

Directors' Report

Dear Member,

The Directors are pleased to present to you the 30th Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2016.

Financial Performance

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

Particulars	(Rs. in crore)			
	Consolidated		Standalone	
	2016	2015	2016	2015
Total income for the year was	1,601.88	1,423.16	1,178.79	1000.70
Profit before depreciation, exceptional item and taxes was	516.23	442.82	414.18	349.38
Deducting depreciation of	40.36	37.12	28.52	24.03
Profit before tax was	475.87	405.70	385.66	325.35
Deducting taxes of	149.53	120.55	130.01	103.35
Profit after tax was	326.34	285.15	255.65	222.00
The proposed appropriations are:				
Dividend	192.54	163.77	192.54	163.77
Corporate dividend tax	39.20	33.60	39.20	33.60
General reserve	20.45	22.20	20.45	22.20
Balance carried forward is	74.15	65.58	3.46	2.43

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the Annual Accounts. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis which all subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis.

a) Consolidated operations

Revenue from the consolidated operations of your Company for the year was Rs. 1,601.88 crore, 12.56 % higher than Rs. 1,423.16 crore in the previous year. Overall operational expenses for the year were Rs. 1,126.01 crore, against Rs. 1,017.46 crore in the previous year. Operating Profit (EBITDA) improved to Rs. 461.52 crore, against Rs. 399.60 crore, in the previous year. Profit after Tax for the year was Rs. 326.34 crore, against Rs. 285.15 crore in the previous year.

b) Standalone operations

Revenue from the standalone operations of your Company for the year was Rs. 1,178.79 crore, 17.80% higher than Rs. 1,000.70 crore in the previous year. Overall operational expenses for the year were Rs. 793.13 crore, against Rs. 675.35 crore in the previous year. Operating Profit (EBITDA)

improved to Rs. 364.98 crore, against Rs. 304.78 crore, in the previous year. Profit after Tax for the year was Rs. 255.65 crore, against Rs. 222.00 crore in the previous year.

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

Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 20, 2017, payment of Final Dividend of Rs. 9 per equity share of face value of Re. 1 each for the year under review. During the year, the Company paid three interim dividends, first interim dividend of Rs. 5, second interim dividend of Rs. 6 and third interim dividend of Rs. 7 per equity share of face value of Re. 1 each. The total dividend for the year shall be Rs. 27 per share on a face value of Re. 1 per share in 2016 as against a total dividend of Rs. 23 per share (including a Special Dividend of Rs. 3 per share) on a face value of Re. 1 per share in the previous year.

Transfer to Reserves

The appropriations for the year are:

Particulars	(Rupees in crore)	
	Consolidated	Standalone
	Year Ended December 31, 2016	
Net Profit for the year	326.34	255.65
Balance of Reserve at the beginning of the year	131.87	131.87
Transfer to General Reserve	20.45	20.45
Adjustment on amalgamation	(11.17)	(11.17)
Balance of Reserve at the end of the year	141.15	141.15

Increase in Issued, Subscribed and Paid-up Equity Share Capital

During the year, the Company issued and allotted 1,26,255 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Schemes of the Company. At the end of the year, the issued, subscribed and paid-up capital of the Company was 7,13,35,358 equity shares of Re. 1 each.

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

Particulars	No. of shares allotted / (extinguished)	(Rupees in crore)
		Cumulative outstanding capital (No. of shares of Face Value Re. 1 each)
Capital at the beginning of the year i.e. as at January 1, 2016	-	7,12,09,103
Allotment of shares to employees on exercise of options granted under the Employee Stock Option Scheme, 2011, and the Employee Stock Option Scheme, 2012	67,575	7,12,76,678
Allotment of shares to employees on exercise of options granted under the Employee Stock Option Scheme, 2011, and the Employee Stock Option Scheme, 2012	58,680	7,13,35,358
Capital at the end of the year i.e. as at December 31, 2016	-	7,13,35,358

Review of Operations

A. Ratings

Highlights

- Announced 2,741 new Bank Loan Ratings (BLRs) during the year; total BLRs outstanding exceed 13,264
- Assigned over 18,000 SME ratings and assessments during the year
- Conducted a series of high-profile franchise activities during the year that received wide coverage in media and were also well appreciated by our stakeholders
- Global Analytical Center (GAC) continued to enhance its engagement with S&P Global Ratings in the areas of risk and regulatory support, and further expanded engagement with Platts with increased support in new products and analytics across additional commodity sectors.

Business environment

India's economic and business environment remained subdued during 2016 due to weak investment climate and muted demand for working capital. On the back of a good monsoon and mild income boost from the Seventh Pay Commission and One Rank One Pension payouts, consumption picked up in the second quarter and it looked like a consumption-led recovery was on the cards for fiscal 2017. However, growth was mildly dented in the third quarter when government demonetised Rs 500 and Rs 1,000 bank notes. Assuming the time that would be taken for full remonetisation, we expect GDP growth to be ~6.9% in fiscal 2017. The immediate channel for deceleration would be a slowdown in consumption demand, leading to a delay in fresh investment plans of corporates. That, in turn, would defer recovery in India's private investment cycle.

Credit growth of India's banking sector remained muted at 9% year-on-year as of December 2016. While a good monsoon has improved growth in farm credit, weak corporate credit demand and risk aversion of public sector banks were drags. We expect banks to reduce their lending rates in the near-to-medium term given the abundant systemic liquidity. However, credit growth will remain insipid given subdued consumption and investment demand, and we estimate it at 7-9% for fiscal 2017.

The capital market witnessed an increase in activity in the third quarter of the year due to favourable liquidity and falling yields, which meant bonds were the preferred route to raise funds than bank loans. We believe yield on the 10-year benchmark government security would settle around ~6.8% by March-end fiscal 2017 versus 7.5% in fiscal 2016. Effective liquidity management, reduction in the policy rate by the Reserve Bank of India (RBI), lower inflation, and falling oil prices easing pressure on government borrowings will curb yields. The RBI has also announced measures that would develop and deepen the corporate bond market, enhance participation, facilitate greater liquidity, and improve communication. We believe the measures may take some time to be felt fully, but over the long term they will make a difference.

In 2016, CRISIL's BLR business witnessed muted growth due to weak credit offtake in the manufacturing sector and intensified competition. These factors adversely impacted average realisation and volume. While pricing pressures are likely to continue, expected pick up in credit growth and increased risk weights for large unrated exposures could lead to an improved BLR market in 2017.

For CRISIL's SME Ratings business, calendar year 2016 was a crucial year as consistent engagement with regulators and key decision makers helped in the reinstatement of subsidy support by the Government of India under the NSIC – PCRS (Performance & Credit Rating Scheme). The primary focus of CRISIL SME Ratings for 2016 was to ramp up business volume by increasing capacity, thereby maximising subsidy share. CRISIL was able to achieve quick and timely ramp-up of manpower by June 2016. One major challenge was navigating low vintage and experience issues across the business development and operations teams. This was addressed through exhaustive training and people development initiatives. Several process realignment initiatives were also undertaken in 2016, which helped to improve key business drivers such as productivity, attrition and operations efficiency. Another challenge emerged in the form of revised regulatory guidelines around client sourcing and documentation, which coupled with pricing pressure posed severe market constraints. Despite the challenging business environment, the SME Ratings business witnessed strong growth in the second half of 2016 and ended the year at a high. However, the SME-business is likely to witness challenges in 2017 owing to significant reduction in the subsidy support under PCRS for 2017-18, which will adversely impact the flagship product - SME NSIC Ratings. To mitigate this, the business is coming up with ambitious technology driven projects to re-engineer business processes, operations and achieve cost optimization, besides instituting a new strategic products cell to sharpen existing products and develop new and relevant market offerings. The medium-to-long term outlook for the MSME sector remains positive, despite potentially adverse short-term effects due to demonetisation and the implementation of the Goods and Services Tax regime.

Operations

CRISIL Ratings maintained its market leadership in 2016, backed by strong performance in bond ratings and SME ratings

CRISIL rated various innovative instruments, including India's first hybrid issuance in the insurance sector, and also assigned a rating on India's first InvIT.

businesses. CRISIL announced 2,741 new BLRs and 18,000 SME ratings during the year. It has, to date, assigned more than 25,000 BLRs and over 110,000 SME ratings/assessments. This year, SME ratings/ assessments were focused on newer geographies such as the north-east. The business also added clients from hinterland in north and south India.

In 2016, we rated India's first hybrid issuance in the insurance sector. This was first subordinated debt instrument in the Indian market by an insurance company. We also released the rating criteria for hybrid instruments issued by insurers, the first of its kind in India. We also rated the largest annuity-based road project in 2016. Further, CRISIL assigned a rating on India's first Infrastructure Investment Trust (InvIT). All these innovations were well received by the market, and are seen as significant milestones in deepening the corporate bond market in India.

CRISIL Ratings continued to conduct regular outreach programmes aimed at providing insights on credit issues to investors and other market participants. The outreach programmes included opinion pieces, bankers' meetings, investor discussion forums, web-conferences, and newsletters.

CRISIL Ratings also held the 4th edition of its annual bond market seminar, the theme of which was 'Corporate Bonds & India's New Financial Order'. The highlight was a keynote address by Shri Jayant Sinha, former Minister of State for Finance, Government of India. Shri Sinha also launched The CRISIL Yearbook on the Indian Debt Market, 2015, at the event. In addition, we had a power-packed panel moderated by Smt Usha Thorat, former Deputy Governor of the RBI, on regulatory facilitation for India's corporate bond market. The participants were from the RBI, the Pension Funds Regulatory Development Authority, SEBI and the Insurance Regulatory Development Authority. Our analysis was well received by all stakeholders including regulators and policy makers. We successfully hosted a discussion forum on the non-banking finance company (NBFC) sector under the 'Fin Insights' umbrella, where we discussed trends and perspectives on key topics pertaining to NBFCs like housing finance, structured credit, real estate financing, SME financing, loan against property, etc. The seminar included a line-up of prominent NBFC industry leaders as panellists and received promising feedback on the content and execution of the event.

We have developed a structured and sustained platform named 'CRISIL Ratings Conclave' for our senior management to deepen relationships with existing clients and create

differentiation with prospective clients across various locations beyond metros. This is designed as a select forum to drive closer client conversations and engagements.

High-impact franchise activities during 2016 included seminars on the power sector and India Outlook for Fiscal 2017 jointly with CRISIL Research team, web conferences on the telecom, road and agrochemical sectors, apart from press releases on securitisation, banking, etc. We were also the speaker and knowledge partner in various conferences and summits. These outreach efforts were well received from by key stakeholders including clients and investors.

GAC continued to work closely with S&P Global Ratings, growing in new areas of support such as risk management and regulatory support, including assistants on criteria validation, operational and documentation support for control functions, while increasing the level of integration with S&P Global Ratings teams globally. GAC also expanded support to previously under-served geographical segments including Latin America and Japan.

With the evolving global regulatory requirements, GAC continued its focus on strengthening its internal controls framework in collaboration with S&P Global Ratings' control functions. GAC's culture of continuous improvement has created ongoing efficiency gains for S&P Global Ratings through lean management tools, work standardisation and process re-engineering.

GAC also initiated new support for S&P Global Ratings in the newly formed functions and extending support in Platts to their recently acquired businesses. .

B. Research

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

Highlights

- Financial Research built a strong base on the buy-side and credit business segment driven by new opportunities arising out of the changing regulatory environment

GAC expanded its support to S&P Global group companies in new functions and domains

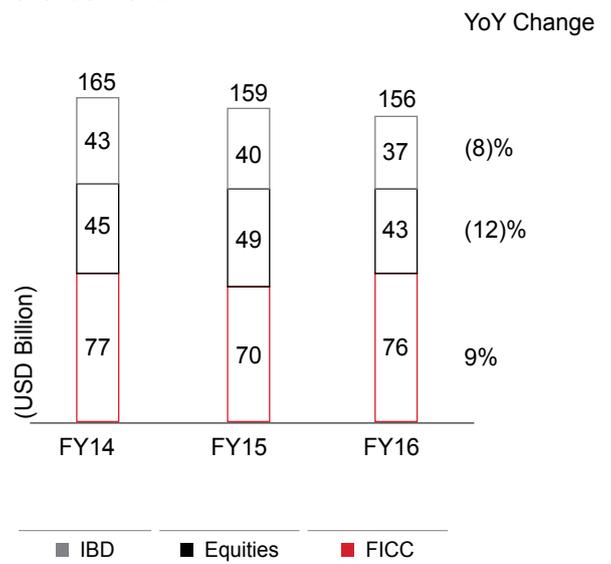
- Risk & Analytics reported another year of very strong business growth with both new and existing customers, and witnessed good traction with newer offerings launched to help banks meet various regulatory mandates
- Corporate Research added several new logos across core sectors
- Coalition had very strong results driven by the expansion of existing clients and the diversification of new clients, coupled with increased brand and media dominance.
- In Data Analytics, we made good progress in delivering analytical solutions and innovative products and solutions to our customers in the buy side and sell side

Business environment

Calendar 2016 was another year of subdued growth for the global economy. As a result, the size of the investment banking industry has reached its lowest level since the global financial crisis of 2008-09 with fixed-income revenue at the same level as in 2005. Banks are also transforming their front, middle and back-office activities to provide differentiated services, achieving cost efficiencies and increasing productivity. This is opening up a number of business opportunities for the Risk & Analytics business. Increasing regulatory changes continues to drive strong growth for CRISIL GR&A, especially in the Risk & Analytics vertical, and Coalition.

The Coalition IB Index tracked the performance of the top 12 global investment banks. The results for 2016 show that overall, the index performance is down 2% year-on-year. Equity revenue has decreased 12%, while those from investment banking (from merger & acquisition activity), and debt and equity markets, have decreased 8%. However, Fixed Income Currency and Commodities (FICC) revenue has increased 9%.

Index Revenue Trend



Index Revenue Trend

In Financial Research, we have added clients across new business segments on the buy side and in credit risk. The imminence of the Markets in Financial Instruments Directive II (MiFiD II) regulations, and increased cost pressure is stoking demand for our services on the buy side, especially from traditional managers and hedge funds. Our sell-side business witnessed demand from the Asia-Pacific region from existing clients. Our Credit Risk business gained from new opportunities related to risk management, deal screening and underwriting, and portfolio monitoring from global financial services clients.

The Risk & Analytics business continued to witness strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics. In addition to the now mature US regulations such as the Comprehensive Capital Analysis and Review (CCAR) and the Dodd-Frank Act Stress Testing (DFAST) newer regulations such as the Fundamental Review of the Trading Book (FRTB), International Financial Reporting

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Increasing regulatory changes continues to drive strong growth for CRISIL GR&A, especially in the Risk & Analytics vertical, and Coalition

Standards 9 (IFRS 9), Current Expected Credit Loss Standard (CECL), and Interest Rate Risk in the Banking Book (IRRBB) are also gaining momentum. We are also experiencing substantial interest for our services by banks and financial institutions to provide support for risk data aggregation, and for upgradation of risk systems and processes.

In Corporate Research, our clients continued to face cost pressures and loss of business opportunities, while witnessing increased focus on innovative sales approaches to enable new business. We added several new logos during the year, in addition to reviving a few dormant clients, which helped maintain our revenues.

In Data Analytics, we added new logos for our services on both the buy and sell sides. As analytics becomes more mainstream, we see demand for support, training and consulting assignments on visualisation, digital analytics and advanced analytics. There exist opportunities for integration of unstructured data into investment decision making, and analytics solutions for end clients to quickly validate and test assumptions and hypothesis.

Operations

In Financial Research, we embarked on several initiatives to accelerate growth, maximise value to clients, increase sales effectiveness, optimise costs, and fortify our brand globally – all of which has enhanced our competitiveness. We have significantly increased our market presence, which buoyed growth in a tough business environment. We also undertook several thought leadership initiatives in the area of changing regulations and its impact on asset managers, which received excellent response and reinforced our position as an industry leader. Our global research centres continue to scale up, with International Centers benefiting from regulation-driven-change mandates, and China building on its growth momentum due to increased demand for Asia research support.

In Risk & Analytics, investments of the previous years have started to yield results in newer areas such as financial crime and compliance analytics, FRTB and IFRS9/CECL. The past year witnessed expansion of our business across all geographies, successful conversion of some strategic prospects, and good progress on the productisation agenda. We are actively investing in our human capital and grooming in-house talent to make them industry ready through a planned series of comprehensive training programs in line with the evolving landscape of the financial services and risk industry.

We have also strengthened our core franchise via participation in industry conferences, hosting webinars on topical issues, and publishing incisive thought papers.

In Corporate Research, while we continued to add large corporations to our clientele, we also added several medium-size entities in our client portfolio – who are requesting analytics-driven research support that provide tangible results – to deal with the challenging business environment they are currently facing.

Coalition delivered strong results, driven by its core Competitor and Client Analytics, which continued to report solid growth. In 2016, 75% of Coalition's existing corporate and investment bank clients significantly increased their investment in our services. In addition, Coalition diversified its client base by establishing new relationships with regional and national players as well as buy-side firms. This expansion is testimony to the trust and increasing reliance in Coalition's high-quality analysis and insight across the financial services industry. Its media strategy added new publications covering corporate and investment bank analysis to reflect the growing collaboration between the two. The team has also delivered very good results, leading to an estimated media market share above 50%. In Data Analytics, we have invested in expanding our team and capabilities. We are focusing on training, and learning and development opportunities to enable upskilling.

B.2. India Research

Highlights

- Maintained our dominant and premium position in the flagship Industry Research business
- Witnessed healthy revenue growth in the Customised Research business on the back of significant traction in the automobiles, energy and commodity sectors

In 2016, 75% of Coalition's existing corporate and investment bank clients significantly increased their investment in our services

- Remained the largest provider of fixed-income indices in India and consolidated our position by launching seven new indices during the year
- Significantly stepped up engagement with regulators and industry associations.

Business Environment & Operations

Despite sharp increase in banks' non-performing assets and resultant pressure on profitability, which impacted research expenditure, subscription rates remained healthy, indicating the criticality and value of our research products and services. Apart from ongoing coverage on 86 sectors, we launched many special reports in areas such as on NBFCs, SMEs, agriculture and, for the first time, on railways given the strong investment focus of the government. After two years of slowdown, the Customised Research business witnessed healthy revenue growth on the back of significant traction in the automobiles, energy and commodity sectors. Continued high proportion of repeat business from Indian and global clients, and increase in average ticket size of mandates improved the performance.

In the Fixed Income Research business, we further consolidated our strong position in the valuation space by winning mandates from general insurers and corporates in 2016. We continued to be the largest provider of fixed-income indices in India and consolidated our position by launching seven new indices during the year. In the mutual fund research, we increased our presence with corporate treasuries and exempted provident fund trusts, helping them in portfolio performance review and risk monitoring.

The Executive Training business saw robust growth over the previous year. We launched our first multi-level certification programme on a customised basis. Increase in banks' and regulators' focus on enhancing credit and risk domains skills is likely to provide strong tailwinds, driving growth of the training business in the medium term.

Franchise

The CRISIL Centre for Economic Research (C-CER) and the CRISIL Research businesses continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We published several landmark reports during the year, covering a wide spectrum of areas such as the distress in the rural economy, impact of remittances and deficient rains, trade deficit with China, impact

of GST, quality of India's growth, impact of Brexit, the 'Make in India' programme, and demonetisation. C-CER and CRISIL Research speakers participated in over 27 leading industry conferences and panel discussions, and hosted 11 events/webinars on a variety of topics. CRISIL Research participated as a knowledge partner and presented a report on the pension sector at ASSOCHAM's National Conference on Social Security and The Role of Equity Market.

C. Infrastructure Advisory and Risk Solutions

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

C.1. 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, multi-year 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



Apart from ongoing coverage on 86 sectors, India Research launched many special reports in areas such as NBFCs, SMEs, Agriculture and Railways

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 / south-east 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.

C.2. 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-

CRISIL Infrastructure Advisory supported the government on projects such as Smart Cities Mission, Power for All/ Ujwal Discom Assurance Yojana (UDAY), among others.

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.

D. Collaboration with S&P Global

In 2016, we deepened our engagement with S&P Global for outreach initiatives in different geographies. We collaborated with S&P Global on a seminar under the annual flagship platform, India Credit Spotlight. The theme for the seminar was 'India and China: Fighting the Growth War on Different Battlegrounds'. The event was appreciated by investors and issuers alike. As part of our joint outreach initiatives, we organised a lecture by Paul Sheard, Executive Vice President and Global Chief Economist, S&P Global, on his visit to Mumbai. The lecture was organised in collaboration with the Asia Society chapter in India. We also organised a breakfast meeting for S&P Global Asia-Pacific Chief Economist Paul Gruenwald on Chinese rebalancing and its implications. CRISIL's Chief

Economist Dharmakirti Joshi participated as a panelist in the Global Economic Outlook Conference in New York and also in a webinar on the same topic. He also moderated the leadership panel (on innovation, exploration and India's growth trajectory) at S&P Dow Jones Indices' annual thought leadership seminar, 'Is India's Tomorrow Here Today,' held in Mumbai.

C-CER continued to provide outlook on the Indian economy to S&P Global and contributed an article on prospects for the Indian economy along with an article on India's policy focus on the manufacturing sector to a Platt's publication. CRISIL Research hosted a webinar titled 'Steel - Is it the inflection point or a mirage?' with participation from a senior sector specialist from Platts. Further, CRISIL's expert participated in a panel discussion titled 'Is there a global solution to anti-dumping issues?' at Platts' Steel Conference held in Mumbai. CRISIL also presented on the Indian sugar industry's financial position and outlook at Kingsman Asia Sugar Conference held in Delhi.

Risk Solutions business continued to engage with S&P Global Market Intelligence to promote its offerings in the areas of credit risk assessment for banks and financial institutions across emerging markets.

CRISIL Research started collaborating with S&P Global for cross-selling its products through the S&P Global Market Intelligence platform.

E. Human Resources

CRISIL's Human Resources agenda made significant advancements in calendar 2016. At the closure of its financial year, CRISIL's headcount was 3,972 including in all wholly owned subsidiaries.

Highlights

Employee engagement level moved upward significantly over the last year benchmarks. Empowerment and ownership of

CRISIL Risk Solutions focused on product consolidation and exploring non-product services to propel business growth

middle management helped immensely in talent engagement and retention. Diverse talent programmes were implemented flawlessly and with due spirit that will help us in long run.

We invested heavily in newer technologies, which would not only provide superior experience but also more control to the employees.

Leadership development, succession planning and other organisational development interventions got a relook in line with CRISIL's long-term strategy. Specific development focussed interventions were implemented for the leadership team. A structured job evaluation and career management framework was implemented to facilitate career planning and job rotation. We imparted 2,044 man-days of diverse training to employees during the year.

With a focus on improving employee benefits, a number of programs were rolled out to be able to stay ahead of the market.

Segment-Wise Results

The Company has identified three business segments, in line with the Accounting Standard on Segment Reporting (AS-17), which comprise: (i) Ratings, (ii) Research and (iii) Advisory. The audited financial results of these segments are provided as a part of financial statements.

Directors

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company.

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178, is appended as Annexure I to this Report.

Directorship changes

Mr. Yann Le Pallec resigned as Director of the Company on July 19, 2016. Your Directors place on record their sincere

appreciation of his valuable support and guidance to the Board and the Company during his tenure as a Director, especially recognising his engagement with and contributions to the Risk Solutions and Advisory businesses of CRISIL, as a director of our subsidiary, CRISIL Risk and Infrastructure Solutions Limited.

Mr. John Francis Callahan Jr. resigned as Director of the Company on July 19, 2016. Your Directors place on record their sincere appreciation of his valuable support, strategic insights and guidance provided to the Board and the Company during his tenure as a Director, especially, his involvement and constructive inputs during the CRISIL Strategy exercise.

The Board of Directors appointed Ms. Martina L. Cheung and Mr. John L. Berisford as Additional Directors of the Company with effect from July 19, 2016. Ms. Cheung and Mr. Berisford hold office as Additional Directors until the ensuing Annual General Meeting, and are eligible for appointment as Directors as provided under Article 129 of the Articles of Association of the Company. The Company has received notices under Section 160 of the Companies Act, 2013 from a member signifying her intention to propose the candidature of Ms. Martina Cheung and Mr. John L. Berisford for the office of Directors. A brief profile of Ms. Martina Cheung and Mr. John L. Berisford has been given in the Notice convening the Annual General Meeting.

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

Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

- a) Mr. H. N. Sinor
- b) Dr. Nachiket Mor
- c) Mr. M. Damodaran
- d) Ms. Vinita Bali

Committees of the Board

There are currently five Committees of the Board, as under:

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

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

Number of Meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to help them plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

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

The Board met four times in financial year 2016 viz., on February 9, April 19, July 19 and October 14. The maximum interval between any two meetings did not exceed 120 days.

Annual Evaluation by the Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured

questionnaire prepared separately for Board, Committees, Chairman and individual Directors. The performance evaluation of the Chairman was also carried out by the Independent Directors at a separate meeting of the Independent Directors. The questionnaire and evaluation process was reviewed in the context of SEBI Guidance Note on Board evaluation dated January 5, 2017 and necessary alignment was made with the requirements.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as Board structure, understanding of Board members of their roles and responsibilities, Board meeting and reporting process, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

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

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

The Board acknowledged key improvement areas emerging through this exercise and action plans to address these are in progress.

During 2016, the Company also actioned the feedback from the Board evaluation process conducted in the previous year, i.e. 2015. Suggestions were incorporated in strengthening the Board review calendar plan for 2016 with thematic additions on people matters & succession planning as well as increased frequency of review of regulatory developments and strategy. Special sessions were conducted throughout the year, for the senior management and Board members, by internal and external speakers, including some industry leaders. Perspective on markets, economy, corporate governance trends and public policy shared during these sessions, helped contextualising the budgeting and strategy exercises of the Company. Attending

Board meetings allowed increased interaction between the senior management and the Board.

Risk Management Policy and Internal Control Adequacy

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee. For ensuring independence of audits, the Internal Auditors report to the Audit Committee. Both Internal and Statutory Auditors have exclusive executive sessions with the Audit Committee on a regular basis. In addition, the Management performs a review of key controls impacting financial reporting, at entity as well as operating levels.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives which has been enhanced during this year. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. These have also been reported and discussed in detail in the Management's Discussion and Analysis Report, annexed to this report.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to Financial Statements were adequate and effective during financial year 2016.

Directors' Responsibility Statement

Your Directors hereby confirm that:

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

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this 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. As such, the Company does not own any manufacturing facility and hence our processes are not energy intensive. Hence particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

However, CRISIL is supportive of the cause of environment protection and has taken measures to reduce its carbon footprint. Some of these measures are as follows:

- a) We organise workplaces such that maximum day light is used in work areas, reducing artificial illumination

- b) Motion sensors are used for automatic switching on/off of lights to conserve energy
- c) The air-conditioning equipment is operated through a building monitoring system, which ensures that the units are switched on or off based on occupancy
- d) Recycled water through sewerage treatment is used for gardening purposes
- e) We have initiated a project for converting wet waste into compost for horticultural use

We have rolled out a policy which aims at improving environmental performance of CRISIL. The policy is our commitment to be environmentally responsible and encouraging our employees and members of the wider community to work for the environment by setting and monitoring environmental objectives, making efficient use of natural resources, eliminating waste and promoting recycling of resources.

In addition, under the CRISIL Re. employee volunteering program, CRISIL leverages its workforce as agents of change to drive environment conservations actions. These include tree plantation initiatives, green cover maintenance activities, installations of solar-powered lamps for renewable electricity to disadvantaged communities and waste management solutions for the urban poor. Details of the outcomes from these initiatives during 2016 are given in the Corporate Social Responsibility Report published elsewhere in the Annual Report.

Corporate Social Responsibility

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

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

Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of

which have been given in the Corporate Governance Report annexed to this Report.

Subsidiary Companies

As on December 31, 2016, the Company had one Indian and seven overseas wholly owned subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

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

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

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to downstream investments made in its subsidiary companies as operating during the year.

Merger of Wholly Owned Subsidiaries with the Company

In order to improve operating efficiencies, the Board of Directors of the Company in their meeting held on October 17, 2015, after considering the recommendations of the Audit Committee, approved the amalgamation of its three wholly owned subsidiary companies viz., Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited, with the Company through a Scheme of Amalgamation (Scheme) under Section 391/394 of the Companies Act, 1956, as reported in the previous year's Directors' Report.

A Scheme of Amalgamation filed with the Hon'ble High Court of Bombay was duly approved by the High Court and the said

Scheme became effective on October 25, 2016, with April 1, 2016 as the appointed date. Being wholly owned subsidiaries of the Company, the entire paid-up share capital of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited has been cancelled and the companies stand dissolved without winding up and as a result, these three have ceased to be subsidiaries of the Company.

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1)

A significant quantum of related party transactions undertaken by the Company is with its subsidiary companies engaged in product delivery of CRISIL businesses and business development activities. The Company has also been providing analytical support to S&P Global entities as a part of a Master Services Agreement, which transaction has been approved by the shareholders through a resolution passed by postal ballot on December 15, 2014.

The Audit Committee pre-approves all related party transactions. The details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

All contracts / arrangements / transactions with related parties that were executed in 2016 were in the ordinary course of business and at an arm's length. During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. The particulars of material contracts or arrangements with related parties referred to in Section 188(1), is given in prescribed Form AOC - 2 as Annexure III.

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

Particulars of Loans, Guarantees or Investments under Section 186

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

Auditors' Appointment

At the 28th Annual General Meeting of the Company, the Statutory Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed for a term of two years until the conclusion of the 30th Annual General Meeting.

In view of the mandatory requirement for rotation of auditors upon completion of 10 years of association with a company, in terms of Section 139 of the Companies Act, 2013, S. R. Batliboi & Co. LLP will retire as Company's Auditors at the conclusion of the ensuing 30th Annual General Meeting. It is proposed to appoint M/s. Walker Chandiook & Co LLP as the new Statutory Auditors of the Company. M/s. Walker Chandiook & Co LLP (an affiliate of Grant Thornton India LLP) are proposed to be appointed for a period of 5 continuous years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of 35th 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 confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid certificates issued by the Peer Review Board of the ICAI. M/s. Walker Chandiook & Co LLP, have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Company Act 2013. 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 30th Annual General Meeting up to the conclusion of 35th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

Secretarial Audit Report

The Board of Directors of the Company has appointed Dr. K. R. Chandratre, Practising Company Secretary, to conduct the

Secretarial Audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure IV.

Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by S. R. Batliboi & Co. LLP, Statutory Auditors, in their report and by Dr. K. R. Chandratre, Company Secretary in Practice, in his secretarial audit report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Management's Discussion and Analysis Report

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

Corporate Governance

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

Particulars of Remuneration

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

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the Registered Office of the Company during working hours for a period of 21 days before

the Annual General Meeting and shall be made available to any shareholder upon request.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 10, 2017 that the remuneration is as per the remuneration policy of the Company.

Employee Stock Option Schemes

The Company has three employee stock option schemes. The Employee Stock Option Scheme - 2011 (ESOS 2011) was approved by the shareholders vide a special resolution passed through postal ballot on February 4, 2011. The Employee Stock Option Scheme - 2012 (ESOS 2012) was approved by the shareholders vide a special resolution passed through postal ballot on April 10, 2012. The Employee Stock Option Scheme - 2014 (ESOS 2014) was approved by the shareholders vide a special resolution passed through postal ballot on April 3, 2014. In terms of the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, approval of shareholders is sought for modification of Employee Stock Option Scheme - 2014 with the objective of utilising the stock option pool more effectively by revising the exercise price. Accordingly, a special resolution has been included in the Notice of 30th Annual General Meeting accompanying this report.

During 2016, there were no material changes in the Employee Stock Option Schemes (ESOS) of the Company and the Schemes are in compliance with the SEBI Regulations on ESOS. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated June 16, 2015 the details of the ESOS are uploaded on the Company's website <http://www.crisil.com/pdf/investors/Detail-of-ESOS-31st-Dec-2016.pdf> in terms of Circular No CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by Securities and Exchange Board of India.

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 VI.

Deposits

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

Litigations

During the year under review, there were no significant or material orders passed by any regulatory / statutory authorities or courts / tribunals against the Company impacting its going concern status and operations in future.

Financial Year

The Company and all its subsidiary companies, in India and across the world, follow the calendar year as the financial year in terms of a special approval obtained from the Company Law Board in 2015.

CEO and CFO Certification

Certificate from Ms. Ashu Suyash, Managing Director & CEO and Mr. Amish Mehta, Chief Financial Officer, pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on February 11, 2017.

Acknowledgements

The Board of Directors wishes to thank the employees of CRISIL for their exemplary dedication and the excellence they

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

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

Douglas L. Peterson

Chairman

Mumbai, February 11, 2017

(DIN: 05102955)

Annexure I to the Directors' Report

Nomination and Remuneration Policy

1. Introduction

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the Policy

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, key managerial personnel and other employees;
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.3 To devise a policy on Board diversity; and
- 2.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board on February 14, 2014. This is in line with the requirements under the New Act.

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

Definitions

- "Board" means Board of Directors of the Company.
- "Directors" means Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

- "Company" means CRISIL Limited.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and rules.
- "Key Managerial Personnel" (KMP) means -
 - i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
 - ii) the Company Secretary; and
 - iii) the Chief Financial Officer
- "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General:

- This policy is divided in three parts: -
 - Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
 - Part – B covers the appointment and nomination; and
 - Part – C covers remuneration and perquisites etc.
- This policy shall be included in the Report of the Board of Directors.

PART – A

Matters to be Dealt with, Perused and Recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

- Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will be best complement the Board;

(c) Succession plans:

- Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

- Make recommendations to the Board on appropriate performance criteria, for the Directors.
- Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
- Identify ongoing training and education programs for the Board to ensure that Non- Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity

awards, retirement rights and service contracts having regard to the need to

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

PART – B**Policy for Appointment and Removal of Director, KMPs and Senior Management****Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to CRISIL, ability to contribute to CRISIL's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of sixty years. Provided that the term of the person holding this position may be extended beyond the age of sixty years with the approval of shareholders by passing a special resolution

based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years.

5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of CRISIL.

Term / Tenure:

1. Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
 - At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy Relating to the Remuneration for Directors, KMPs and Other Employees

General:

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to KMP and other Employees:

The policy on remuneration for KMP and other employees is as below:-

1. Fixed Pay:

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

a) Annual remuneration:

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group in the Indian market, established through an independent compensation surveys from time to time.

b) Long-term rewards:

Long-term rewards may include a Long-Term Incentive Plans (LTIP) or under which incentives would be granted to eligible key employees based on their contribution to the profitability of the Company, relative position in the organisation, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the company. Stock Options may be granted to key employees and high performers in the organisation who would be selected by the Committee based on their criticality, past

performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Short Term Loans:

The Company shall provide interest-free short-term loans to the KMPs and employees of the Company, repayment for which is deducted from the monthly salary of the concerned employee in twelve equated monthly instalments.

Remuneration to Non-Executive / Independent Directors:

1. Commission:

The commission payable to each Non-Executive Director is limited to a fixed sum per year as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. The commission payable to Non-Executive Directors nominated by Standard & Poors' (S&P), is paid to 'Standard & Poors' International LLC'.

The overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2. Sitting Fees:

The Non- Executive Directors (including Independent Directors) will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules.

3. Stock Options:

The Independent Directors shall not be entitled to any stock option of the Company.

Policy Review:

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing agreement with the stock exchanges as on December 31, 2014.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would

prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

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

This Policy is updated on February 9, 2016.

Annexure II to the Directors' Report

Corporate Social Responsibility Policy

Introduction:

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

In March 2013, CRISIL set up the CRISIL Foundation to steer our CSR agenda and guiding principles by taking into consideration the position of our stakeholders, the spirit of trusteeship and the intention of enhancing social capital. CRISIL believes in equitable societies and efficient markets and has always endeavoured to follow these lodestars.

The CSR Policy:

CRISIL would carry out the following activities:-

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

To enhance reach and to accelerate the implementation of the CSR 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. CRISIL 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 CRISIL management at the beginning of each calendar year based on audited financial statements for the last three years.

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

Applicability:

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

Implementation:

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

Constitution of the CSR Committee:

The Board has constituted the "CSR Committee" of the Board on February 14, 2014. The Committee shall consist of minimum of three members with at least one being an independent director.

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

Meetings and Quorum:

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

Roles and Responsibilities of the Committees:

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

- Formulate, monitor and recommend to the Board the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR Activities
- Review the Company's disclosure of CSR matters
- Recommend the deployment strategy for CSR Activities, through partnerships with various agencies, intermediaries and foundations and determine outreach channels, including social media and IT interfaces

- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013

Policy Review

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

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

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

This policy is updated on February 9, 2016.

Annual Report on Corporate Social Responsibility Activities

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

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** Kindly refer the Corporate Social Responsibility Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
- The Composition of the CSR Committee:** Ms. Vinita Bali (Chairperson), Mr. H.N. Sinor and Ms. Ashu Suyash
- Average net profit of the company for last three financial years (2013-2015):** Rs. 309.47 crore.
- Prescribed CSR Expenditure (2% of the amount as in item 3 above) (2013 - 2015):** Rs. 6.19 crore.
- Details of CSR spend during the financial year:**
 - Total amount to be spent for the financial year: Rs. 6.19 crore, out of which an amount of Rs 6.04 crore was spent during the year
 - Amount unspent, if any: The total unspent amount is of Rs 0.15 crore, please refer note 6 for reasons thereof
 - 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*
					Direct expenditure on programmes or projects (Rs. crore)	Overheads (Rs. crore)		
1	Mein Pragati - Assam	Women Empowerment – Financial Capability Building	Assam	2.91	2.48	0.13	2.61	Rashtriya Grameen Vikas Nidhi
2	CRISIL Re	Environmental Conservation - through volunteerism	Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune	1.46	1.38	0.08	1.46	United Way of Mumbai, Green Yatra
3	Mein Pragati - Rajasthan	Women Empowerment – Financial Capability Building	Rajasthan	1.64	1.56	0.08	1.64	Humana People to People India
4	Assam Flood Relief	Disaster Relief	Assam	0.15	0.14	0.01	0.15	Rashtriya Grameen Vikas Nidhi
5	Other Projects	Education & Women Empowerment – Financial Capability Building	Maharashtra, Rajasthan and Uttarakhand	0.18	0.17	0.01	0.18	Dr. Reddy's Foundation, ITC Limited, People's Power Collective
TOTAL				6.34	5.73	0.31	6.04	

Key NGO Partners:

Rashtriya Gramin Vikas Nidhi (RGVN)

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

United Way of Mumbai (UWM)

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

Other NGO partners:

Hope Foundation, Advit Foundation, WISE, Milaap, Project Chirag, SEED, EFI, Sakaar Outreach, I am Gurgaon.

Green Yatra

Green Yatra is a Non-Profit-Non-Governmental organization devoted to protection, conservation and improvement of our Mother Nature and Humanity. Its objective is to pass on a habitable green, pollution free Earth and a better World to the future generations.

Green Yatra has supported CRISIL in planting 4000 trees at Vishwagadh village, Bhiwandi taluka, Maharashtra through 3 employee engagement drives and is now currently supporting its maintenance for the next 3 years. Additionally, Green Yatra has helped distribute material to villages in Bhiwandi taluka. The material was collected from our Mumbai and Pune offices during the Joy of Giving Week.

Humana People to People India (HPPI)

HPPI is a development organisation registered as a not-for-profit company under section 25 of the Companies Act, 1956 as of 21 May 1998. The Organization comprises five main thematic areas – Livelihood & Community Development, Environmental

Sustainability, Micro Finance, Education, and Health. Humana People to People India is a member of The Federation for Associations connected to the International Humana People to People Movement.

Dr. Reddys Foundation (DRF)

DRF is a not-for-profit organization committed to enabling economically and socially vulnerable groups to take control of their lives. Set up in 1996 in Hyderabad, Dr. Reddy's Foundation is engaged in various social activities with its core focus on education, livelihood, health and nutrition. DRF works with children, youth (including persons with disabilities), women and households across 20 states in India.

ITC Limited

ITC has exposure to different geographical locations, where it conducts Corporate Social Responsibility activities. ITC's Social Investments Programme focuses on afforestation, watershed management, animal husbandry, women's empowerment, and primary education. ITC's Social Investments Programme works with two important stakeholder groups which is rural communities and communities residing in close proximity to production units.

People's Power Collective

Peoples Power Collective is a registered public trust in India and its vision is to support not for profit, participatory, community owned and managed radio ie community radio for empowerment and positive social change.

- 6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** During the year the Company has made significant strides to reach out to over 3,50,000 families encompassing rural poor alongwith small & marginalised farmers through various interactive media including community radio. Our social footprint has grown to cover four states in addition to Assam – Maharashtra, Madhya Pradesh, Rajasthan & Uttarakhand. Within a short span of a year, our outreach has grown manifold. The shortfall in CSR spend is on account of the unspent amount towards the Project Mein Pragati in Assam, which is payable to the NGO partner subject to completion of certain pre-agreed

project related milestones. The said amount is already earmarked and made available by CRISIL to its associate charitable trust of CRISIL Foundation and will be released on meeting the said targets.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For CRISIL Limited

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

Ashu Suyash

Managing Director
& Chief Executive Officer
(DIN: 00494515)

Vinita Bali

Chairperson
Corporate Social Responsibility Committee
(DIN: 00032940)

Mumbai, February 11, 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

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	S&P Global Inc (Formerly known as McGraw-Hill Financial, Inc.) and its subsidiaries (SPGI) (Fellow Subsidiaries)	Global Analytical Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of Rs. 166.30 crore in 2016	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with SPGI and its group Companies.	February 8, 2016	Nil	December 15, 2014

2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna UK for GR&A services which Irevna UK has recovered from external clients. The pricing is after considering appropriate remuneration to Irevna UK to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna UK Limited in 2016 is Rs. 240.48 crore)	Services rendered by CRISIL Irevna UK are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna UK.	February 8, 2016	Nil	Not applicable
3	CRISIL Irevna US LLC (100 % Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna US for GR&A services which CRISIL Irevna US has recovered from external clients. The pricing is after considering appropriate remuneration to CRISIL Irevna US to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna US in 2016 is Rs. 196.78 crore)	Services rendered by CRISIL Irevna US are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna US.	February 8, 2016	Nil	Not applicable
4	CRISIL Irevna UK Limited	Loan given by CRISIL	10 years	Loan outstanding Rs. 87.28 crore from CRISIL Irevna UK Limited. Tenure of loan is ten years and interest rates are based on appropriate benchmarking	Loan given by CRISIL India to CRISIL Irevna UK for financing acquisitions	July 17, 2014	Nil	Not applicable

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

Douglas L. Peterson
 Chairman
 (DIN: 05102955)

Mumbai, February 11, 2017

Annexure IV to the Directors' Report

Secretarial Audit Report

For The Financial Year ended 31 December, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members
CRISIL Limited
CRISIL HOUSE, Central Avenue
Hiranandani Business Park
Powai, Mumbai – 400076.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 December, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents

and records in pursuance thereof, I further report that the Company has complied with the following laws applicable specifically to the Company:

- The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999; and
- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

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

review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that during the audit period:

- The Hon'ble High Court of Judicature at Bombay vide its order dated 8 September, 2016, has approved the scheme of amalgamation of Company's three wholly-owned Indian subsidiaries, viz. Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited with the Company.

Place : Pune

Date : February 11, 2017

Dr. K R Chandratre
 Company Secretary in Practice:
 FCS No. 1370
 C. P. No.: 5144

Annexure V to the Directors' Report

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

Note: The information provided below is on standalone basis for Indian Listed entity

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

SI No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
a.	Mr. Douglas L. Peterson – Chairman, Non-executive Director	NA*
b.	Mr. H. N. Sinor – Independent Director	5.17
c.	Dr. Nachiket Mor – Independent Director	4.85
d.	Mr. M. Damodaran – Independent Director	5.42
e.	Ms. Vinita Bali – Independent Director	5.28
f.	Mr. Yann Le Pallec – Non-Executive Director#	NA*
g.	Mr. John F. Callahan Jr. – Non-Executive Director#	NA*
h.	Ms. Martina Cheung – Non-Executive Director	NA*
i.	Mr. John L. Berisford – Non-Executive Director	NA*
j.	Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson	NA
k.	Ms. Ashu Suyash – Managing Director & Chief Executive Officer	82.72

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

Resigned with effect from July 19, 2016.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

SI No.	Name of the Director/Key Managerial Personnel	2015 Remuneration Rs.	2016 Remuneration Rs.	Percentage increase in remuneration
a.	Mr. Douglas L. Peterson – Chairman, Non-executive Director	40,000*	Nil*	-100%
b.	Mr. H. N. Sinor – Independent Director	31,00,000	32,15,000	3.71%
c.	Dr. Nachiket Mor – Independent Director	31,75,000	30,15,000	-5.04%
d.	Mr. M. Damodaran – Independent Director	31,95,000	33,70,000	5.47%
e.	Ms. Vinita Bali – Independent Director	29,45,000	32,85,000	11.54%
f.	Mr. Yann Le Pallec – Non-Executive Director#	Nil*	Nil*	NA
g.	Mr. John F. Callahan Jr. – Non-Executive Director#	Nil*	Nil*	NA
h.	Ms. Martina Cheung – Non-Executive Director **	Nil*	Nil*	NA
i.	Mr. John L. Berisford – Non-Executive Director **	Nil*	Nil*	NA
j.	Mr. Ravinder Singhania – Alternate Director to Mr. Douglas L. Peterson	Nil	Nil	NA
k.	Ms. Ashu Suyash – Managing Director & Chief Executive Officer	2,78,09,450	5,14,34,650	84.95%^
l.	Mr. Amish Mehta – Chief Financial Officer	2,49,04,484	2,97,04,908	19.28%
m.	Ms. Minal Bhosale – Company Secretary	43,64,075	86,53,350	98.29%^

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

^Since joining date was June 1, 2015, the remuneration for 2015 and 2016 are not comparable.

#Resigned with effect from July 19, 2016.

** Appointed on July 19, 2016.

3. **The percentage increase in the median remuneration of employees in the financial year:** Median pay has increased by 4.1% in 2016 as compared to 2015.
4. **The number of permanent employees on the rolls of company:** 3,385
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average increase in remuneration for 2016 over 2015 was 11.22%. During the previous year, there were succession changes to the position of CEO and Managing Director and one-time payments such as end-term benefits, exercise of options and joining bonus were included in the remuneration. Hence, there is a decrease in the overall managerial remuneration to KMPs by 51.72%.
6. **Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes

Annexure VI to the Directors' Report

Form No MGT-9

Extract of annual return as on the financial year ended on December 31, 2016
[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i.	CIN	L67120MH1987PLC042363
ii.	Registration date	29/01/1987
iii.	Name of the company	CRISIL 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 022-33423000 Fax 022-33423810 Website: www.crisil.com e-mail: investors@crisil.com
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer agent, if any	Karvy Computershare Pvt. Ltd. Unit : CRISIL Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Email : einward.ris@karvy.com Phone : +91 40 6716 1500 Toll Free No. : 1-800-34-54-001 Fax : +91 40 6716 1567

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl No.	Name and description of main products / services	NIC code of the product/ service	% to total turnover of the Company
1.	Ratings : Providing credit ratings including Bond Ratings, Bank Loan Ratings, SME Ratings, other grading services	66190	41
2.	Research : Research services include Global Research & Analytics activities divided into Financial Research, Risk & Analytics and Corporate Research, and India Research activities comprising Economy & Industry Research, Funds & Fixed Income Research and Equity & Company Research	66190	59

III. Particulars of Holding, Subsidiary and Associate Companies

Sl no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
i.	S&P India LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	43.75	2(46)
ii.	S&P Global Asian Holdings Pte Limited, 12 Marina Boulevard, #23-01, Marina Bay Financial Centre, Tower 3, Singapore 018982	Not Applicable	Holding Company	14.89	2(46)

iii.	Standard & Poors' International LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	8.41	2(46)
iv.	CRISIL Risk and Infrastructure Solutions Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U72100MH- 2000PLC128108	Subsidiary Company	100%	2(87)
v.	CRISIL Irevna UK Limited, C/o. Penningtons Manches LLP 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
vi.	CRISIL Irevna US LLC, C/o. Global Corporate Services Inc., 704 N. Kind St., #500, Wilmington, Delaware 19899, USA	Not Applicable	Subsidiary Company	100%	2(87)
vii.	CRISIL Irevna Argentina S.A., Reconquista 1088, 9th floor, Provincia de Buenos Aires, Argentina	Not Applicable	Subsidiary Company	100%	2(87)
viii.	CRISIL Irevna Poland Sp. Z.oo., Renaissance Business Centre, 6th Floor, ul. Świętego Mikołaja 7, 50 - 125 Wrocław	Not Applicable	Subsidiary Company	100%	2(87)
ix.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd., Room 1606, 16th floor, Hengxin Mansion, Jiangnan Avenue 588, Hangzhou, China	Not Applicable	Subsidiary Company	100%	2(87)
x.	Coalition Development Limited, C/o. Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
xi.	Coalition Development Singapore Pte. Ltd., 60 Robinson Road, # 11-01, BEA Building, Singapore 068892	Not Applicable	Subsidiary Company	100%	2(87)

IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	Number of shares held at the beginning of the year			Percentage of total shares	Number of shares held at the end of the year			% change during the year*	
	Demat	Physical	Total		Demat	Physical	Total		% of total shares
A. Promoters									
(1) Indian									
Individual/HUF	-	-	-	-	-	-	-	-	
Central Govt.	-	-	-	-	-	-	-	-	
State Govt.(s)	-	-	-	-	-	-	-	-	
Bodies Corp.	-	-	-	-	-	-	-	-	
Banks / FI	-	-	-	-	-	-	-	-	
Any Other	-	-	-	-	-	-	-	-	
Sub-total (A)(1)	-	-	-	-	-	-	-	-	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	
Bodies Corp.	4,78,32,539	-	4,78,32,539	67.17	4,78,32,539	-	4,78,32,539	67.05	(0.12)*

Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	4,78,32,539	-	4,78,32,539	67.17	4,78,32,539	-	4,78,32,539	67.05	(0.12)*
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,78,32,539	-	4,78,32,539	67.17	4,78,32,539	-	4,78,32,539	67.05	(0.12)*
B. Public Shareholding									
1. INSTITUTIONS									
a) Mutual Funds	31,79,603	-	31,79,603	4.47	33,86,482	-	33,86,482	4.75	0.28*
b) Banks / FI	3,76,228	2,000	3,78,228	0.53	1,79,996	2,000	1,81,996	0.26	(0.27)*
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	34,77,164	-	34,77,164	4.88	39,24,515	-	39,24,515	5.50	0.62*
g) FIs	56,33,823	3,000	56,36,823	7.92	53,48,068	3,000	53,51,068	7.50	(0.42)*
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,26,66,818	5,000	1,26,71,818	17.80	1,28,39,061	5,000	1,28,44,061	18.01	0.21*
2. NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	9,89,838	4,000	9,93,838	1.40	10,42,927	4,000	10,46,927	1.47	0.07
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	51,25,706	1,41,134	52,66,840	7.40	44,14,276	1,36,136	45,50,412	6.39	(1.01)*
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	42,53,082	-	42,53,082	5.97	48,59,609	-	48,59,609	6.81	0.84*
c) Others (specify)									
Non-Resident Individuals	1,81,389	-	1,81,389	0.25	1,99,675	-	1,99,675	0.28	0.03*
Clearing Members	9,511	-	9,511	0.01	1,724	-	1,724	0.00	(0.01)*
Trusts	86	-	86	0.00	411	-	411	0.00	0.00*
Sub-total (B)(2)	1,05,59,612	1,45,134	1,07,04,746	15.03	1,05,18,622	1,40,136	1,06,58,758	14.94	(0.09)*
Total Public Shareholding (B) = (B)(1)+(B)(2)	2,32,26,430	1,50,134	2,33,76,564	32.83	2,33,57,683	1,45,136	2,35,02,819	32.95	0.12*
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	7,10,58,969	1,50,134	7,12,09,103	100.00	7,11,90,222	1,45,136	7,13,35,358	100	-

* In addition to changes on account of purchase/sale of shares, evident from the different shareholding positions beginning and end of the year, the change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(ii) Shareholding of Promoters

SI no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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.	S & P India LLC	3,12,09,480	43.83	Nil	3,12,09,480	43.75	Nil	-0.08
2.	S&P Global Asian Holdings Pte Limited	1,06,23,059	14.92	Nil	1,06,23,059	14.89	Nil	-0.03
3.	Standard & Poor's International LLC	60,00,000	8.42	Nil	60,00,000	8.41	Nil	-0.01
	TOTAL	4,78,32,539	67.17	Nil	4,78,32,539	67.05	Nil	-0.12

* The change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(iii) Change in promoters' shareholding

SI 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.	S&P India LLC				
	January 1, 2016	3,12,09,480	43.83	3,12,09,480	43.83
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)			No change	
	December 31, 2016	3,12,09,480	43.75*	3,12,09,480	43.75*
2.	S&P Global Asian Holdings Pte Limited				
	January 1, 2016	1,06,23,059	14.92	1,06,23,059	14.92
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)			No change	
	December 31, 2016	1,06,23,059	14.89*	1,06,23,059	14.89*
3.	Standard & Poor's International LLC				
	January 1, 2016	60,00,000	8.42	60,00,000	8.42
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)			No change	
	December 31, 2016	60,00,000	8.41*	60,00,000	8.41*

* The change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

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

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

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.	Jhunjhunwala Rakesh and Rekha				
	January 1, 2016	40,00,000	5.62	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
	December 31, 2016	40,00,000	5.61*	-	-
2.	General Insurance Corporation of India				
	January 1, 2016	27,00,000	3.79	-	-
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
	December 31, 2016	27,00,000	3.78*	-	-
3.	Matthews Funds – Various Funds				
	We combine the folios of all schemes of Matthews Funds under the Foreign Institutional Investors category to give a fair representation of the total holding.				
	January 1, 2016	18,71,211	2.63*	-	-
	January 22, 2016 – Purchase	2,092	0.00	18,73,303	2.63
	January 29, 2016 – Sale	-9,168	-0.01	18,64,135	2.62
	February 12, 2016 – Purchase	1,393	0.00	18,65,528	2.62
	February 26, 2016 – Purchase	4,500	0.01	18,70,028	2.63
	March 4, 2016 – Purchase	15,000	0.02	18,85,028	2.65
	June 24, 2016 – Sale	-13,908	-0.02	18,71,120	2.63
	June 30, 2016 – Sale	-10,697	-0.02	18,60,423	2.61
	July 15, 2016 – Purchase	43,000	0.06	19,03,423	2.67
	July 22, 2016 – Sale	-6,449	-0.01	18,96,974	2.66
	July 29, 2016 – Purchase	68,887	0.10	19,65,861	2.76
	August 19, 2016 – Purchase	166	0.00	19,66,027	2.76
	August 26, 2016 – Purchase	7,413	0.01	19,73,440	2.77
	September 02, 2016 – Purchase	8,466	0.01	19,81,906	2.78
	September 16, 2016 – Sale	-10,604	-0.01	19,71,302	2.77
	September 23, 2016 – Purchase	24	0.00	19,71,326	2.77
	September 30, 2016 – Sale	-6,075	-0.01	19,65,251	2.76
	October 21, 2016 – Sale	-2,911	0.00	19,62,340	2.75
	October 28, 2016 – Sale	-1,476	0.00	19,60,864	2.75
	November 04, 2016 – Sale	-2,984	0.00	19,57,880	2.74
	November 11, 2016 – Purchase	65	0.00	19,57,945	2.74
	November 18, 2016 – Sale	-42,486	-0.06	19,15,459	2.69
	November 25, 2016 – Sale	-46,995	-0.07	18,68,464	2.62
	December 02, 2016 – Sale	-34,744	-0.05	18,33,720	2.57
	December 09, 2016 – Sale	-35,657	-0.05	17,98,063	2.52
	December 16, 2016 – Sale	-5,697	-0.01	17,92,366	2.51
	December 23, 2016 – Sale	-1,505	0.00	17,90,861	2.51
	December 31, 2016 – Sale	-520	0.00	17,90,341	2.51
	December 31, 2016	17,90,341	2.51*	-	-
4.	Life Insurance Corporation of India				

January 1, 2016	7,65,735	1.07	-	-
September 09, 2016 – Purchase	17,366	0.02	7,83,101	1.10
September 16, 2016 – Purchase	84,716	0.12	8,67,817	1.22
September 23, 2016 – Purchase	33,548	0.05	9,01,365	1.26
September 30, 2016 – Purchase	21,730	0.03	9,23,095	1.30
October 07, 2016 – Purchase	70,538	0.10	9,93,633	1.39
November 04, 2016 – Purchase	68,048	0.10	10,61,681	1.49
November 11, 2016 – Purchase	36,074	0.05	10,97,755	1.54
November 18, 2016 – Purchase	41,044	0.06	11,38,799	1.60
November 25, 2016 – Purchase	36,287	0.05	11,75,086	1.65
December 02, 2016 – Purchase	38,000	0.05	12,13,086	1.70
December 31, 2016	12,13,086	1.70*	-	-

5. Unit Trust of India – Various Funds

We combine the folios of all schemes of UTI Mutual Fund to give a fair representation of the total holding.

January 1, 2016	11,50,277	1.62	-	-
January 8, 2016 – Purchase	2,135	0.00	11,52,412	1.62
January 29, 2016 – Purchase	3,000	0.00	11,55,412	1.62
February 5, 2016 – Sale	-506	0.00	11,54,906	1.62
February 12, 2016 – Purchase	598	0.00	11,55,504	1.62
February 26, 2016 – Purchase	31,752	0.04	11,87,256	1.67
March 04, 2016 – Sale	-225	0.00	11,87,031	1.67
April 08, 2016 – Sale	-800	0.00	11,86,231	1.67
April 14, 2016 – Sale	-7,000	-0.01	11,79,231	1.65
April 22, 2016 – Sale	-18,000	-0.03	11,61,231	1.63
April 29, 2016 – Sale	-273	0.00	11,60,958	1.63
May 13, 2016 – Sale	-110	0.00	11,60,848	1.63
June 30, 2016 – Sale	-468	0.00	11,60,380	1.63
August 12, 2016 – Sale	-5,000	-0.01	11,55,380	1.62
August 19, 2016 – Sale	-500	0.00	11,54,880	1.62
September 2, 2016 – Purchase	20,500	0.03	11,75,380	1.65
October 7, 2016 – Purchase	4,285	0.01	11,79,665	1.66
December 2, 2016 – Sale	-10,000	-0.01	11,69,665	1.64
December 31, 2016 – Purchase	25,423	0.04	11,95,088	1.68
December 31, 2016	11,95,088	1.68*	-	-

6. Smallcap World Fund, Inc.

January 1, 2016	5,70,000	0.80	-	-
Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		No change		
December 31, 2016	5,70,000	0.80*	-	-

7. Mondrian Emerging Market / Investments

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

January 1, 2016	7,02,544	0.99	-	-
March 31, 2016 – Purchase	8,884	0.01	7,11,428	1.00
April 08, 2016 – Purchase	33,172	0.05	7,44,600	1.05
April 14, 2016 – Purchase	7,961	0.01	7,52,561	1.06
June 24, 2016 – Sale	-2,309	0.00	7,50,252	1.05
June 30, 2016 – Sale	-32,406	-0.05	7,17,846	1.01
July 01, 2016 – Sale	-7,200	-0.01	7,10,646	1.00
July 08, 2016 – Sale	-76,890	-0.11	6,33,756	0.89

July 15, 2016 – Sale	-53,309	-0.07	5,80,447	0.81
September 16, 2016 – Sale	-31,025	-0.04	5,49,422	0.77
December 31, 2016	5,49,422	0.77*	-	-
8. IDFC Premier Equity Fund				
January 1, 2016	5,10,000	0.72	-	-
August 05, 2016 - Sale	-427	0.00	5,09,573	0.71
September 02, 2016 - Sale	-16,931	-0.02	4,92,642	0.69
December 31, 2016	4,92,642	0.69*	-	-
9. T Rowe Price International Funds				
We combine the folios of all schemes of T. Rowe Price International Funds under the Foreign Institutional Investors category to give a fair representation of the total holding.				
January 1, 2016	4,96,810	0.66	-	-
January 08, 2016 – Purchase	853	0.00	4,97,663	0.70
January 22, 2016 – Purchase	2,364	0.00	5,00,027	0.70
February 26, 2016 – Purchase	22,973	0.03	5,23,000	0.73
May 20, 2016 – Sale	-3,057	-0.004	5,19,943	0.73
August 05, 2016 – Purchase	17,357	0.024	5,37,300	0.75
August 12, 2016 – Purchase	6,231	0.009	5,43,531	0.76
August 19, 2016 – Purchase	3,541	0.005	5,47,072	0.77
August 26, 2016 – Purchase	321	0.000	5,47,393	0.77
September 02, 2016 – Purchase	1,129	0.002	5,48,522	0.77
September 09, 2016 – Purchase	267	0.000	5,48,789	0.77
December 02, 2016 – Purchase	160	0.00	5,48,949	0.77
December 09, 2016 – Sale	-499	0.00	5,48,450	0.77
December 16, 2016 – Sale	-50,745	-0.07	4,97,705	0.70
December 23, 2016 – Sale	-2,406	0.00	4,95,299	0.69
December 31, 2016 – Sale	-24,771	-0.03	4,70,528	0.66
December 31, 2016	4,70,528	0.66*	-	-
10. SBI Magnum Global Fund				
January 1, 2016	2,70,000	0.38	-	-
May 13, 2016 – Purchase	54,476	0.08	3,24,476	0.46
June 3, 2016 – Purchase	10,000	0.01	3,34,476	0.47
June 24, 2016 – Purchase	55,524	0.08	3,90,000	0.55
July 8, 2016 – Purchase	50,000	0.07	4,40,000	0.62
December 31, 2016	4,40,000	0.62*	-	-

* Other than the change in shareholding due to purchase or sale of shares done by each of the aforementioned shareholders, the change in % of shareholding during the year is also consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

SI no.	For each of the directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. Mr. Douglas L. Peterson					
	January 1, 2016	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		No change		
	December 31, 2016	Nil	0.00	Nil	0.00

2. Mr. H. N. Sinor				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
3. Dr. Nachiket Mor				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
4. Mr. M. Damodaran				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
5. Ms. Vinita Bali				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
6. Ms. Martina Cheung				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
7. Mr. John L. Berisford				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
8. Mr. Ravinder Singhania (Alternate to Mr. Douglas Peterson)				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
9. Ms. Ashu Suyash, Managing Director & Chief Executive Officer				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00
10. Mr. Amish Mehta, Chief Financial Officer				
January 1, 2016	Nil	0.00	Nil	0.00
Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change			
December 31, 2016	Nil	0.00	Nil	0.00

11. Ms. Minal Bhosale, Company Secretary

January 1, 2016

Nil 0.00 Nil 0.00

Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)

No change

December 31, 2016

Nil 0.00 Nil 0.00

V. INDEBTEDNESS – NOT APPLICABLE

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

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

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

Name of MD/WTD/Manager: Ms. Ashu Suyash, Managing Director & Chief Executive Officer

Sl No.	Particulars of remuneration	Name of MD/WTD/Manager Ms. Ashu Suyash Managing Director & Chief Executive Officer	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	3,01,40,050	3,01,40,050
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	0	0
2.	Stock Options (Perquisite value)	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others (Variable Pay)	2,12,55,000	2,12,55,000
5.	Others, please specify	Nil	Nil
	Total	5,14,34,650	5,14,34,650
	Ceiling as per the Act	Rs. 19.41 crore (being 5% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)	

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

B. Remuneration to other Directors:

Sl. no.	Name of Directors	Particulars of remuneration			Total Amount (Rs.)
		Fee for attending board / committee meetings (Rs.)	Commission (Rs.)	Others, please specify (Rs.)	
Independent Directors					
1	Mr. H. N. Sinor	4,65,000	27,50,000	Nil	32,15,000
2	Dr. Nachiket Mor	2,65,000	27,50,000	Nil	30,15,000
3	Mr. M. Damodaran	6,20,000	27,50,000	Nil	33,70,000
4	Ms. Vinita Bali	5,35,000	27,50,000	Nil	32,85,000
Non-Executive Directors					
5.	Mr. Douglas Peterson	Nil*	Nil*	Nil	Nil
6.	Mr. Yann Le Pallec#	Nil*	Nil*	Nil	Nil
7.	Mr. John F. Callahan Jr.#	Nil*	Nil*	Nil	Nil
8.	Ms. Martina Cheung\$	Nil*	Nil*	Nil	Nil
9.	Mr. John L. Berisford\$	Nil	Nil	Nil	Nil
10.	Mr. Ravinder Singhania (Alternate to Mr. Douglas Peterson)	Nil	Nil	Nil	Nil

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

Resigned with effect from July 19, 2016.

\$ Appointed as Directors on July 19, 2016.

Total Managerial Remuneration :

Sl No.	Particulars	Amount (Rs.)
1.	Remuneration to Managing Director, Whole-time Directors and/or Manager (as per A above)	5,14,34,650
2.	Remuneration to other Directors (as per B above)	1,28,85,000
	TOTAL	6,43,19,650
	Overall Ceiling as per the Act (%)	Rs. 23.29 crore (being 6% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)

C. Remuneration to Key Managerial Personnel Other than MD / Whole-time Director/ Manager:

Sl. no.	Particulars of remuneration	Key Managerial Personnel*		Total amount
		Chief Financial Officer (Mr. Amish Mehta)	Company Secretary (Ms. Minal Bhosale)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	1,94,92,308	62,45,150	2,57,37,458
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (Variable Pay)	NIL	NIL	NIL
2.	Stock option (Perquisite value)	NIL	NIL	NIL
3.	Sweat equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, (Variable Pay)	1,02,12,600	24,08,200	1,26,20,800
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	2,97,04,908	86,53,350	3,83,58,258

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

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of penalty / punishment/ compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty			Not Applicable		
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

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

Douglas L. Peterson
 Chairman
 (DIN: 05102955)

Mumbai, February 11, 2017