

Director's Report

To the Members,

The Directors are pleased to present the Sixteenth Annual Report of CRISIL Risk and Infrastructure Solutions Limited, along with the audited accounts for the year ended December 31, 2015.

FINANCIAL SUMMARY

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

Particulars	(Rupees in lakh)	
	Year ended December 31, 2015	Year ended December 31, 2014
Total Income for the year	6,878.50	6,520.30
Profit / (Loss) before depreciation	339.92	714.66
Depreciation	61.12	62.19
Profit / (Loss) before Tax	278.80	652.47
Provision for tax	101.36	183.49
Profit / (Loss) After Tax	177.44	468.98

The financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year.

Revenue from operations of your Company for the year was Rs.68.79 crore, lower than previous year by Rs.3.58 crore. Overall operational expense for the year was Rs.66.00 crore, as against Rs. 58.68 crore in the previous year. Profit after Tax for the year at Rs.1.77 crore, 2.58% of revenue, was lower by 62.16% over Rs. 4.69 crore, 7.19% of revenue, in the previous year.

REVIEW OF OPERATIONS - 2015

CRISIL Infrastructure Advisory Business

Highlights

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

Business environment

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

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

In the international markets, Africa continues to show progress, albeit at a very slow pace. The business is involved closely with infrastructure development in key African markets, especially east Africa. Some emerging markets in south-east Asia and the SAARC countries show promise in the near future.

Operations

CRISIL Infrastructure Advisory started the year slowly but picked up momentum in the second half of the year. We won several large and prestigious mandates in India and in the international markets as well. This has helped the business to build up a robust order book, which is significantly larger than previous years. We have maintained steady revenue growth with improved margins. Our focus on government, and multilateral agencies as clients has paid off. The infrastructure advisory business is proud to support several flagship programmes of the Indian government, viz., Smart Cities Mission, Power for All, Rurbanisation, National Solar Mission, Northeast regional development, and funding of Railways' investments.

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

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

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

CRISIL Risk Solutions (CRS)

Highlights

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

Business environment

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

Operations

2015 was a year of consolidation with investments in various products. These investments made to strengthen the product base are expected to play a key role in the expansion and growth of the business and significantly contribute to revenues over the next 3 years. The new channels of business through partnerships began to yield good results with significant mandate wins in the Middle East and Sri Lanka. These partnerships and plans for increased collaboration within MHFI should help growth and deepen business penetration in the international markets.

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

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

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

TRANSFER TO RESERVES

The balance of profits has been retained as surplus in the Profit & Loss Account and nothing has been transferred to reserves during the year.

DIVIDEND

Your Directors do not recommend any dividend for the year ended December 31, 2015.

SHAREHOLDING

The Company continues to be a wholly-owned subsidiary of CRISIL Limited. The Company does not have any subsidiary companies, joint ventures or associate companies.

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business.

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

The Board met four times in financial year 2015 viz., on February 13, April 16, July 16 and October 16.

COMMITTEES OF THE BOARD

The Company has constituted Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013, comprising three Directors - Mr. M B N Rao (Chairman), Mr. Yann Le Pallec and Mr. Rajasekhar Kaza.

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

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

The Committee met once in 2015 - on February 13. The necessary quorum was present for all the meetings. The details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2015	
			Held	Attended
Mr. M B N Rao	Non-Executive	Chairman	1	1
Mr. Yann Le Pallec	Non-Executive	Member	1	0*
Mr. G. Ravishankar	Non-Executive	Member	1	1

* Mr. Yann Le Pallec attended the meeting through tele-conference.

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

PARTICULARS OF REMUNERATION

During the year, 12 employees received remuneration of Rs. 6 million or more per annum. In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the Annexure II to the Director's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

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

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the S. R. Batliboi & Co. LLP, Statutory Auditors, in their report. The statutory auditors have not reported any incident of fraud in the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any loans and guarantees or made any investments pursuant to Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

All the contracts or arrangements with related parties as defined under the Companies Act, 2013 are in ordinary course of business and at arms' length basis, and are hence not falling within the purview of section 188(1) of the Act. The details of all the related party transactions are placed before the Board on quarterly basis for its review. The particulars of contracts or arrangements with related parties, as prescribed in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 is appended as Annexure III.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company. The Board has approved the Risk Management Policy at its meeting held on October 17, 2014 and believes that there are very minimal elements of risk that threaten the existence of your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCE CONTROLS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Board. The Board of Directors reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

DIRECTORS

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

During the year, Mr. G. Ravishankar resigned with effect from March 5, 2015 and Mr. Rajasekhar Kaza was appointed as an Additional Director of the Company with effect from March 12, 2015. At the Annual General Meeting held on April 10, 2015, the shareholders approved the appointment of Mr. Rajasekhar Kaza, as a director of the Company, liable to retire by rotation.

AUDITORS' APPOINTMENT

At the last Annual General Meeting of the Company, the Statutory Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 100052W), were appointed from the conclusion of the 15th Annual General Meeting proposed until the conclusion of the 17th Annual General Meeting to be held in 2017, subject to ratification by the shareholder at the intermittent Annual General Meeting.

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

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

DEPOSITS

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

FINANCIAL YEAR

The applications made by the Company for seeking exemption from applicability of section 2(41) of the Act was approved the Hon'ble Company Law Board during the year and accordingly, the Company would follow the calendar year as the financial year.

EXTRACT OF ANNUAL RETURN

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

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

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

The Company has put in place a 'Policy on redressal of Sexual Harassment' and a 'Policy on redressal of Workplace Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act").

As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their manager or HR personnel. We affirm that adequate access is provided to any complainant who wished to register a complaint under the policy. During the year, three complaints were received under the Policy.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their grateful appreciation for the continued support, co-operation and assistance extended to the Company from time to time by the Company's Bankers, Clients, Vendors and various authorities for their confirmed support, and for the hard work put in by the employees at all levels.

On behalf of the Board of Directors



M B N Rao
Chairman
(DIN 00287260)



Mumbai, February 6, 2016

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction:

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

In March 2013, CRISIL Limited, the holding company of CRIS, set up the CRISIL Foundation to steer its CSR agenda and those of its subsidiary and group companies, by taking into consideration the position of our stakeholders, the spirit of trusteeship and the intention of enhancing social capital. CRIS believes in equitable societies and efficient markets and has always endeavoured to follow these lodestars.

The CSR Policy:

CRIS would carry out the following activities:-

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

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

CSR Funding and allocation:

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

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

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

Applicability:

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

Implementation:

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

Constitution of the CSR Committee:

The Board has constituted the “CSR Committee” of the Board on April 17, 2014. The Committee shall consist of minimum of three members.

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

Meetings and Quorum:

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

Roles and Responsibilities of the Committees:

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

- Formulate, monitor and recommend to the Board the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company’s CSR Activities
- Review the Company’s disclosure of CSR matters
- Recommend the deployment strategy for CSR Activities, through partnerships with various agencies, intermediaries and foundations and determine outreach channels, including social media and IT interfaces
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

Policy Review:

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

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

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

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

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** CRISIL Foundation drives the CSR agenda for CRISIL Risk and Infrastructure Solutions Limited, which has two focus areas - 1. Conservation of environment; and, 2. Empowerment of socially and economically weaker sections by building their financial capabilities. The projects are implemented under the larger umbrella programme, 'CRISIL Re', which primarily leverages its young and vibrant employee base for achieving the social outcomes.

During the year, CRISIL Foundation has partnered with United Way of Mumbai (UWM), which in turn works with a number of reputed non-government organisations (NGOs) on relevant projects as mentioned above. The range of activities includes tree plantation, beach and neighbourhood clean-up drives, renewable energy projects and various awareness drives.

2. **The Composition of the CSR Committee:** Mr. M. B. N. Rao (Chairman), Mr. Yann Le Pallec and Mr. Rajasekhar Kaza
3. **Average net profit of the Company for last three financial years (2012-2014):** Rs. 8.04 crore.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (2012 -2014):** Rs. 0.16 crore.
5. **Details of CSR spend during the financial year :**
 - (a) Total amount to be spent for the financial year: Rs. 0.16 crore
 - (b) Amount unspent, if any: **Nil**
 - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs. crore)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (Rs. crore)	Amount spent : Directly or Through Implementing Agency* (Rs. crore)
					Direct expenditure on programmes or projects (Rs. crore)	Overheads (Rs. crore)		
1	CRISIL Re	Environmental Conservation - through volunteerism	Mumbai, Pune, Chennai, Gurgaon	0.15	0.20	-	0.20	United Ways Mumbai

United Way of Mumbai (UWM)

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

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



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

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

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

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

M B N Rao
Chairman of the Committee
DIN : 00287260

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

Rajasekhar Kaza
Rajasekhar Kaza
Director
DIN : 07119359




ANNEXURE II TO THE DIRECTORS' REPORT

Statement pursuant to section 197(12) of the Companies Act, 2013 and Rules 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended December 31, 2015

Notes :

- (1) Remuneration received includes basic salary, house rent allowance, city compensatory allowance, commission/profit share, value of rent free accommodation, Company's contribution to provident fund, contribution to superannuation & gratuity funds, leave travel allowance, medical and other reimbursements as per the Rules of the Company
- (2) Remuneration includes perquisite value of the stock options allotted during the year
- (3) Nature of employment is contractual for all employees. Other terms and conditions are as per the Company's Rules
- (4) None of the below employees is related to any of the Directors of the Company
- (5) Designation, nature of duties are as on December 31, 2015
- (6) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the group as a whole, the amount pertaining to key management personnel is not included above.

Sr. No.	Name of the Employee	Designation / Nature of Duties	Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Previous Designation	Previous Employment Company
1	Abhay Kantak	Director	Master of Public Affairs	41	16	04-07-2005	66,74,721	Graduate Research Assistant	Centre for Transportation Research, University of Texas at Austin
2	Arunkumar G Iyer	Director	ICWA, Associate of Chartered Management Account	39	19	02-05-2006	62,34,128	Branch Manager	Bank of Baroda
3	Brijgopal Ladda	Director	PGDB (Banking), PGDP (planning)	46	22	03-11-2005	73,52,146	Vice President	Wilbur Smith Associates Pvt Limited
4	Krishna Gangopadhyay	Director	MBA - IIM	39	15	14-07-2014	63,51,313	Manager	AT Kearney Ltd.

Sr. No	Name of the Employee	Designation / Nature of Duties	Qualification	Age (Years)	Experience (Years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Previous Designation	Previous Employment Company
5	Manish Jaiswal	Senior Director	BE	47	24	23-04-2012	1,90,69,961	Executive Vice President	Dhanlaxmi Bank
6	Mohamed Mustafa Umar Shaikh	Director	BCA, Diploma in Electrical Engg.	39	17	16-04-2003	1,00,47,426	Sr. Software Engineer	Sumraz Infotech
7	Mridul Muralidharan*	Manager	PGDM, B.Tech	32	9	14-06-2010	10,56,873	Manager	ABG Infralogistic Ltd.
8	Rahul Ramesh Bedmutha*	Associate Director	MBA Finance, DBF, CWA	36	12	03-05-2004	13,36,792	-	-
9	Rakesh K Bangera	Director	BE, MFM	43	21	21-09-2004	92,90,792	Senior Manager	Fortress Financial Services Limited
10	Ravi Poddar	Director	BA, MA, MBA	48	23	15-02-2006	77,30,955	Consultant	JPS Associates
11	Sameer Bhatia	President	BE (Elect.), MBA	47	23	27-08-2012	1,45,98,599	Senior Director	Deloitte India
12	Vivek Sharma	Director	MBE	37	15	20-12-2004	65,38,284	Director	TERI, India Habitat Centre

* indicates employment for a part of the year.

For CRISIL Risk and Infrastructure Solutions Limited



M. B. N. Rao

Chairman

DIN : 00287260

Mumbai, February 6, 2016



ANNEXURE III TO THE DIRECTORS' REPORT

Form No. AOC - 2

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

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

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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Not Applicable								

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. No.	Name of the related party and nature of relationship (a)	Nature of contracts / arrangements / transactions (b)	Duration of contracts / arrangements / transactions (c)	Salient features of contracts / arrangements / transactions, including value, if any (d)	Justification for entering into such contracts / arrangements / transaction (e)	Date (s) of approval by the Board/ Audit Committee (f)	Amount paid as advances, if any (g)	Date on which special resolution was passed in general meeting u/s 188(1) (h)
NONE								

ANNEXURE IV TO THE DIRECTORS' REPORT

Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U72100MH2000PLC128108
ii.	Registration Date	04/08/2000
iii.	Name of the Company	CRISIL Risk and Infrastructure Solutions Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	CRISIL House, Central Avenue Hiranandani Business Park Powai, Mumbai 400 076 Tel. : 022-3342 3000; Fax : 022-3342 3810 CIN : U72100MH2000PLC128108 e-mail: shivangi.rajpopat@crisil.com
vi.	Whether listed company Yes / No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	None

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Financial Management Consulting Services	66190	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	L67120MH1987PLC042363	Holding company	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	4,99,99,970	4,99,99,970	100%	-	4,99,99,970	4,99,99,970	100%	Nil
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	4,99,99,970	4,99,99,970	100%	-	4,99,99,970	4,99,99,970	100%	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	4,99,99,970	4,99,99,970	100%	-	4,99,99,970	4,99,99,970	100%	Nil

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4,99,99,970	4,99,99,970	100%	-	4,99,99,970	4,99,99,970	100%	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	CRISIL Limited	4,99,99,900	100.00%	Nil	4,99,99,900	100.00%	Nil	Nil
2.	Ramraj Pai (as a nominee of CRISIL Limited)	10	0.00%	Nil	10	0.00%	Nil	Nil
3.	Subodh Kumar Rai (as a nominee of CRISIL Limited)	10	0.00%	Nil	10	0.00%	Nil	Nil
4.	Amish Mehta (as a nominee of CRISIL Limited)	10	0.00%	Nil	10	0.00%	Nil	Nil
5.	Rajasekhar Kaza (as a nominee of CRISIL Limited)	10	0.00%	Nil	10	0.00%	Nil	Nil
6.	Raman Uberoi (as a nominee of CRISIL Limited)	20	0.00%	Nil	20	0.00%	Nil	Nil
7.	V. Srinivasan (as a nominee of CRISIL Limited)	10	0.00%	Nil	10	0.00%	Nil	Nil
	Total	4,99,99,970	100.00%	Nil	4,99,99,970	100.00%	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	CRISIL Limited and its nominees*				

At the beginning of the year	4,99,99,970	100.00%	4,99,99,970	100.00%
Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
At the end of the year	4,99,99,970	100.00%	4,99,99,970	100.00%

*** During the year, share were transferred between the nominees as under :**

- 1) February 13, 2015 – From Arun Panicker to Amish Mehta, as nominee of CRISIL Limited
- 2) February 13, 2015 – From Mukesh Agarwal to Subodh Kumar Rai, as nominee of CRISIL Limited
- 3) April 16, 2015 – From G. Ravishankar to Amish Mehta, as nominee of CRISIL Limited
- 4) July 16, 2015 – From Roopa Kudva to Ramraj Pai, as nominee of CRISIL Limited

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	The Company is a wholly-owned subsidiary of CRISIL Limited				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. M. B. N. Rao				
	At the beginning of the year	Nil	0.00%	Nil	0.00%
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
	At the end of the year	Nil	0.00%	Nil	0.00%

2. Mr. Yann Le Pallec					
At the beginning of the year	Nil	0.00%	Nil	0.00%	
Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change				
At the end of the year	Nil	0.00%	Nil	0.00%	
3. Mr. Rajasekhar Kaza (shares held as nominee of CRISIL Limited)					
At the beginning of the year	Nil	0.00%	Nil	0.00%	
April 16, 2015 – Transfer from a nominee of CRISIL Limited	10	0.00%	10	0.00%	
At the end of the year	10	0.00%	10	0.00%	
4. Mr. Ravinder Singhania (Alternate to Mr. Yann Le Pallec)					
At the beginning of the year	Nil	0.00%	Nil	0.00%	
Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change				
At the end of the year	Nil	0.00%	Nil	0.00%	

V. INDEBTEDNESS – NOT APPLICABLE

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil

ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

NOT APPLICABLE

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors :

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
1.	Independent Directors	Mr. M. B. N. Rao	---	---	---	
	Fee for attending board / committee meetings (Rs.)	60,000	N.A.	N.A.	N.A.	60,000
	Commission (Rs.)	2,00,000	N.A.	N.A.	N.A.	2,00,000
	Others, please specify (Rs.)	Nil	N.A.	N.A.	N.A.	Nil
	Total (1) (Rs.)	2,60,000	N.A.	N.A.	N.A.	2,60,000

2.	Other Non-Executive Directors	---	Mr. Rajasekhar Kaza	Mr. Yann Le Pallec	Mr. Ravinder Singhania	
	Fee for attending board / committee meetings (Rs.)	N.A.	Nil	Nil	Nil	Nil
	Commission (Rs.)	N.A.	Nil	Nil	Nil	Nil
	Others, please specify (Rs.)	N.A.	Nil	Nil	Nil	Nil
	Total (2) (Rs.)	N.A.	Nil	Nil	Nil	Nil
	Total (B)=(1+2) (Rs.)		Nil	Nil	Nil	
	Total Managerial Remuneration (A+B) (Rs.)		Nil	Nil	Nil	
	Overall Ceiling as per the Act (%)	3% of the Net Profits equivalent to Rs.0.09 crore with respect to the ceiling for the Company applicable for the financial year covered by this Report				

N.A. : Not Applicable

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	Rs. _____	N.A.	Rs. _____
2.	Stock Option	N.A.	Nil	N.A.	
3.	Sweat Equity	N.A.	Nil	N.A.	
4.	Commission - as % of profit - others, specify...	N.A.	Nil	N.A.	
5.	Others, please specify	N.A.	Nil	N.A.	
	Total	N.A.	Rs. _____	N.A.	Rs. _____

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A.	Company				
Penalty					
Punishment					
Compounding					
B.	Directors				
Penalty					
Punishment					
Compounding					
C.	Other Officers in Default				
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT

To the Members of CRISIL Risk and Infrastructure Solutions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of CRISIL Risk and Infrastructure Solutions Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



S.R. BATLIBOI & CO. LLP

Chartered Accountants


Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at December 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on December 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


per Jayesh Gandhi
Partner
Membership Number: 037924
Place of Signature: Mumbai
Date: February 6, 2016



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

Re: CRISIL Risk and Infrastructure Solutions Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for sale of goods and for rendering of services. The activities of the Company do not involve purchase of inventory. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, service tax, and cess on account of any dispute, are as follows:



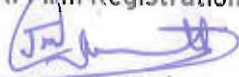
S.R. BATLIBOI & CO. LLP

Chartered Accountants

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
		5,33,423	A.Y. 2005-06	Commissioner of Income Tax (Appeals)
		35,68,464	A.Y. 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	68,84,810	A.Y. 2008-09	Income Tax Appellate Tribunal
		66,57,029	A.Y. 2010-11	Income Tax Appellate Tribunal
		1,05,87,153	A.Y. 2011-12	Commissioner of Income Tax (Appeals)
		34,88,163	A.Y. 2012-13	Commissioner of Income Tax (Appeals)
Finance Act	Service Tax	86,60,064	F.Y. 2008-09	Assistant of Service Tax Division - III, Mumbai

- (vii) (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company has not taken any loans from financial institutions, banks and has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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


per Jayesh Gandhi
Partner
Membership Number: 037924
Place: Mumbai
Date: February 6, 2016



CRISIL Risk and Infrastructure Solutions Limited
Balance Sheet as at December 31, 2015

Particulars	Notes	As at	
		December 31, 2015 Rupees	December 31, 2014 Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	49,999,970	49,999,970
Reserves and surplus	4	492,782,117	475,038,261
Non-current liabilities			
Other liabilities	5	6,267,637	8,218,841
Current liabilities			
Trade payables	6	61,478,825	66,765,014
Other liabilities	7	123,311,943	68,739,449
Provisions	8	31,591,403	27,979,017
TOTAL		765,431,895	696,740,552
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets			
Tangible assets	9	9,605,306	9,217,595
Intangible assets under development		24,800,940	-
Deferred tax assets (Net)	10	25,246,898	25,634,058
Loans and advances	11	112,633,862	82,458,740
Other assets	12	2,930,261	3,248,942
Current assets			
Investments	13	144,064,927	133,678,964
Trade receivables	14	208,774,188	271,006,321
Cash and bank balances	15	109,377,452	129,306,011
Loans and advances	16	42,157,956	33,462,829
Other assets	17	85,840,105	8,727,092
TOTAL		765,431,895	696,740,552
Summary of significant accounting policies	1, 2		

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

As per our report of even date

For S.R. BATLIBOI & CO. LLP
 ICAI Firm registration number :301003E

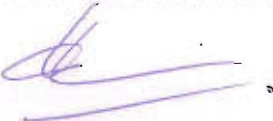
Chartered Accountants



per Jayesh Gandhi
 Partner
 Membership No. 037924



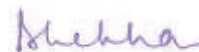
For and on behalf of the Board of Directors of
 CRISIL Risk and Infrastructure Solutions Limited



M.B.N.Rao
 Director



Shivangi Rajpopat
 Company Secretary



Rajasekhar Kaza
 Director

Date: 06th February , 2016
 Place: Mumbai

Date: 06th February , 2016
 Place: Mumbai

CRISIL Risk and Infrastructure Solutions Limited
Statement of profit and loss for the year ended December 31, 2015

Particulars	Notes	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
INCOME			
Income from operations	18	664,355,422	635,284,729
Other income	19	23,494,114	16,744,772
TOTAL		687,849,536	652,029,501
EXPENSES			
Personnel expenses	20	325,636,176	298,853,814
Establishment expenses	21	50,123,928	51,108,221
Other expenses	22	278,097,602	230,601,776
Depreciation	2	6,112,172	6,218,789
TOTAL		659,969,878	586,782,600
Profit before tax		27,879,658	65,246,901
Tax expense			
Current tax		9,748,640	18,426,119
Deferred tax		387,162	(77,129)
Total tax expense (Refer note 25)		10,135,802	18,348,990
Profit after tax		17,743,856	46,897,911
Profit/(loss) for the year from operations		17,743,856	46,897,911
Earnings per share : Nominal value of Rs.1 per share			
Basic and Diluted earnings per share computed on the basis of profit from operations		0.35	0.94
Number of Shares used in Computing Basic and Diluted Earnings Per Share		49,999,970	49,999,970
Summary of significant accounting policies	1, 2		

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

As per our report of even date

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



 per Jayesh Gandhi
 Partner
 Membership No. 037924



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


 M.B.N. Rao
 Director

 Shiyangi Rajpopat
 Company Secretary


 Rajasekhar Kaza
 Director

Date: 06th February , 2016
 Place: Mumbai

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 Place: Mumbai

CRISIL Risk and Infrastructure Solutions Limited
Cash Flow Statement for the year ended December 31, 2015

Particulars	Year Ended	Year Ended
	December 31, 2015	December 31, 2014
	Rupees	Rupees
A. Cash Flow from operating activities :		
Profit before tax	27,879,658	65,246,901
Non cash adjustments for :		
Depreciation	6,112,172	6,218,789
Unrealised foreign exchange (gain) / loss	3,488,420	(2,946,778)
(Profit)/ loss on sale of fixed assets	(70,479)	(424,953)
(Profit) on sale of investments	(15,699,884)	(300,069)
Provision for bad debts/ write offs	19,643,095	11,367,483
Interest on deposits	(7,668,812)	(8,383,747)
Dividend income received from current investments	-	(7,118,823)
Operating profit before working capital changes	33,684,170	63,658,803
Movements in working capital :		
- (Increase)/decrease in trade receivables	40,280,695	(100,379,658)
- (Increase)/decrease in earnest money and other deposits	(3,363,665)	(2,890,883)
- (Increase)/decrease in loans and advances	4,765,342	(12,122,640)
- (Increase)/decrease in prepaid expenses	(9,390,828)	(1,132,938)
- (Increase)/decrease in unbilled revenue	(76,854,041)	28,747,923
- Increase/(decrease) in trade payables	(7,297,911)	9,037,196
- Increase/(decrease) in fee received in advance	31,900,338	(1,147,189)
- Increase/(decrease) in provision for leave encashment	3,612,386	2,977,685
- Increase/(decrease) in provision for gratuity	-	(471,334)
- Increase/(decrease) in other liabilities	21,999,580	6,940,234
Cash generated from operations	39,336,066	(6,782,801)
- Taxes paid	(41,687,077)	(33,190,543)
Net cash generated (used in)/from operating activities - (A)	(2,351,011)	(39,973,344)
B. Cash flow from investing activities :		
Purchase of fixed assets	(30,249,384)	(7,608,781)
Proceeds from sale of fixed assets	110,113	435,522
Capital Advance	-	(1,091,073)
Investments in mutual funds	(357,805,319)	(210,875,148)
Sale proceeds from investments in mutual funds	363,119,239	249,064,252
Investment in fixed deposits (for original maturity greater than 3 months)	(9,558,520)	(19,838,932)
Proceeds from fixed deposit maturity	5,822,502	22,951,412
Interest on fixed deposits	7,155,594	8,332,375
Dividend income received from current investments	-	7,118,823
Net cash generated (used in)/from investing activities - (B)	(21,405,775)	48,488,450
C. Cash flow from financing activities :		
Net cash generated from/(used in) financing activities - (C)	-	-
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D)	(300,761)	(198,750)
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	(24,057,547)	8,316,356
Cash and cash equivalents - Opening balance	55,349,172	47,032,816
Cash and Cash Equivalents - Closing balance	31,291,625	55,349,172
Net Increase/(decrease) in Cash and Cash Equivalents	(24,057,547)	8,316,356
Components of cash and cash equivalents as at 31st Dec 2015		
With banks on current account	23,349,865	44,932,143
Deposits with original maturity of less than three months	7,941,760	10,417,029
	31,291,625	55,349,172

The accompanying notes form an integral part of the Cash flow statement.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 037924



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

M.B.N.Rao
Director
Shivang Rajpopat
Company Secretary

Rajasechar Kaza
Director

Date: 06th February, 2016
Place: Mumbai

Date: 06th February, 2016
Place: Mumbai

1 Nature of Operations

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

1.1 Basis of Preparation of Financial Statement

The financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India ("Indian GAAP"). The Company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year.

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

2 Summary of Significant Accounting Policies

2.1 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.2 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets.

Intangible assets acquired separately are measured on initial recognition at cost if it meets criteria, in line with accounting standards 26. Cost of internally generated intangible assets, during development phase, is capitalised. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.3 Depreciation/ Amortisation

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

Assets	Useful life	Schedule II Useful life
Furniture and Fixtures	10 Years	10 Years
Office Equipment	10 Years	5 Years
Office Equipment's (Mobile Instruments)	3 Years	5 Years
Computers	3 Years	3 Years
Vehicles	3 Years	8 Years

Leaschold Improvements are amortized over the lease term or useful life of the asset, over 1-9 years

Intangible assets are amortised over a period of 1-3 years.

2.4 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

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

2.5 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.6 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

2.7 Revenue Recognition

Income from Operations

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from operations comprises of income from infrastructure advisory and risk management services. Revenue from infrastructure advisory services are recognized as income in the year in which such assessments/assignments are carried out or milestones achieved as specified in the respective contracts. Revenue from risk management services comprises of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognized upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from sale of software which involves customization is recognized in accordance with the percentage completion method. Revenue from annual maintenance contracts are recognised on a time proportion basis. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates. Service income accrued but not billed represents revenue recognized on contracts to be billed in the subsequent period, in accordance with terms of the contract.



Interest income

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

Dividend income

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

Profit/(loss) on sale of investment

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

2.8 Retirement and Other Employee Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

The Company provides gratuity a defined benefit plan to the eligible employees. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method

Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

2.9 Foreign Currency Translation

Initial Recognition

Foreign currency transactions are recorded in reporting currency (INR) by applying to the foreign currency amount to the monthly average exchange rates for the respective periods in which the transaction takes place.

Conversion

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference

Exchange differences, arising on settlement of monetary items or on Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

2.10 Segment Reporting Policies

Identification of segments

The Company operates in a single primary business segment - providing advisory services.

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

2.11 Taxes on income

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act of 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available

2.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, ESOS, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.14 Cash and Cash Equivalents

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

2.15 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

3. Share capital	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Authorised Capital: 60,000,000 Equity Shares of Re. 1 each (P.Y. 60,000,000 of Re.1 each)	60,000,000	60,000,000
Issued, Subscribed and Paid Up: 49,999,970 Equity Shares (P.Y. 49,999,970 Equity Shares) of Re. 1 each, fully paid-up All the shares are held by the Holding Company, CRISIL Limited, which also includes 70 shares (P.Y 70 shares) held by nominees on behalf of the Holding Company. The Ultimate Holding Company is The McGraw-Hill Financial Inc.	49,999,970	49,999,970
Total	49,999,970	49,999,970

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

Equity shares

Particulars	As at December 31,2015	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	49,999,970	49,999,970
Outstanding at the end of the year	49,999,970	49,999,970
Particulars	As at December 31, 2014	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	49,999,970	49,999,970
Outstanding at the end of the year	49,999,970	49,999,970

(b) Terms/ rights attached to equity shares

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

In the 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 or their subsidiaries

Out of equity shares issued by the company, shares held by its holding company are as below:

Particulars	As at December 31,2015 Rupees	As at December 31,2014 Rupees
49,999,970 Equity Shares of Re. 1 are held by CRISIL Limited, Holding Company (P.Y. 49,999,970 of Re. 1 each)	49,999,970	49,999,970

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at December 31,2015	
	% holding in the class	Nos.
<i>Equity shares of Re. 1 each fully paid</i> CRISIL Limited, Holding Company	100%	49,999,970

Name of the shareholder	As at December 31,2014	
	% holding in the class	Nos.
<i>Equity shares of Re. 1 each fully paid</i> CRISIL Limited, Holding Company	100%	49,999,970

Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date is Nil.



CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

4. Reserves and surplus	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Surplus/ (deficit) in the statement of profit and loss		
Opening Balance	475,038,261	428,140,350
Add / (Less): Profit for the year	17,743,856	46,897,911
Net surplus in the statement of profit and loss	492,782,117	475,038,261

5. Other Liabilities	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Non-Current		
Rent Deferment	6,267,637	8,218,841
Total	6,267,637	8,218,841

6. Trade payables	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
Total outstanding dues of micro enterprises and small enterprises (Refer note 24)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	61,478,825	66,765,014
Total	61,478,825	66,765,014

7. Other liabilities	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
Other current liabilities		
Statutory liabilities	23,906,618	17,237,073
Rent Deferment	2,107,710	927,145
Others	46,877,016	32,727,547
Unearned revenue	50,420,599	17,847,684
Total	123,311,943	68,739,449

8. Provisions	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
For employee benefits		
For leave benefits	31,591,403	27,979,017
Total	31,591,403	27,979,017



CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements
9. Fixed Assets

in Rupees

Particulars	Gross Block			Accumulated Depreciation/Amortization			Net Block		
	As on January 1, 2015	Additions	Deductions / Adjustments	As on December 31, 2015	As on January 1, 2015	For the Year	Deductions / Adjustments	Up to December 31, 2015	As on December 31, 2015
Tangible assets	1,578,946	481,207	629,182	1,430,971	1,200,299	256,203	617,181	839,321	591,650
Office Equipments	32,768,532	3,459,187	14,141,257	22,086,462	25,547,173	4,314,657	14,113,624	15,748,206	6,338,256
Computers	8,002,995	2,599,123	1,118,916	9,483,202	6,385,406	1,541,312	1,118,916	6,807,802	2,675,400
Vehicles	42,350,473	6,539,517	15,889,355	33,000,635	33,132,878	6,112,172	15,849,721	23,395,329	9,605,306
Total									

in Rupees

Particulars	Gross Block			Accumulated Depreciation/Amortization			Net Block		
	As on January 1, 2014	Additions	Deductions	As on December 31, 2014	As on January 1, 2014	For the Year	Deductions / Adjustments	Up to December 31, 2014	As on December 31, 2014
Tangible assets	1,307,466	287,080	15,600	1,578,946	989,232	216,096	5,029	1,200,299	378,647
Office Equipments	31,962,601	6,371,151	5,565,220	32,768,532	26,715,238	4,397,156	5,565,221	25,547,173	7,221,359
Computers	8,357,664	950,550	1,305,219	8,002,995	6,085,088	1,605,537	1,305,219	6,385,406	1,617,589
Vehicles	41,627,731	7,608,781	6,886,039	42,350,473	33,789,558	6,218,789	6,875,469	33,132,878	9,217,595
Total									



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CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

	As at December 31,2015 Rupees	As at December 31,2014 Rupees
10. Deferred tax asset		
<u>Deferred tax asset</u>		
On fixed assets	2,117,342	2,077,273
On lease rent amortisation	2,726,385	2,967,415
On provision for leave encashment	8,229,367	8,473,652
On provision for bonus and commission	3,346,780	2,302,139
On provision for bad debts	7,110,398	5,937,767
On disallowance under section 40(a)	1,716,626	3,875,812
Net deferred tax asset - Total	25,246,898	25,634,058
11. Loans and advances		
	As at December 31,2015 Rupees	As at December 31,2014 Rupees
<u>Non-Current</u>		
<u>Earnest money and other deposits</u>		
Unsecured, considered good	468,051	619,600
<u>Other loans and advances</u>		
Advance income-tax (net of provision for taxation)	108,740,865	76,802,430
Gratuity	3,424,946	5,036,710
Total	112,633,862	82,458,740
12. Other assets		
	As at December 31,2015 Rupees	As at December 31,2014 Rupees
<u>Non-current</u>		
Interest accrued on fixed deposits	350,632	276,343
<u>Other bank balances</u>		
- Deposits with original maturity for more than 12 months	2,579,629	2,972,599
(Deposit includes Fixed Deposits with Banks Rs. 1,834,548 (P.Y. Rs. 1,979,488) marked as lien for Guarantees issued by Banks on behalf of the Company (Refer note 23).		
Total	2,930,261	3,248,942
13. Investments		
	As at December 31,2015 Rupees	As at December 31,2014 Rupees
<u>Non-trade investments (At Cost Or Market Value, whichever is less) *</u>		
<u>Investments In Mutual Funds</u>		
NIL units (P.Y.: 97,103.00 units) of Face Value Rs.100 each ICICI Prudential Money Market Fund - Direct Plan - Growth	-	18,014,403
NIL units (P.Y.: 276,434.00 units) of Face Value Rs.100 each ICICI Prudential Liquid - Direct Plan - Growth	-	54,854,708
29,216.21 Units (P.Y.: NIL units) of Face Value Rs.1000 each Axis Liquid - Direct Plan - Growth	47,999,999	-
16,749.10 units (P.Y.: 185,056.93 units) of Face Value Rs 1000 each HDFC Liquid Fund - Direct Plan- Growth	49,000,000	4,897,051
NIL units (P.Y.: 26,530.00 units) of Face Value Rs. 10 each SBI PLF - Direct Plan - Daily Dividend Plan	-	55,912,802
1,406,544.38 Units (P.Y. NIL units) of Face Value Rs.10 each Sundaram Money Fund - Direct Plan - Growth	44,000,000	-
1,311.98 Units (P.Y. NIL units) of Face Value Rs.1000 each TATA Money Market Fund - Direct Plan-Growth	3,064,928	-
Total	144,064,927	133,678,964
*Aggregate NAV value of Company's investment in Unquoted Mutual Funds	144,331,376	136,573,303



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CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

14. Trade Receivables	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
<u>Unsecured, considered good</u>		
<u>Outstanding for a period exceeding six months</u>		
Unsecured, considered good	2,563,277	25,574,499
Considered doubtful	17,655,290	15,718,755
Other receivables		
Unsecured, considered good	206,210,911	245,431,822
Less : Provision for doubtful receivables	(17,655,290)	(15,718,755)
Total	208,774,188	271,006,321

15. Cash and bank balances	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Cash and cash equivalents		
<u>Balances with banks:</u>		
- On current accounts	23,349,865	44,932,143
- Deposits with original maturity of less than three months (Deposit includes Fixed Deposits with Banks Rs.19,33,203 (P.Y. Rs.3,760,000) marked as lien for Guarantees issued by Banks on behalf of the Company. (Refer Note 23)	7,941,760	10,417,029
	31,291,625	55,349,172
<u>Deposits more than 3 months</u>		
- Deposits with original maturity within 12 months (Deposit includes Fixed Deposits with Banks Rs.4,67,71,093 (P.Y. Rs. 44,923,918) marked as lien for Guarantees issued by Banks on behalf of the Company (Refer note 23)).	78,085,827	73,956,839
Total	109,377,452	129,306,011

16. Loans and advances	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
<u>Earnest money and other deposits</u>		
Unsecured, considered good	10,396,391	6,881,177
Considered doubtful	4,185,913	2,797,269
	14,582,304	9,678,446
Less : Provision for doubtful earnest money and other deposits	(4,185,913)	(2,797,269)
	10,396,391	6,881,177
Advances recoverable in cash or kind	7,349,472	14,179,543
<u>Other loans and advances</u>		
Prepaid expenses	12,406,801	3,015,973
Loans to employees	5,262,156	2,529,019
Capital advance	-	1,091,073
Service tax input credit receivable	6,743,136	5,766,044
Total	42,157,956	33,462,829

17. Others Assets	As at December 31,2015 Rupees	As at December 31,2014 Rupees
Current		
<u>Unsecured, considered good unless stated otherwise</u>		
<u>Other bank balances</u>		
Interest accrued on fixed deposits	3,091,620	2,652,691
Unbilled Revenue	82,748,485	6,074,401
Total	85,840,105	8,727,092



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CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

18. Income from operations	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
Income from advisory services	455,074,520	416,259,347
Income from risk management services	120,727,161	128,931,437
Fee from annual maintenance service contracts for risk management solutions	88,553,741	90,093,945
Total	664,355,422	635,284,729

19. Other income	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
Interest income on fixed deposits	7,668,812	8,383,747
Interest on Short Term Loan to Employees	39,455	134,867
Dividend income on current investments	-	7,118,823
Net gain on sale of current investments	15,699,884	300,069
Foreign exchange gain (net)	-	370,513
Miscellaneous income	15,484	11,800
Profit on sale of fixed assets (net)	70,479	424,953
Total	23,494,114	16,744,772

20. Personnel expenses	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
Salaries, wages and bonus	278,133,347	252,291,143
Contribution to PF & Other Funds	10,431,490	9,258,280
Contribution to gratuity funds (Refer Note 31)	3,429,093	4,790,961
Staff welfare expenses	4,340,454	4,158,019
Add : Allocation of overhead expense by holding Company	29,301,792	28,355,411
Total	325,636,176	298,853,814

21. Establishment expenses	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
Repairs and maintenance - Buildings	4,667,078	3,626,492
Repairs and maintenance - Others	12,951,519	13,185,466
Electricity	4,012,522	3,487,027
Communication expenses	3,227,581	3,174,428
Rent (refer note: 29)	20,662,183	20,272,867
Rates and taxes	44,132	2,576,518
Add : Allocation of overhead expense by holding Company	4,558,913	4,785,423
Total	50,123,928	51,108,221

22. Other expenses	Year Ended December 31, 2015 Rupees	Year Ended December 31, 2014 Rupees
Printing and stationery	3,504,251	3,732,344
Conveyance and travelling	56,164,711	65,057,974
Data subscription	882,501	743,059
Remuneration to non-whole time directors	260,000	470,000
Business promotion and advertisement	735,599	948,781
Foreign exchange loss (net)	1,466,024	-
Professional fees	161,674,090	122,319,733
Professional fees- Associate services	8,366,375	5,931,602
Software purchase & maintenance expenses	1,572,199	2,765,552
Provision for doubtful debt / bad debts	19,643,095	11,367,483
Auditors' remuneration (Refer Note 27)	897,440	879,678
Recruitment expenses	2,099,281	1,897,145
Corporate social responsibility expense (Refer Note 33)	2,000,000	-
Miscellaneous expenses	7,394,579	3,477,302
Add : Allocation of overhead expense by holding Company	11,437,457	11,011,123
Total	278,097,602	230,601,776



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23 Details of contingent liabilities and capital commitment are as under :

Particulars	As at December 31, 2015 Rupees	As at December 31, 2014 Rupees
<u>Contingent Liabilities</u>		
1. Bank Guarantees in the normal course of business	5,05,38,844	5,06,63,406
<u>2. Disputed income tax & service tax demand:</u>		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	4,03,79,106	4,15,73,721
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	-	60,19,139
	9,09,17,950	9,82,56,265
<u>3. Capital Commitment</u>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	13,18,555	1,20,896
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows.		
Total	9,22,36,505	9,83,77,161

24 The Company has a process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.

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

26 Payment in Foreign Currency

a) Expenditure in foreign currency

Particulars	Year ended December 31, 2015 Rupees	Year ended December 31, 2014 Rupees
Professional Fees <u>In any other matter:</u>	4,15,26,947	2,30,25,104
Foreign Travel	1,86,10,072	1,48,58,725
Other Expenses	4,693	12,31,322
Total	6,01,41,712	3,91,15,151

b) Earnings in foreign currency Rs. 197,748,734/- (P.Y. Rs.260,646,448/-)

27 Auditors' remuneration :

Particulars	Year ended December 31, 2015 Rupees	Year ended December 31, 2014 Rupees
Audit fees	5,70,000	5,70,000
<u>In any other matter:</u>		
Certification	33,830	35,000
Tax Audit fees	2,30,000	2,30,000
Out of Pocket Expenses	63,610	44,678
Total	8,97,440	8,79,678

28 The Company is engaged in the business of providing advisory services, being its primary segment. During the year, the Company was engaged in only one business segment. The following table shows the distribution of the Company's consolidated sales & net assets by geographical market (secondary segment):

Particulars	Revenue Year ended December 31, 2015 Rupees	Revenue Year ended December 31, 2014 Rupees	Net Assets As at December 31, 2015 Rupees	Net Assets As at December 31, 2014 Rupees
India	46,66,06,720	37,46,38,281	36,64,13,364	30,51,69,319
Europe	76,92,243	4,66,14,033	36,70,122	1,63,17,580
North America	3,17,71,633	5,60,09,597	97,85,313	2,02,58,491
Rest of the world	15,82,84,826	15,80,22,818	3,84,23,686	9,05,74,588
Total	66,43,55,422	63,52,84,729	41,82,92,485	43,23,19,978

29 Operating lease

The Company has taken certain office premises on non cancelable operating lease basis. Details as regards payments and future commitments are as under :

Particulars	December 31, 2015 Rupees	December 31, 2014 Rupees
Lease Payment Recognized in Statement of Profit and Loss	2,06,62,183	2,02,72,867
<u>Future Minimum Lease Payments :</u>		
Not later than one year	2,84,000	3,77,809
Later than One Year and not later than 5 Years	1,41,581	-
Total	4,25,581	3,77,809



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30 List of related parties (As per Accounting Standard 18)

Parties	Relationship
<u>Related parties where control exists</u>	
CRISIL Limited	Holding Company
The McGraw-Hill Financial Inc	The Ultimate Holding Company
<u>Other Related parties</u>	
Standard & Poor's Financial Services LLC	Fellow Subsidiary
Standard & Poor's International LLC, USA	Fellow Subsidiary
S&P Capital IQ	Fellow Subsidiary
McGraw-Hill International (U.K) Limited	Fellow Subsidiary
CRISIL Irevna UK Limited	Fellow Subsidiary
CRISIL Irevna USA LLC	Fellow Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Fellow Subsidiary
CRISIL Irevna Poland SP. o	Fellow Subsidiary
CRISIL Irevna Argentina S. A.	Fellow Subsidiary
CRISIL Irevna Information Technology (Hangzhou) Co	Fellow Subsidiary
Coalition Development Limited, UK	Fellow Subsidiary
Coalition Development Systems (India) Private Limited	Fellow Subsidiary
Mercator Info-Services India Private Limited	Fellow Subsidiary
Coalition Development Singapore Pte Limited	Fellow Subsidiary

Transaction with related parties

Related Parties	Nature of transaction	December 31, 2015	December 31, 2014
		Rupees	Rupees
CRISIL Limited	Professional Services Rendered	476,000	10,804,831
	Professional fees incurred	3,020,450	1,185,999
	Expenses incurred	37,220,411	43,472,460
	Share of overhead expenses incurred	45,298,162	44,151,957
	Amount payable (Net)	9,498,188	9,718,236
	Share capital outstanding	49,999,900	49,999,900
	Expense recovered	7,309,423	-
	Expense recovered	-	49,504
Pipal Research Analytics and Information Services India Private Limited			
Standard & Poor's Financial Services LLC	Professional Services Rendered	9,272,816	6,603,168
	Amount receivable	1,791,518	1,707,683
Standard and Poor's International, LLC	Professional Service Rendered	720,000	5,005,147
	Amount Receivable (net)	398,115	4,865,869
McGraw-Hill International (U.K) Limited	Professional fees incurred	20,811,948	6,529,188
	Professional Service Rendered	-	4,893,143
	Amount Payable (net)	-	3,035,880
S&P Capital IQ	Professional Services Rendered	-	8,001,923
	Expense recovered	-	1,120,628
	Amount receivable	-	7,754,655

31 Gratuity and other post-employment benefit plans

In accordance with the Payment of Gratuity Act, 1972 the company provides for gratuity, a defined benefit retirement plan covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Group.

The following tables summaries the components of net benefit expense recognized in the profit and loss statement 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 Employee Cost)

Particulars	Year ended December 31, 2015	Year ended December 31, 2014
	Rupees	Rupees
Current Service cost	2,684,497	2,531,890
Interest cost on benefit obligation	1,217,490	1,163,440
Expected return on plan assets	(1,633,480)	(1,028,750)
Net actuarial (gain)/ loss recognized in the year	1,307,002	2,124,381
Net Gratuity Benefit Expense	3,575,509	4,790,961



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Balance Sheet

Details of Provision for Gratuity Benefit

Particulars	As at December 31, 2015 Rupees	As at December 31, 2014 Rupees
Net present value of Actuarial Valuation	17,541,000	16,008,298
Fair value of plan assets	(20,965,946)	(21,045,008)
Liability / (Assets)	(3,424,946)	(5,036,710)

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

Particulars	December 31, 2015 Rupees	December 31, 2014 Rupees
Opening Defined Benefit Obligation	16,008,298	12,305,103
Current Service Cost	2,684,497	2,531,890
Interest Cost	1,217,490	1,163,440
Actuarial (gain)/loss	1,023,253	2,114,015
Benefits paid	(3,392,538)	(2,106,150)
Closing Defined Benefit Obligation	17,541,000	16,008,298

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

Particulars	December 31, 2015 Rupees	December 31, 2014 Rupees
Opening Fair value of plan assets	21,045,008	11,833,769
Expected return on plan assets	1,633,480	1,028,750
Actuarial gain/ (loss)	(283,459)	(10,361)
Contribution by employer	1,963,455	10,299,000
Benefits paid	(3,392,538)	(2,106,150)
Closing Fair Value of Plan Assets	20,965,946	21,045,008

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

Year Ended	Experience adjustment on plan assets (Rupees)	Experience adjustment on plan liabilities (Rupees)
2015	(283,459)	(255,551)
2014	(10,361)	(158,020)
2013	168,110	268,160
2012	547,390	371,560
2011	931,800	(437,170)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year Ended December 31, 2015 %	Year Ended December 31, 2014 %
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2015/2014)	8.00%	8.75%

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

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

Particulars	Year Ended December 31, 2015 %	Year Ended December 31, 2014 %
Discount Rate	7.90%	8.10%
Estimated rate of return on plan assets	8.50%	8.50%
Expected Employee Turnover		
Age : 20-44 Years		6.50%
Age : 45-58 Years		6.00%
Service < 5 years	20.00%	
Service = > 5 years	10.00%	
Expected Employer's Contribution next year	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	Year Ended December 31, 2015 %	Year Ended December 31, 2014 %
Government securities	52.24%	45.49%
Fixed deposit, debentures and bond	42.26%	49.06%
Others	5.50%	5.45%
Total	100.00%	100.00%

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

32 Details of unhedged foreign exposure

Particulars	As at December 31, 2015 Rupees		As at December 31, 2014 Rupees	
	Assets	Liabilities	Assets	Liabilities
Currency				
USD	94,648,234	50,304,103	113,063,426	8,784,882
EUR	1,644,413	-	11,341,346	298,498
Others	1,922,235	-	8,450,271	-
Total	98,214,883	50,304,103	132,855,043	9,083,380

33 Other expenses for the year ending 2015 include Rs.20 lakhs (P.Y: NIL) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The areas for CSR activities are "empowerment of rural women" and "conservation of environment". During the year funds were allocated and utilised for these activities.



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34 Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date

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

per Jayesh Gandhi
Partner
Membership No. 037924

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

M.B.N.Rao
Director
Srinvasi Rajopati
Company Secretary

Rajasekhara Kaza
Director

Date: 06th February, 2016
Place: Mumbai

Date: 06th February, 2016
Place: Mumbai

