2 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. Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The short term treasury position of the Company is given below:

Particulars	Rupees in lakhs	
	As at December 31, 2019	As at December 31, 2018
Trade receivables	2,424.04	3,639.32
Cash and cash equivalents	165.88	209.23
Other bank balances	166.68	218.94
Loans	215.26	207.52
Other financial assets	71.76	1,443.82
Total	3,043.62	5,718.83

Financial liabilities maturing within one year:

Particulars	Rupees in lakhs	
	As at December 31, 2019	As at December 31, 2018
Borrowings	308.52	746.28
Trade payables	1,237.79	1,607.10
Others financial liabilities	530.93	393.96
Total	2,077.24	2,747.34

30.3 Business and credit risk

To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company has 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. Bank balances are held with only high rated banks. Trade receivables are monitored on periodic basis for any non-recoverability of the dues.

Receivables	Rupees in lakhs	
	As at December 31, 2019	As at December 31, 2018
<= 6 months	2,396.81	3,071.37
> 6 months but <= 1 year	160.96	1,752.81
> 1 year	1,104.33	577.33
Provision for doubtful receivables	(1,238.06)	(1,762.19)



CRISIL Risk and Infrastructure Solutions Limited
Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019
Financial instruments

30.4

The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:

Particulars	Amortized cost		Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory			
Assets									
Investments									
Cash and cash equivalents	165.88	-	-	-	-	-	-	165.88	165.88
Other bank balances	166.68	-	-	-	-	-	-	166.68	166.68
Trade receivables	2,424.04	-	-	-	-	-	-	2,424.04	2,424.04
Loans	257.11	-	-	-	-	-	-	257.11	257.11
Other financial assets	113.63	-	-	-	-	-	4.71	118.34	118.34
Total	3,127.34	-	-	-	-	-	4.71	3,132.05	3,132.05
Liabilities									
Borrowings	308.52	-	-	-	-	-	-	308.52	308.52
Trade payables	1,237.79	-	-	-	-	-	-	1,237.79	1,237.79
Other financial liabilities	561.21	-	-	-	-	-	-	561.21	561.21
Total	2,107.52	-	-	-	-	-	-	2,107.52	2,107.52

The carrying value and fair value of financial instruments by categories as at December 31, 2018 are as follows:

Particulars	Amortized cost		Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory			
Assets									
Investments									
Cash and cash equivalents	209.23	-	-	-	-	-	-	209.23	209.23
Other bank balances	218.94	-	-	-	-	-	-	218.94	218.94
Trade receivables	3,639.32	-	-	-	-	-	-	3,639.32	3,639.32
Loans	219.02	-	-	-	-	-	-	219.02	219.02
Other financial assets	1,481.72	-	-	-	-	-	1.83	1,483.55	1,483.55
Total	5,768.23	-	-	-	-	-	1.83	5,770.06	5,770.06
Liabilities									
Borrowings	746.28	-	-	-	-	-	-	746.28	746.28
Trade payables	1,607.10	-	-	-	-	-	-	1,607.10	1,607.10
Other financial liabilities	426.18	-	-	-	-	-	-	426.18	426.18
Total	2,779.56	-	-	-	-	-	-	2,779.56	2,779.56

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

Particulars	As at December 31, 2019			As at December 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Forward contracts receivable	-	4.71	-	-	1.83	-



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

31. Details of contingent liabilities and capital commitments are as under:

Particulars	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
A) Contingent liabilities		
1. Bank guarantees issued on behalf of the Company during the normal course of business	1,033.92	937.70
2. Disputed income tax & service tax demand:		
(i) Pending before appellate authorities in respect of which the Company is in appeal	344.49	363.53
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	115.68	115.68
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.		
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.		
	1,494.09	1,416.91
B) Capital commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	2.80	-

32. Auditors remuneration

Particulars	For the year ended December 31, 2019 Rupees in lakhs	For the year ended December 31, 2018 Rupees in lakhs
Audit fees	5.50	5.50
Tax audit fees	0.50	0.50
In any other matter:		
Certification work	6.25	4.45
Out of pocket expenses	0.28	0.69
Total	12.53	11.14

33. Segment reporting

The Company is engaged in the business of providing risk solutions and advisory services. The following table shows the distribution of the Company's revenue and total assets by geographical market (secondary segment):

Particulars	Rupees in lakhs			
	Revenue Year ended December 31, 2019	Revenue Year ended December 31, 2018	Total Assets As at December 31, 2019	Total Assets As at December 31, 2018
India	6,546.26	6,028.08	5,137.79	5,246.72
Europe	160.10	226.27	86.82	20.68
North America	743.18	889.09	141.74	160.95
Asia (Other than India)	1,525.97	1,817.31	382.36	702.80
Africa	350.91	538.87	171.34	268.15
Rest of the world	82.93	109.26	3.03	88.22
Total	9,409.35	9,608.88	5,923.08	6,487.52

Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

34.1 List of related parties

Parties	Relationship
<u>Related parties where control exists</u>	
CRISIL Limited	Holding Company
S&P Global Inc.	Ultimate Holding Company
<u>Other Related parties #</u>	
S&P Global Market Intelligence LLC.	Fellow Subsidiary
S&P Global UK Limited	Fellow Subsidiary
Pragmatix Services Private Limited	Fellow Subsidiary
CRISIL Foundation	Trust controlled by CRISIL Limited
<u>Key managerial personnel (KMP)</u>	
Mr. M.B.N. Rao	Director
Ms. Martina Cheung (till 16 April 2019)	Director
Mr. Anupam Kaura	Director
Mr. Amish Mehta (w.e.f 16 April 2019)	Director
Mr. Ravinder Singhanian (till 16 April 2019)	Alternate Director
Mr. Hiresh Dhakan	Company Secretary

to the extent where transactions have taken place.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

34.2 Details of transactions during the year and outstanding balances as at the year end.

Name of the related party	Nature of transaction / outstanding balances	December 31, 2019 Rupees in lakhs	December 31, 2018 Rupees in lakhs
CRISIL Limited	Professional services rendered	-	13.84
	Professional fees incurred	0.27	2.25
	Reimbursement of expense paid on Company's behalf	583.76	503.44
	Share of overhead expenses incurred on Company's behalf	999.94	873.20
	Expense recovered	-	4.41
	Reimbursement of expense paid - ESOP	9.10	94.52
	Management support charges	72.00	108.00
	Transfer of employee related liability	98.43	-
	Sale of property, plant and equipment	1.51	0.18
	Purchase of property, plant and equipment	15.19	-
	Interest charge on loan taken	8.42	0.68
	Loan repaid	600.00	-
	Loan taken	150.00	500.00
	Interest on loan payable	0.62	0.62
	Loan payable	50.00	500.00
	Amount payable (net) (included in trade payables)	386.37	458.96
S&P Global UK Limited	Professional fees incurred	1.01	15.75
	Professional service rendered	61.21	61.47
	Subscription fee paid	-	5.69
	Amount receivable (included in trade receivables)	-	61.91
S&P Global Market Intelligence LLC	Professional service rendered	201.95	339.76
	Subscription fee paid	44.06	29.32
	Amount receivable (included in trade receivables)	241.56	70.75
M.B.N. Rao	Director's sitting fees	1.50	1.50
Pragmatix Services Private Limited	Reimbursement of expense received	6.60	-
	Expenses incurred	1.13	-
	Expenses recovered	55.85	-
	Transfer of employee related liability	18.57	-
	Purchase of property, plant and equipment	0.54	-
	Sale of property, plant and equipment	2.11	2.68
	Amount payable (included in trade payables)	3.16	-
	Amount receivable (included in other financial assets)	35.94	-
CRISIL Foundation	Donation	-	6.60



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

35. Operating lease

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

Particulars	December 31, 2019 Rupees in lakhs	December 31, 2018 Rupees in lakhs
Lease payment recognised in the Statement of Profit and Loss	410.70	370.56
Future minimum lease payments :		
Not later than one year	250.65	3.52
Later than one year and not later than five years	840.00	-
Total	1,090.65	3.52

36. Gratuity and other post-employment benefits plans

In accordance with the Payment of Gratuity Act, 1972, the Company 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 summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of Profit and Loss:

Net employee benefit expense (recognized in personnel expenses and other comprehensive income)

Particulars	December 31, 2019 Rupees in lakhs	December 31, 2018 Rupees in lakhs
Current service cost	42.92	41.03
Interest cost on defined benefit obligation	3.87	0.92
Re-mesurement actuarial (gain) /loss recognised in OCI	22.21	2.16
Adjustments	(24.61)	-
Net gratuity benefit expense	44.39	44.11
Assumptions		
Interest rate	7.30%	7.30%
Salary increase	10% for First 4 years starting 2019 7% thereafter	10% for First 4 years starting 2018 7% thereafter

Balance Sheet:

Details of provision for gratuity benefit

Particulars	As at December 31, 2019 Rupees in lakhs	As at December 31, 2018 Rupees in lakhs
Present value of funded obligations	334.32	319.30
Fair value of plan assets	(237.42)	(253.31)
Net liability / asset	96.90	65.99



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

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

Particulars	As at	As at
	December 31, 2019	December 31, 2018
	Rupees in lakhs	Rupees in lakhs
Opening defined benefit obligation	319.30	272.04
Current service cost	42.92	41.03
Interest cost	20.88	20.22
Acquisitions (credit)/ cost	(23.08)	(1.71)
Actuarial (gain)/loss - experience recognised in OCI	6.47	(1.77)
Actuarial (gain)/loss - financial assumptions recognised in OCI	16.04	2.73
Benefits paid	(48.21)	(13.24)
Closing defined benefit obligation	334.32	319.30

Change in fair value of plan assets are as follows:

Particulars	As at	As at
	December 31, 2019	December 31, 2018
	Rupees in lakhs	Rupees in lakhs
Opening fair value of plan assets	253.31	248.45
Interest income on plan assets	17.01	19.30
Contribution by employer	15.01	-
Return on plan assets greater / (lesser) than discount rate recognised in OCI	0.30	(1.20)
Benefits paid	(48.21)	(13.24)
Closing fair value of plan assets	237.42	253.31

The defined benefit obligation shall mature after December 31, 2019 as follows.

Particulars	Rupees in lakhs
December 31, 2020	32.08
December 31, 2021	35.73
December 31, 2022	41.06
December 31, 2023	45.31
December 31, 2024	58.69
December 31, 2025 to December 31, 2029	295.77

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, 2019	December 31, 2018
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans is as below:

Particulars	Year Ended	Year Ended
	December 31, 2019	December 31, 2018
Discount rate	6.80%	7.30%
Estimated rate of return on plan assets	7.50%	7.50%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Expected employer's contribution next year (₹ In lakhs)	15.01	34.52



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

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

Particulars	Year Ended December 31, 2019	Year Ended December 31, 2018
Government securities	74.98%	67.25%
Fixed deposits, debentures and bonds	18.81%	22.61%
Others	6.21%	10.14%
Total	100.00%	100.00%

The actuarial assumptions for the determination of defined benefit obligations are discount rate and salary escalation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, holding all other assumptions constant.

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Discount rate	(11.43)
Effect on DBO due to 0.5% decrease in Discount rate	12.17

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Salary escalation rate	9.14
Effect on DBO due to 0.5% decrease in Salary escalation rate	(8.92)

37. Other benefits

The Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	Year Ended December 31, 2019 Rupees in lakhs	Year Ended December 31, 2018 Rupees in lakhs
Contribution to provident and other funds	155.23	153.38

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of ₹ 442.87 lakhs has been made as at December 31, 2019 (₹ 465.90 lakhs as at December 31, 2018).

38. 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 currency USD. The hedge limits are governed by the risk management policy. The Company uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under:

As at December 31, 2019

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in lakhs)	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)
<u>Cash flow hedge</u>								
i) Foreign exchange forward contracts	USD	24	13.29	974.53	Jan 20 to Dec 20	73.33	4.71	(4.71)



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

As at December 31, 2018

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in lakhs)	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	12	13.83	986.87	Jan 19 to Dec 19	71.59	1.83	(1.83)

Particulars	Foreign exchange forward contract (Rupees in lakhs)
As at December 31, 2017	-
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	(1.40)
Less: Amounts reclassified to profit or loss	3.23
Less: Tax relating to above (net)	(0.51)
As at December 31, 2018	1.32

Particulars	Foreign exchange forward contract (Rupees in lakhs)
As at December 31, 2018	1.32
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	(1.35)
Less: Amounts reclassified to profit or loss	4.23
Less: Tax relating to above (net)	(0.80)
As at December 31, 2019	3.40

39. Earnings per share

The amount considered in ascertaining the Company's earnings per share constitutes the net profit/(loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares

Particulars	Year Ended December 31, 2019	Year Ended December 31, 2018
Net profit/(loss) after tax attributable to equity shareholders (₹ in lakhs)	555.11	(1,114.04)
Weighted average number of shares outstanding during the year	49,999,970	49,999,970
Basic and diluted loss per share (Amount in ₹)	1.11	(2.23)
Nominal value per equity share (Amount in ₹)	1	1

40. Corporate Social Responsibility

Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2019 ₹ 7.09 lakhs (₹ 15.66 lakhs for the year ended December 31, 2018) 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 ₹ 3.07 lakhs (₹ 9 lakhs for the year ended December 31, 2018). Key CSR activities were "education and women empowerment – financial capability building" and "conservation of environment".

41. Shared based payments to employee represents the Employee stock options granted by the holding Company to the employees of the Company.

42. Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018 replaces existing revenue recognition requirements. The application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue from contracts.

43. During the year, the Company received export benefits amounting to ₹ 67.64 (₹ 76.41 lakhs for the year ended December 31, 2018) 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 financial statements.



CRISIL Risk and Infrastructure Solutions Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2019.

44. During the year ended December 31, 2018, the Company has made additional provision for receivables of ₹ 1684.56 lakhs in the advisory services segment, which is included under 'other expenses'.
45. 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 Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Manish Gujral

Partner

Membership No.: 105117



Place: Mumbai

Date: February 4, 2020

**For and on behalf of the Board of Directors of
CRISIL Risk and Infrastructure Solutions Limited**



M.B.N. Rao

Director

DIN - 00287260



Anupam Kaura

Director

DIN - 07790067



Hiresh Dhakan

Company Secretary

Place: Mumbai

Date: February 4, 2020

