

CRISIL Risk and Infrastructure Solutions Limited

17th Annual Report
2016

Board of Directors:

Mr. M. B. N. Rao	-	Director
Ms. Martina Cheung	-	Director
Mr. Rajasekhar Kaza	-	Director
Mr. Ravinder Singhanian	-	Alternate Director to Ms. Martina Cheung

Company Secretary:

Mr. Hiresh Dhakan

Auditors:

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

Bankers:

ICICI Bank Limited
Indian Overseas Bank
HDFC Bank Limited

Registered Office:

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

Director's Report

To the Members,

The Directors are pleased to present the Seventeenth Annual Report of CRISIL Risk and Infrastructure Solutions Limited, along with the audited accounts for the year ended December 31, 2016.

FINANCIAL SUMMARY

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

Particulars	(Rupees in lakh)	
	Year ended December 31, 2016	Year ended December 31, 2015
Total Income for the year	7,751.34	6,878.50
Profit / (Loss) before depreciation	186.75	339.92
Depreciation	119.08	61.12
Profit / (Loss) before Tax	67.67	278.80
Provision for tax	19.10	101.36
Profit / (Loss) After Tax	48.57	177.44

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. 77.51 crore, higher than previous year by Rs. 8.73 crore. Overall operational expense for the year was Rs. 76.84 crore, as against Rs. 66.00 crore in the previous year. Profit after Tax for the year at Rs. 0.49 crore, 0.63% of revenue, was lower by 72% over Rs.1.77 crore, in the previous year.

REVIEW OF OPERATIONS – 2016

CRISIL Infrastructure Advisory

Highlights

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

Business environment

India's infrastructure sector is at the threshold of significant transformation. The government has launched several new programmes and policy initiatives that have the potential to provide inclusive infrastructure to citizenry. The investment climate has, however, not yet picked up, and infrastructure financing continues to remain a key challenge. The private sector, which was expected to play a key role in infrastructure development, remains wary of investments. The global economic situation has also not improved, amid continued concerns over recovery.

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

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

Operations

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

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

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

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

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

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

CRISIL Risk Solutions (CRS)

Highlights

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

Business environment

The business environment in India has improved significantly with favourable policies on financial inclusion and easing stress on credit quality in the banking industry. With increased focus on strengthening credit risk management and monitoring, demand from banks for our Early Warning System (EWS) and Credit Processing System (CPS) remains strong. Momentum in CRS's rating solution continues in India with small banks and NBFCs showing keen interest in moving to a system-based solution for internal ratings. CRS's non-product service business is also showing good momentum and would be a key growth driver in the next couple of years. We recently executed our first mandate in the

risk services space for a leading NBFC in India. In the international market, especially the Middle East, momentum is building around the need for a credit monitoring tool. Though there is good traction in the market, conversions are key to growth next year.

Operations

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

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

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

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

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, 2016.

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 seven days 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 2016 viz., on February 06, April 18, July 15 and October 13.

The attendance of the directors at the board meetings is as under:

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended out of those held
Mr. M. B. N. Rao	4	4
Ms. Martina Cheung*	2	2

Mr. Rajasekhar Kaza	4	4
Mr. Yann Le Pallec [#]	3	1
Mr. Ravinder Singhanian [^] (Alternate Director)	4	0

* Appointed on July 15, 2016

Resigned with effect from July 15, 2016

[^] Resigned as Alternate Director to Yann Le Pallec but appointed as Alternate Director to Ms. Martina Cheung

COMMITTEES OF THE BOARD

The Company has constituted Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013.

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 2016 - on February 06. The necessary quorum was present for the meeting. The details of composition of the Committee and the meeting held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2016	
			Held during the tenure	Attended out of those held
Mr. M B N Rao	Non-Executive	Chairman	1	1
Mr. Yann Le Pallec	Non-Executive	Member	1	0
Mr. Rajasekhar Kaza	Non-Executive	Member	1	1
Ms. Martina Cheung*	Non-Executive	Member	0	0

* Ms. Martina Cheung was appointed as a member of the Committee w.e.f. July 15, 2016.

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

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are 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 a 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. Rajasekhar Kaza retires by rotation and being eligible, seeks re-appointment.

Ms. Martina Cheung was appointed as an Additional Director of the Company with effect from July 15, 2016. From the said date, Mr. Yann Le Pallec and Mr. Ravinder Singhanian resigned but the latter was appointed as Alternate Director to Ms. Martina Cheung.

All Directors of the Company are Non-Executive Directors. Mr. MBN Rao has confirmed that he meets the criteria of independence set out in Section 149(6) of the Companies Act, 2013.

CHANGE IN COMPANY SECRETARY

Ms. Shivangi Rajpopat (ACS 18770) resigned as Company Secretary of the Company, effective from April 29, 2016. Mr. Hires Dhakan (ACS 24568) was appointed as Company Secretary of the Company, effective from July 15, 2016.

AUDITORS' APPOINTMENT

At the 15th 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 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.

It is proposed to appoint M/s. Walker Chandiook & Co LLP (part of Grant Thornton network) as the new Statutory Auditors of the Company. M/s. Walker Chandiook & Co LLP are proposed to be appointed for a period of 5 continuous years i.e. from the conclusion of this 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting of the Company. M/s. Walker Chandiook & Co LLP, have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. M/s. Walker Chandiook & Co LLP, have also furnished a declaration confirming their independence in terms of Section 141 and declared that they have not taken up any prohibited non-audit assignments for the Company. A brief profile of the Auditors is provided in the Notice of the Annual General Meeting.

The Board recommends appointment of M/s. Walker Chandiook & Co LLP as Statutory Auditors of the Company from the conclusion of 17th Annual General Meeting up to the conclusion of 22nd Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

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.

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, one complaint was received and resolved 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 10, 2017

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, with the following focus areas – (1) strengthen the financial capabilities of socially and economically underprivileged communities; (2) conserve the environment by focusing on relevant programmes in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives; (3) 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 are also covered under the Schedule VII to the Companies Act, 2013, as amended, from time to time; (4) participate and conduct awareness programme for Disaster Management; relief to victims of Natural calamities like earthquake, cyclone, drought & flood situation in India and; (5) 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. The projects are implemented through two flagship programmes – “Mein Pragati”, which conducts interventions to strengthen the financial capabilities of rural men and women, and small and marginalised farmers; and “CRISIL RE”, which primarily empowers its young and vibrant employee base to drive social outcomes.
2. **The Composition of the CSR Committee:** Mr. M. B. N. Rao (Chairman), Ms. Martina Cheung and Mr. Rajasekhar Kaza
3. **Average net profit of the Company for last three financial years (2013-2015):** Rs. 5.47 Crore
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (2013 -2015):** Rs 0.11 Crores
5. **Details of CSR spend during the financial year :**
 - (a) Total amount to be spent for the financial year: Rs. 0.12 Crores
 - (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	Gurgaon	Rs. 0.12 Crores	Rs. 0.12 Crores	-	Rs. 0.12 Crores	Milaap and Advit Foundation

NGO Partners:

Advit Foundation

Advit Foundation is a not for profit organization established in 2004, for environment conservation and livelihood enhancement. Advit seeks to empower communities through various viable options for sustainable development. Advit Foundation is the managing partner for running the Solar Information Centre at the National Institute of Solar Energy, Ministry of New and Renewable Energy, Gol.

Milaap

Milaap is a prominent crowd-funding platform in India, for personal and social causes. The platform has a community of donors and lenders across 120 countries, and have contributed over Rs. 90.18 Cr supporting 49,310 projects across India. Milaap began in 2010, as a micro-lending platform for the rural poor. Carefully selected field partners identify beneficiaries who take loans for education, basic amenities and capital for their micro and small businesses. It slowly metamorphosed into a larger platform to allow individuals and charities showcase their initiatives. Milaap Open was launched in October 2014, and it has helped raise funds for charities, medical expenses, education, volunteering and fellowships, neighbourhood, emergencies, natural disasters, sports, documentaries, arts, and animals rescue projects benefiting individuals or communities in need. Milaap's funders include backing of funders such as Vinod Khosla, Yunus Social Business Fund, DBS Bank.

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

Martina Cheung
Director
DIN : 07551069

ANNEXURE II TO THE DIRECTORS' REPORT

Statement pursuant to section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the Period ended December 31,2016.

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	42	17	4-Jul-05	57,45,646	Graduate Research Assistant	Centre for Transportation Research, University of Texas at Austin
2	Amit Vora	Director	B.Com, PGDM	35	12	25-Apr-05	64,55,197	-	-
3	Brijgopal Ladda	Director	PGDB (Banking), PGDP (planning)	47	23	3-Nov-05	60,80,451	Vice President	Wilbur smith Associates pvt Limited
4	Manish Jaiswal *	Senior Director	BE	48	25	23-Apr-12	55,25,283	Executive Vice President	Dhanlaxmi Bank
5	Mohamed Mustafa Umar Shaikh	Director	Bachelor of Computer App., Diploma in Electrical Engg.	40	18	16-Apr-03	65,86,284	Sr. Software Engineer	Sumraz Infotech
6	Rakesh K Bangera	Director	BE, MFM	44	22	21-Sep-04	93,31,120	Senior Manager	Fortress Financial Services Limited
7	Ravi Poddar	Director	BA,MA,MBA	49	24	15-Feb-06	67,71,278	Consultant	JPS Associates
8	Sameer Bhatia	President	BE (Elect.),MBA	48	24	27-Aug-12	1,56,41,299	Senior Director	Deloitte India
9	Sudhir C Mundhra	Director	B.E.(Comput	49	23	17-Jul-06	53,70,436	Head	InfrasoftTech

			er Science)						India Ltd
10	Vivek Sharma	Director	MBE	38	16	20-Dec-04	89,74,520	Director	TERI, India Habitat Centre

Notes :

- (1) Nature of employment is contractual for all employees. Other terms and conditions are as per the Company's Rules.
- (2) None of the above employees is related to any of the Directors of the Company.
- (3) 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.
- (4) Designation, nature of duties are as on December 31,2016.
- (5) * indicates employment for a part of the year.

* indicates employment for a part of the year.

For CRISIL Risk and Infrastructure Solutions Limited

M. B. N. Rao
Chairman
DIN : 00287260

Mumbai, February 10, 2017

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. AOC - 2

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

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

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

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

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

SI. 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 / transaction	Date (s) of approval by the Board/ Audit Committee	Amount paid as advances , if any	Date on which special resolution was passed in general meeting u/s 188(1) (h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NONE								

On behalf of the Board of Directors

M B N Rao
Chairman
(DIN 00287260)

Mumbai, February 10, 2017

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: hiresh.dhakan@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(46)

**IV. SHARE HOLDING PATTERN
(Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of	No. of Shares held at the beginning of the	No. of Shares held at the end	%
-------------	--	-------------------------------	---

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.	Gurpreet Chhatwal (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%

(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	10	0.00%	10	0.00%
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	No change			

	(e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year	10	0.00%	10	0.00%
4.	Mr. Ravinder Singhania (Alternate to Mr. Yann Le Pallec/ Ms. Martina Cheung)				
	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%
5.	Ms. Martine Cheung[#]				
	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%

[#] Appointed w.e.f. July 15, 2016

^{*} Resigned with effect from July 15, 2016

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.)	1,00,000	N.A.	N.A.	N.A.	1,00,000
	Commission (Rs.)	Nil	N.A.	N.A.	N.A.	Nil
	Others, please specify (Rs.)	Nil	N.A.	N.A.	N.A.	Nil
	Total (1) (Rs.)	1,00,000	N.A.	N.A.	N.A.	1,00,000

2.	Other Non-Executive Directors	Ms. Martina Cheung[#]	Mr. Rajasekhar Kaza	Mr. Yann Le Pallec[*]	Mr. Ravinder Singhania	
	Fee for attending board / committee meetings (Rs.)	Nil	Nil	Nil	Nil	Nil
	Commission (Rs.)	Nil	Nil	Nil	Nil	Nil
	Others, please specify (Rs.)	Nil	Nil	Nil	Nil	Nil
	Total (2) (Rs.)	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act (%)	3% of the Net Profits equivalent to Rs. 2.64 lacs with respect to the ceiling for the Company applicable for the financial year covered by this Report				

[#] Appointed w.e.f. July 15, 2016

^{*} Resigned with effect from July 15, 2016

TOTAL MANAGERIAL REMUNERATION:

Sr. No.	Particulars	Amount
1	Remuneration to Managing Director, Whole-time Directors and/or Manager	N.A.
2	Remuneration to other Directors	1,00,000
	Total Managerial Remuneration (A+B) (Rs.)	1,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD: NOT APPLICABLE

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.
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total	

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					

On behalf of the Board of Directors

M B N Rao
Chairman
(DIN 00287260)

Mumbai, February 10, 2017

CRISIL Risk and Infrastructure Solutions Limited
Balance Sheet as at December 31, 2016

Particulars	Notes	As at	
		December 31, 2016 Rupees	December 31, 2015 Rupees
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	4,99,99,970	4,99,99,970
Reserves and surplus	4	49,76,38,444	49,27,82,117
Non-current liabilities			
Other liabilities	5	46,87,794	62,67,637
Current liabilities			
Trade payables	6	7,62,93,718	5,83,47,107
Other liabilities	7	10,40,01,403	12,64,43,661
Provisions	8	3,64,16,048	3,15,91,403
TOTAL		76,90,37,377	76,54,31,895
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	9	1,12,31,021	96,05,306
Intangible assets	9	10,24,168	-
Intangible assets under development		2,40,21,051	2,48,00,940
Deferred tax assets (Net)	10	2,88,50,203	2,52,46,898
Loans and advances	11	14,70,48,959	11,03,09,356
Other assets	12	12,52,425	29,30,261
Current assets			
Investments	13	6,33,90,352	14,40,64,927
Trade receivables	14	19,12,21,011	20,87,74,188
Cash and bank balances	15	12,21,72,426	10,93,77,452
Loans and advances	16	3,80,49,803	4,44,82,462
Other assets	17	14,07,75,958	8,58,40,105
TOTAL		76,90,37,377	76,54,31,895
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 / E300005
Chartered Accountants

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

per Jayesh Gandhi
Partner
Membership No. 037924

M.B.N. Rao
Director

Martina Cheung
Director

Hiresh Dhakan
Company Secretary

Date: 10th February, 2017
Place: Mumbai

Date: 10th February, 2017
Place: Mumbai

CRISIL Risk and Infrastructure Solutions Limited
Statement of profit and loss for the year ended December 31, 2016

Particulars	Notes	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
INCOME			
Income from operations	18	75,81,63,635	66,43,55,422
Other income	19	1,69,70,852	2,34,94,114
TOTAL		77,51,34,487	68,78,49,536
EXPENSES			
Personnel expenses	20	36,55,34,877	32,56,36,176
Establishment expenses	21	6,48,13,171	5,69,93,928
Other expenses	22	32,61,11,351	27,12,27,602
Depreciation and Amortisation	9	1,19,08,300	61,12,172
TOTAL		76,83,67,699	65,99,69,878
Profit before tax		67,66,788	2,78,79,658
Tax expense			
Current tax		55,13,768	97,48,640
Deferred tax		(36,03,307)	3,87,162
Total tax expense	25	19,10,461	1,01,35,802
Profit after tax		48,56,327	1,77,43,856
Earnings per share : Nominal value of Rs.1 per share			
Basic and Diluted earnings per share computed on the basis of profit from operations		0.10	0.35
Number of Shares used in Computing Earnings Per Share		4,99,99,970	4,99,99,970
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 / E300005
Chartered Accountants

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

per Jayesh Gandhi
Partner
Membership No. 037924

M.B.N. Rao
Director

Martina Cheung
Director

Hiresh Dhakan
Company Secretary

Date: 10th February, 2017
Place: Mumbai

Date: 10th February, 2017
Place: Mumbai

CRISIL Risk and Infrastructure Solutions Limited
Cash Flow Statement for the year ended December 31, 2016

Particulars	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
A. Cash Flow from operating activities :		
Profit before tax	67,66,788	2,78,79,658
Non cash adjustments for :		
Depreciation	1,19,08,300	61,12,172
Unrealised foreign exchange (gain) / loss	(3,73,281)	34,88,420
(Profit)/ loss on sale of fixed assets	(7,20,099)	(70,479)
(Profit) on sale of investments	(73,54,389)	(1,56,99,884)
Provision for bad debts/ write offs	2,09,30,906	1,96,43,095
Provision for earnest money deposit	(3,79,402)	13,88,644
Leave encashment	1,64,62,694	1,55,85,764
Gratuity	42,56,798	34,29,093
Interest on deposits	(72,74,621)	(76,68,812)
Operating profit before working capital changes	4,42,23,694	5,40,87,671
Movements in working capital :		
- (Increase)/decrease in trade receivables	(33,11,533)	4,02,80,695
- (Increase)/decrease in earnest money and other deposits	(31,85,683)	(47,52,309)
- (Increase)/decrease in loans and advances	(13,31,272)	13,36,249
- (Increase)/decrease in prepaid expenses	71,27,110	(93,90,828)
- (Increase)/decrease in unbilled revenue	(5,48,23,061)	(7,68,54,041)
- Increase/(decrease) in trade payables	1,81,36,009	(72,97,911)
- Increase/(decrease) in fee received in advance	4,27,273	3,19,00,338
- Increase/(decrease) in provision for leave encashment	(1,16,38,049)	(1,19,73,378)
- Increase/(decrease) in other liabilities	(2,27,40,688)	2,19,99,580
Cash generated from operations	(2,71,16,200)	3,93,36,066
- Taxes paid	(4,22,95,914)	(4,16,87,077)
Net cash generated (used in)/from operating activities - (A)	(6,94,12,114)	(23,51,011)
B. Cash flow from investing activities :		
Purchase of fixed assets	(1,55,52,270)	(3,02,49,384)
Proceeds from sale of fixed assets	7,85,389	1,10,113
Investments in mutual funds	(28,11,44,012)	(35,78,05,319)
Sale proceeds from investments in mutual funds	36,91,72,976	36,31,19,239
Investment in fixed deposits (for original maturity greater than 3 months)	-	(95,58,520)
Proceeds from fixed deposit maturity	1,17,026	58,22,502
Interest on fixed deposits	72,82,401	71,55,594
Net cash generated (used in)/from investing activities - (B)	8,06,61,510	(2,14,05,775)
C. Cash flow from financing activities :		
Net cash generated from/(used in) financing activities - (C)	-	-
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	1,12,49,396	(2,37,56,786)
Cash and cash equivalents - Opening balance	3,12,91,625	5,53,49,172
Less: Exchange difference on translation of foreign currency cash and cash equivalent	1,33,945	(3,00,761)
Cash and Cash Equivalents - Closing balance	4,26,74,966	3,12,91,625
Net Increase/(decrease) in Cash and Cash Equivalents	1,12,49,396	(2,37,56,786)
Components of cash and cash equivalents (Refer note 15)		
With banks on current account	1,27,00,509	2,33,49,865
Deposits with original maturity of less than three months	2,99,74,457	79,41,760
	4,26,74,966	3,12,91,625

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 / E300005
Chartered Accountants

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

per Jayesh Gandhi
Partner
Membership No. 037924

M.B.N. Rao
Director
Martina Cheung
Director

Hiresh Dhakan
Company Secretary

Date: 10th February, 2017
Place: Mumbai

Date: 10th February, 2017
Place: Mumbai

CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

3. Share capital	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Authorised Capital: 6,00,00,000 Equity Shares of Re. 1 each (P.Y. 6,00,00,000 of Re.1 each)	6,00,00,000	6,00,00,000
Issued, Subscribed and Paid Up: 4,99,99,970 Equity Shares (P.Y. 4,99,99,970 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 S&P Global, Inc.(Formerly Known as McGraw-Hill Financial Inc.)	4,99,99,970	4,99,99,970
Total	4,99,99,970	4,99,99,970

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

Equity shares

Particulars	As at December 31,2016	
	Rupees	Nos.
At the beginning of the year (face value of Re.1/- per share)	4,99,99,970	4,99,99,970
Outstanding at the end of the year	4,99,99,970	4,99,99,970
Particulars	As at December 31,2015	
	Rupees.	Nos.
At the beginning of the year (face value of Re.1/- per share)	4,99,99,970	4,99,99,970
Outstanding at the end of the year	4,99,99,970	4,99,99,970

(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 31,2016 Rupees	As at December 31,2015 Rupees
4,99,99,970 Equity Shares of Re. 1 are held by CRISIL Limited, Holding Company (P.Y. 4,99,99,970 of Re. 1 each)	4,99,99,970	4,99,99,970

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

Name of the shareholder	As at December 31,2016	
	% holding in the class	Nos.
<i>Equity shares of Re. 1 each fully paid</i> CRISIL Limited, Holding Company	100%	4,99,99,970
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%	4,99,99,970

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 31,2016 Rupees	As at December 31,2015 Rupees
Surplus/ (deficit) in the statement of profit and loss		
Opening Balance	49,27,82,117	47,50,38,261
Add / (Less): Profit for the year	48,56,327	1,77,43,856
Net surplus in the statement of profit and loss	49,76,38,444	49,27,82,117
5. Other Liabilities	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Non-Current		
Rent Deferment	46,87,794	62,67,637
Total	46,87,794	62,67,637
6. Trade payables	As at December 31,2016 Rupees	As at December 31,2015 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	7,62,93,718	5,83,47,107
Total	7,62,93,718	5,83,47,107
7. Other liabilities	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Current		
<u>Other current liabilities</u>		
Statutory liabilities	1,83,29,501	2,39,06,618
Rent Deferment	18,10,493	21,07,710
Unearned revenue	5,08,47,872	5,04,20,599
Others	3,30,13,537	5,00,08,734
Total	10,40,01,403	12,64,43,661
8. Provisions	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Current		
<u>For employee benefits</u>		
For leave benefits	3,64,16,048	3,15,91,403
Total	3,64,16,048	3,15,91,403

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, 2016	Additions	Deductions / Adjustments	As on December 31, 2016	As on January 1, 2016	For the Year	Deductions / Adjustments	Up to December 31, 2016	As on December 31, 2016
Tangible assets									
Office Equipments	14,30,971	7,88,213	85,024	21,34,160	8,39,321	4,27,915	19,736	12,47,500	8,86,660
Computers	2,20,86,462	65,36,026	26,12,765	2,60,09,723	1,57,48,206	49,38,726	26,12,764	1,80,74,168	79,35,555
Vehicles	94,83,202	9,45,922	59,33,529	44,95,595	68,07,802	12,12,515	59,33,528	20,86,789	24,08,806
Sub Total	3,30,00,635	82,70,161	86,31,318	3,26,39,478	2,33,95,329	65,79,156	85,66,028	2,14,08,457	1,12,31,021
Intangible assets									
Software	-	63,53,312	-	63,53,312	-	53,29,144	-	53,29,144	10,24,168
Sub Total	-	63,53,312	-	63,53,312	-	53,29,144	-	53,29,144	10,24,168
Total	3,30,00,635	1,46,23,473	86,31,318	3,89,92,790	2,33,95,329	1,19,08,300	85,66,028	2,67,37,601	1,22,55,189

in Rupees

Particulars	Gross Block				Accumulated Depreciation/Amortization				Net Block
	As on January 1, 2015	Additions	Deductions	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									
Office Equipments	15,78,946	4,81,207	6,29,182	14,30,971	12,00,299	2,56,203	6,17,181	8,39,321	5,91,650
Computers	3,27,68,532	34,59,187	1,41,41,257	2,20,86,462	2,55,47,173	43,14,657	1,41,13,624	1,57,48,206	63,38,256
Vehicles	80,02,995	25,99,123	11,18,916	94,83,202	63,85,406	15,41,312	11,18,916	68,07,802	26,75,400
Total	4,23,50,473	65,39,517	1,58,89,355	3,30,00,635	3,31,32,878	61,12,172	1,58,49,721	2,33,95,329	96,05,306

CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

10. Deferred tax asset	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Deferred tax asset		
On fixed assets	26,78,504	21,17,342
On lease rent amortisation	21,48,529	27,26,385
On provision for leave encashment	1,07,04,491	82,29,367
On provision for bonus and commission	22,25,501	33,46,780
On provision for bad debts	80,07,955	71,10,398
On Accrued Revenue	16,17,008	-
On disallowance under section 40(a)	14,68,215	17,16,626
Net deferred tax asset - Total	2,88,50,203	2,52,46,898
11. Loans and advances	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Non-Current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Earnest money and other deposits	14,57,335	1,07,000
Considered doubtful	38,06,511	41,85,913
	52,63,846	42,92,913
Less : Provision for doubtful earnest money and other deposits	(38,06,511)	(41,85,913)
	14,57,335	1,07,000
<u>Other loans and advances</u>		
Advance income-tax (net of provision for taxation)	14,55,23,013	10,87,40,865
Gratuity (Refer note 31)	-	14,61,491
Prepaid expenses	68,611	-
Total	14,70,48,959	11,03,09,356
12. Other assets	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Non-current		
Interest accrued on fixed deposits	2,01,455	3,50,632
<u>Other bank balances</u>		
- Deposits with original maturity for more than 12 months (Deposit includes Fixed Deposits with Banks Rs.63,000 (P.Y. Rs.1,834,548) marked as lien for Guarantees issued by Banks on behalf of the Company (Refer note 23).	10,50,970	25,79,629
Total	12,52,425	29,30,261
13. Investments	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Non-trade investments (At Cost Or Market Value, whichever is less) *		
Investments In Mutual Funds		
1,37,036.10 units (P.Y.NIL) of Face Value Rs.100 each Birla Sun Life Floating Rate Fund - Growth - Direct	2,70,00,000	-
10,07,273.12 units (P.Y.NIL) of Face Value Rs.10 each Kotak Banking & PSU Debt Fund - Direct - Growth	3,63,90,352	-
NIL Units (P.Y.29,216.21 units) of Face Value Rs.1000 each Axis Liquid - Direct Plan - Growth	-	4,79,99,999
NIL units (P.Y.16,749.10 units) of Face Value Rs 1000 each HDFC Liquid Fund - Direct Plan- Growth	-	4,90,00,000
NIL Units (P.Y.1,406,544.38 units) of Face Value Rs.10 each Sundaram Money Fund - Direct Plan – Growth	-	4,40,00,000
NIL Units (P.Y.1,311.98 units) of Face Value Rs.1000 each TATA Money Market Fund - Direct Plan-Growth	-	30,64,928
Total	6,33,90,352	14,40,64,927
*Aggregate NAV value of Company's investment in Unquoted Mutual Funds	6,39,27,482	14,43,31,376

CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

14. Trade Receivables	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Current		
<u>Unsecured, considered good, unless otherwise stated</u>		
<u>Outstanding for a period exceeding six months</u>		
Unsecured, considered good	1,50,54,162	25,63,277
Considered doubtful	2,04,13,781	1,76,55,290
Other receivables		
Unsecured, considered good	17,61,66,849	20,62,10,911
Less : Provision for doubtful receivables	(2,04,13,781)	(1,76,55,290)
Total	19,12,21,011	20,87,74,188

15. Cash and bank balances	As at December 31,2016 Rupees	As at December 31,2015 Rupees
<u>Cash and cash equivalents</u>		
<u>Balances with banks:</u>		
– On current accounts	1,27,00,509	2,33,49,865
– Deposits with original maturity of less than three months (Deposit includes Fixed Deposits with Banks Rs.2,975,712 (P.Y. Rs.1,933,203) marked as lien for Guarantees issued by Banks on behalf of the Company. (Refer note 23)	2,99,74,457	79,41,760
	4,26,74,966	3,12,91,625
<u>Deposits more than 3 months</u>		
– Deposits with original maturity within 12 months (Deposit includes Fixed Deposits with Banks Rs.47,480,738 (P.Y. Rs.46,771,093) marked as lien for Guarantees issued by Banks on behalf of the Company {Refer note 23}).	7,94,97,460	7,80,85,827
Total	12,21,72,426	10,93,77,452

16. Loans and advances	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Earnest money and other deposits	1,29,72,192	1,07,57,442
Considered doubtful	-	-
	1,29,72,192	1,07,57,442
Less : Provision for doubtful earnest money and other deposits	-	-
	1,29,72,192	1,07,57,442
Advances recoverable in cash or kind	78,11,303	73,49,472
<u>Other loans and advances</u>		
Prepaid expenses	52,11,080	1,24,06,801
Loans to employees	26,72,227	52,62,156
Gratuity (Refer note 31)	4,78,596	19,63,455
Service tax input credit receivable	89,04,405	67,43,136
Total	3,80,49,803	4,44,82,462

17. Others Assets	As at December 31,2016 Rupees	As at December 31,2015 Rupees
Current		
<u>Unsecured, considered good, unless otherwise stated</u>		
Interest accrued on fixed deposits	32,33,017	30,91,620
Unbilled Revenue	13,75,42,941	8,27,48,485
Total	14,07,75,958	8,58,40,105

CRISIL Risk and Infrastructure Solutions Limited
Notes to financial statements

18. Income from operations	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
Income from advisory services	46,55,43,349	45,50,74,520
Income from risk management services	19,06,66,061	12,07,27,161
Fee from annual maintenance service contracts for risk management solutions	10,19,54,225	8,85,53,741
Total	75,81,63,635	66,43,55,422

19. Other income	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
Interest income on fixed deposits	72,74,621	76,68,812
Net gain on sale of current investments	73,54,389	1,56,99,884
Foreign exchange gain (net)	14,14,843	-
Miscellaneous income	2,06,900	54,939
Profit on sale of fixed assets (net)	7,20,099	70,479
Total	1,69,70,852	2,34,94,114

20. Personnel expenses	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
Salaries, wages and bonus	30,52,39,356	27,81,33,347
Contribution to PF & Other Funds	1,20,57,090	1,04,31,490
Contribution to gratuity funds (Refer note 31)	42,56,798	34,29,093
Staff welfare expenses	65,12,653	43,40,454
Add : Allocation of overhead expense by holding Company	3,74,68,980	2,93,01,792
Total	36,55,34,877	32,56,36,176

21. Establishment expenses	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
Repairs and maintenance - Buildings	55,40,148	46,67,078
Repairs and maintenance - Others	1,13,56,510	1,29,51,519
Electricity	39,76,555	40,12,522
Communication expenses	33,85,567	32,27,581
Rent (Refer note 29)	3,54,62,767	2,75,32,183
Rates and taxes	41,396	44,132
Add : Allocation of overhead expense by holding Company	50,50,228	45,58,913
Total	6,48,13,171	5,69,93,928

22. Other expenses	Year Ended December 31, 2016 Rupees	Year Ended December 31, 2015 Rupees
Printing and stationery	33,75,415	35,04,251
Conveyance and travelling	6,46,89,999	5,61,64,711
Data subscription	14,82,672	8,82,501
Remuneration to non-whole time directors	1,00,000	2,60,000
Business promotion and advertisement	3,28,019	7,35,599
Foreign exchange loss (net)	-	14,66,024
Professional fees	19,45,61,329	15,48,04,090
Professional fees- Associate services	1,03,17,191	83,66,375
Software purchase & maintenance expenses	39,10,222	15,72,199
Provision for doubtful debt / bad debts	2,09,30,906	1,82,54,451
Auditors' remuneration (Refer note 27)	9,67,661	8,97,440
Recruitment expenses	12,17,483	20,99,281
Corporate social responsibility expense (Refer note 33)	12,00,000	20,00,000
Miscellaneous expenses	57,68,875	87,83,223
Add : Allocation of overhead expense by holding Company	1,72,61,579	1,14,37,457
Total	32,61,11,351	27,12,27,602

CRISIL Risk and Infrastructure Solutions Limited
Notes to Forming Part of Financial Statement

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. Capital work in progress is measured at cost.

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

2.3 Depreciation/ 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

Leasehold 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 from the date it is put to use

2.4 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

Income from Operations

Income from operations comprises of income from 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.

CRISIL Risk and Infrastructure Solutions Limited
Notes to Forming Part of Financial Statement

Interest income

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

Dividend income

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

Profit/(Loss) on sale of investment

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

2.8 Retirement and Other Employee Benefits

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

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

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

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 Forming Part of Financial Statement

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

Particulars	As at December 31, 2016 Rupees	As at December 31, 2015 Rupees
Contingent Liabilities		
1. Bank Guarantees in the normal course of business	7,36,17,113	5,05,38,844
2. Disputed income tax & service tax demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	3,91,36,976	4,03,79,106
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	46,82,778	-
	11,74,36,867	9,09,17,950
3. Capital Commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	40,80,737	13,18,555
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	12,15,17,604	9,22,36,505

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, 2017, the tax expense for the year is the aggregate of the expense made for the three months ended March 31, 2017 and the expense for the nine months upto December 31, 2016. The tax expense for nine months has been arrived at using the effective tax rate for the period April 1, 2016 to March 31, 2017.

26 Payment in Foreign Currency

a) Expenditure in foreign currency

Particulars	Year ended December 31, 2016 Rupees	Year ended December 31, 2015 Rupees
Professional Fees In any other matter:	3,04,54,625	4,15,26,947
Foreign Travel	1,81,22,359	1,86,10,072
Other Expenses	11,19,150	4,694
Total	4,96,96,134	6,01,41,713

b) Earnings in foreign currency Rs.31,77,85,877 (P.Y. Rs.18,38,21,661)

27 Auditors' remuneration :

Particulars	Year ended December 31, 2016 Rupees	Year ended December 31, 2015 Rupees
Audit fees In any other matter:	5,70,000	5,70,000
Certification	1,18,047	33,830
Tax Audit fees	2,30,000	2,30,000
Out of Pocket Expenses	49,614	63,610
Total	9,67,661	8,97,440

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 & total assets by geographical market (secondary segment):

Particulars	Revenue Year ended December 31, 2016 Rupees	Revenue Year ended December 31, 2015 Rupees	Total Assets As at December 31, 2016 Rupees	Total Assets As at December 31, 2015 Rupees
India	46,18,49,479	46,66,06,720	46,90,66,879	55,07,67,051
Europe	2,53,10,179	76,92,242	1,48,32,541	36,70,122
North America	3,59,24,412	3,17,71,881	85,63,325	68,03,288
Asia (Other than India)	15,33,04,754	11,23,80,021	6,45,86,538	4,03,18,213
Africa	8,03,71,929	4,59,04,558	3,76,14,878	2,88,20,753
Rest of the world	14,02,882	-	-	-
Total	75,81,63,635	66,43,55,422	59,46,64,161	63,03,79,427

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, 2016 Rupees	December 31, 2015 Rupees
Lease Payment Recognized in Statement of Profit and Loss	3,54,62,767	2,75,32,183
Future Minimum Lease Payments :		
Not later than one year	2,01,581	2,84,000
Later than One Year and not later than 5 Years	-	1,41,581
Total	2,01,581	4,25,581

CRISIL Risk and Infrastructure Solutions Limited
Notes to Forming Part of Financial Statement

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

Parties	Relationship
<u>Related parties where control exists</u>	
CRISIL Limited	Holding Company
S&P Global Inc.(Formerly Known as 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 Global Market Intelligence Inc.(Formerly Known as S&P Capital IQ.)	Fellow Subsidiary
S&P Global UK Limited (Formerly Known as McGraw-Hill International (UK) Limited)	Fellow Subsidiary
CRISIL Irevna UK Limited	Fellow Subsidiary
CRISIL Irevna USA LLC	Fellow Subsidiary
CRISIL Irevna Poland SP.Zo.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 Singapore Pte Limited	Fellow Subsidiary
CRISIL Foundation	Controlled Trust

Transaction with related parties

Related Parties	Nature of transaction	December 31, 2016	December 31, 2015
		Rupees	Rupees
CRISIL Limited	Professional Services Rendered	4,47,500	4,76,000
	Professional fees incurred	5,08,200	30,20,450
	Expenses incurred	4,86,02,779	3,72,20,411
	Share of overhead expenses incurred	5,97,80,787	4,52,98,163
	Amount payable	1,08,99,241	98,34,113
	Amount receivable	11,77,944	3,35,927
	Share capital outstanding	4,99,99,900	4,99,99,900
	Expense recovered	72,68,196	73,09,423
	Standard & Poor's Financial Services LLC	Professional Services Rendered	72,69,173
	Amount receivable	18,33,671	17,91,518
Standard and Poor's International, LLC	Professional Service Rendered	40,88,166	7,20,000
	Amount Receivable	-	3,98,115
S&P Global UK Limited	Professional fees incurred	1,02,47,876	2,08,11,948
	Professional Service Rendered	1,82,66,619	-
	Amount Receivable	59,76,410	-
CRISIL Foundation	Donation	12,00,000	-

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	Year ended
	December 31, 2016	December 31, 2015
	Rupees	Rupees
Current Service cost	27,40,129	26,84,497
Interest cost on benefit obligation	13,26,723	12,17,490
Expected return on plan assets	(15,90,367)	(16,33,480)
Net actuarial (gain)/ loss recognized in the year	16,67,134	13,07,002
Net Gratuity Benefit Expense	41,43,619	35,75,509

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Balance Sheet:

Details of Provision for Gratuity Benefit

Particulars	As at December 31, 2016 Rupees	As at December 31, 2015 Rupees
Net present value of Actuarial Valuation	2,23,96,000	1,75,41,000
Fair value of plan assets	(2,28,74,597)	(2,09,65,946)
Liability / (Assets)	(4,78,597)	(34,24,946)

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

Particulars	December 31, 2016 Rupees	December 31, 2015 Rupees
Opening Defined Benefit Obligation	1,75,41,000	1,60,08,298
Current Service Cost	27,40,129	26,84,497
Interest Cost	13,26,723	12,17,490
Actuarial (gain)/loss	16,42,792	10,23,253
Benefits paid	(8,54,644)	(33,92,538)
Closing Defined Benefit Obligation	2,23,96,000	1,75,41,000

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

Particulars	December 31, 2016 Rupees	December 31, 2015 Rupees
Opening Fair value of plan assets	2,09,65,946	2,10,45,008
Expected return on plan assets	15,90,367	16,33,480
Actuarial gain/ (loss)	(24,342)	(2,83,459)
Contribution by employer	11,97,270	19,63,455
Benefits paid	(8,54,644)	(33,92,538)
Closing Fair Value of Plan Assets	2,28,74,597	2,09,65,946

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)
2016	(24,342)	6,62,208
2015	(2,83,459)	(2,55,551)
2014	(10,361)	(1,58,020)
2013	1,68,110	2,68,160
2012	5,47,390	3,71,560

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

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

Particulars	Year Ended December 31, 2016 %	Year Ended December 31, 2015 %
Discount Rate	6.50%	7.90%
Estimated rate of return on plan assets	8.00%	8.50%
Expected Employee Turnover		
Service < 5 years	20.00%	20.00%
Service = > 5 years	10.00%	10.00%
Expected Employer's Contribution next year	35,00,000	-

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

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

Particulars	Year Ended December 31, 2016 %	Year Ended December 31, 2015 %
Government securities	55.64%	52.24%
Fixed deposit, debentures and bond	35.08%	42.26%
Others	9.28%	5.50%
Total	100.00%	100.00%

Based on information declared by the insurer as at 31st March 2016 and 31st March 2015

32 Details of unhedged foreign exposure

Particulars	As at December 31, 2016 (Amt in Source Currency)		As at December 31, 2016 (Amt in INR)	
	Assets	Liabilities	Assets	Liabilities
Currency				
USD	18,64,565	4,31,984	12,66,29,615	2,93,37,663
GBP	1,52,344	-	1,27,98,828	-
EUR	76,044	-	53,83,147	-
Others	1,50,91,200	-	68,59,645	-
Total	1,71,84,153	4,31,984	15,16,71,235	2,93,37,663

Particulars	As at December 31, 2015 (Amt in Source Currency)		As at December 31, 2015 (Amt in INR)	
	Assets	Liabilities	Assets	Liabilities
Currency				
USD	14,36,781	7,68,469	9,53,33,994	5,09,89,863
EUR	22,790	-	16,44,413	-
Others	10,45,095	-	19,22,235	-
Total	25,04,666	7,68,469	9,89,00,642	5,09,89,863

33 Others

a.) Other expenses for the year ending 2016 include Rs.12,00,000 (P.Y. Rs.20,00,000) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. Gross amount required to be spent by the Company during the year was Rs.11,00,000 (P.Y. Rs.16,00,000). The areas for CSR activities are "education and women empowerment – financial capability building" and "conservation of environment". During the year funds were allocated and utilised for these activities.

b.) Personnel expenses to the extent of Rs.4,95,880 (P.Y. Rs.54,44,446) is considered for capitalisation as Intangible assets.

CRISIL Risk and Infrastructure Solutions Limited
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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 / E300005
Chartered Accountants

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

per Jayesh Gandhi
Partner
Membership No. 037924

M.B.N. Rao
Director

Martina Cheung
Director

Hiresh Dhakan
Company Secretary

Date: 10th February, 2017
Place: Mumbai

Date: 10th February, 2017
Place: Mumbai