Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 December 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended 31 December 2016 and the transition date opening balance sheet as at 1 January 2016 prepared in accordance with Ind AS and included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 December 2016 and 31 December 2015, respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditor, whose reports dated 11 February 2017 and 9 February 2016, respectively, expressed unmodified opinion on those standalone financial statements, and have been adjusted

Standalone Financial Statements

for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2017 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 December 2017, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 13 February 2018 as per Annexure II expressed unmodified opinion;

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in Note 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

        ii. the Company did not have any long term contracts including derivative contracts for which there was any material foreseeable losses;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 February 2018

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited, on the Standalone Financial Statements

for the year ended 31 December 2017

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year by engaging an external expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable, having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to a Company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/ receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such Company.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans given, investments made and guarantees and securities given.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	50	-	AY 2000-01	High Court
		39	-	AY 2001-02	High Court
		46	-	AY 2002-03	High Court
		36	-	AY 2003-04	High Court
		32	-	AY 2004-05	High Court
		29	-	AY 2005-06	High Court
		16	10	AY 2006-07	Commissioner of Income Tax (Appeals)

Standalone Financial Statements

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
		832	-	AY 2007-08	High Court
		75	-	AY 2007-08	Commissioner of Income Tax (Appeals)
		851	340	AY 2008-09	Income Tax Appellate Tribunal
		*	-	AY 2008-09	Commissioner of Income Tax (Appeals)
		1,294	714	AY 2009-10	Income Tax Appellate Tribunal
		63	-	AY 2009-10	Commissioner of Income Tax (Appeals)
		859	720	AY 2010-11	Income Tax Appellate Tribunal
		835	331	AY 2011-12	Income Tax Appellate Tribunal
		871	214	AY 2012-13	Income Tax Appellate Tribunal
		140	-	AY 2013-14	Income Tax Appellate Tribunal
		20	3	AY 2013-14	Commissioner of Income Tax (Appeals)
		62	8	AY 2014-15	Commissioner of Income Tax (Appeals)
Income tax Act 1961	Income tax	97	-	AY 2015-16	Commissioner of Income Tax (Appeals)
Bombay Sales Tax Act, 1959	Sales Tax	19	-	FY 2003-04	Asst. Comm. of Sales Tax (Appeals)
		34	-	FY 2004-05	Asst. Comm. of Sales Tax (Appeals)
Finance Act 1994	Service Tax	48	-	FY 2010-11 to 2012-13	Add Comm. of Service Tax

*represent amount lesser than Rs.1 lakhs

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) In our opinion, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act, read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 February 2018

Annexure II to the Independent Auditor's Report of even date to the members of CRISIL Limited on the Standalone Financial Statements

for the year ended 31 December 2017

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

1. In conjunction with our audit of the standalone financial statements of CRISIL Limited ('the Company') as at and for the year ended 31 December 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 February 2018

Standalone Balance Sheet

as at December 31, 2017

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	4	4,821	6,008	5,906
(b) Capital work in progress		-	-	13
(c) Intangible assets	5	232	74	10
(d) Intangible assets under development		1,160	192	-
(e) Financial assets				
i. Investments	6	51,294	16,240	17,616
ii. Loans	7	-	7,048	11,751
iii. Other financial assets	8	1,309	3,238	2,008
(f) Deferred tax assets (net)	9	2,710	1,501	1,244
(g) Tax assets	10	2,526	483	20
(h) Other non-current assets	11	365	602	661
2. Current assets				
(a) Financial assets				
i. Investments	6	13,132	42,314	37,065
ii. Trade receivables	12	16,144	18,705	13,077
iii. Cash and cash equivalents	13	3,821	2,080	3,507
iv. Other bank balances	14	505	503	840
v. Loans	15	3,647	1,984	2,518
vi. Other financial assets	16	7,511	5,482	3,283
(b) Other current assets	17	2,448	2,491	1,474
TOTAL ASSETS		**111,625**	**108,945**	**100,993**
EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital	18	717	713	712
(b) Other equity	19	80,453	81,630	78,728
2. Non-current liabilities				
(a) Financial liabilities				
i. Other financial liabilities	20	305	73	-
(b) Other non-current liabilities	21	48	16	8
(c) Provisions	22	1,288	1,353	889
3. Current liabilities				
(a) Financial liabilities				
i. Trade payables	23	4,682	3,395	2,427
ii. Other financial liabilities	24	7,263	6,906	4,523
(b) Other current liabilities	25	11,530	10,110	9,896
(c) Provisions	26	5,339	4,749	3,810
TOTAL EQUITY AND LIABILITIES		**111,625**	**108,945**	**100,993**
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the standalone financial statements.
This is the Standalone Balance Sheet
referred to in our audit report of even date

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

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

M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Ewout Steenbergen
Director
[DIN: 07956962]

Nachiket Mor
Director
[DIN: 00043646]

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai

Standalone Statement of Profit and Loss

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Income			
Revenue from operations	27	117,738	112,964
Other income	28	3,594	4,429
Total		**121,332**	**117,393**
Expenses			
Employee benefits expenses	29	49,163	45,513
Finance cost	30	41	-
Depreciation and amortisation expenses	4, 5	2,852	2,851
Other expenses	31	34,671	32,195
Total		**86,727**	**80,559**
Profit before tax		**34,605**	**36,834**
Tax expense	9		
Current tax		12,042	13,399
Deferred tax		(1,163)	(594)
Total tax expense		**10,879**	**12,805**
Profit after tax for the year		**23,726**	**24,029**
Other comprehensive income (OCI)			
A. Items that will be reclassified to profit or loss:			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		434	(1,459)
Tax effect on above		(150)	505
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(207)	331
Equity instruments through other comprehensive income		8,336	(518)
Tax effect on above		104	5
Total comprehensive income for the year		**15,209**	**25,165**
Earnings per share : Nominal value of Re. 1 per share	41		
Basic		33.19	33.72
Diluted		32.98	33.36
Number of shares used in computing earnings per share			
Basic		71,489,561	71,269,219
Diluted (Refer note 41 and 47)		71,940,435	72,026,251
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

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

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

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

M. Damodaran
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[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and Chief Executive Officer
[DIN: 00494515]

Ewout Steenbergen
Director
[DIN: 07956962]

Nachiket Mor
Director
[DIN: 00043646]

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai

Standalone Cash Flow Statement

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
A. Cash flow from operating activities:		
Profit before tax	34,605	36,834
Adjustments for :		
Depreciation	2,852	2,851
Unrealised foreign exchange gain	161	47
(Profit)/ loss on sale of fixed assets	(69)	(126)
(Profit)/ loss on fair valuation of current investments	(32)	(554)
(Profit)/ loss on sale of current investments	(1,428)	(2,474)
Provision for doubtful debts / bad debts	1,229	1,196
Interest income	(34)	(128)
Interest on loan from subsidiary	(262)	(553)
Dividend on non-current investments	(1,098)	(47)
Share based payment to employees	766	1,164
Operating profit before working capital changes	**36,690**	**38,210**
Movements in working capital		
- (Increase)/decrease in trade receivables	1,140	(6,787)
- (Increase)/decrease in other non current financial assets	1,976	(442)
- (Increase)/decrease in other non current assets	237	24
- (Increase)/decrease in other current financial assets	(2,535)	(865)
- (Increase)/decrease in other current assets	49	(846)
- Increase/(decrease) in trade payables	1,315	611
- Increase/(decrease) in provisions	359	1,435
- Increase/(decrease) in other current financial liabilities	386	2,395
- Increase/(decrease) in other current liabilities	1,424	(240)
- Increase/(decrease) in other non current financial liabilities	232	73
- Increase/(decrease) in other non-current liabilities	32	8
Cash generated from operations	**41,305**	**33,576**
- Taxes paid	(14,085)	(13,374)
Net cash generated from operating activities - (A)	**27,220**	**20,202**
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets	(2,860)	(2,052)
Proceeds from sale of property, plant and equipment and intangible assets	138	187
Interest on loan from subsidiary	307	627
Loan repaid by subsidiary	5,907	3,403
Sale proceeds from investments in mutual funds/(Investments in mutual funds)	32,004	(2,649)
Investment in CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	(43,389)	-
Proceeds from fixed deposits maturity/(Investment in fixed deposits)	(76)	399
Interest income	49	121
Dividend on non-current investments	1,098	47
Net cash generated from/(used in) investing activities - (B)	**(6,822)**	**83**

Standalone Cash Flow Statement

for the year ended December 31, 2017 (Contd.)

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
C. Cash flow from financing activities :		
Proceeds on account of share application money	4,417	1,325
Dividend and dividend tax paid	(23,075)	(24,018)
Net cash generated from/(used in) financing activities - (C)	**(18,658)**	**(22,693)**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**1,740**	**(2,408)**
Cash and cash equivalents - Opening balance	2,080	3,507
Add : Exchange difference on translation of foreign currency cash and cash equivalents	1	13
Add : Adjustment on account of amalgamation of subsidiaries	-	968
Cash and cash equivalents - Closing balance	3,821	2,080
Net Increase/(decrease) in cash and cash equivalents	**1,740**	**(2,408)**
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	2,071	1,710
Deposits with original maturity of less than three months	1,750	370
Total	**3,821**	**2,080**

The accompanying notes are an integral part of the standalone cash flow statement.
This is the Standalone Cash Flow Statement
referred to in our audit report of even date.

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

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

M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Ewout Steenbergen
Director
[DIN: 07956962]

Nachiket Mor
Director
[DIN: 00043646]

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai

Statement of Changes in Equity

for the year ended December 31, 2017

A. Equity Share Capital

(Rupees in lakhs)

Balance as at January 1, 2017	Changes in equity share capital during the year (Refer note 18)	Balance as at December 31, 2017
713	4	717

(Rupees in lakhs)

Balance as at January 1, 2016	Changes in equity share capital during the year (Refer note 18)	Balance as at December 31, 2016
712	1	713

B. Other Equity

(Rupees in lakhs)

Particulars	Reserves & Surplus								Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone revinvestment reserve	Equity Instruments through OCI	Hedge reserve	Other items of OCI	
Balance as at January 1, 2017	**-**	**27**	**4,354**	**14,115**	**6,268**	**(699)**	**54,249**	**-**	**2,303**	**1,228**	**(215)**	**81,630**
Profit for the year	-	-	-	-	-	-	23,726	-	-	-	-	23,726
Additions during the year	-	-	4,413	-	-	512	-	-	-	-	-	4,925
Share based payment to employees	-	-	-	-	1,765	-	-	-	-	-	-	1,765
Other comprehensive income	-	-	-	-	-	-	-	-	(8,361)	(284)	127	(8,518)
Final dividend	-	-	-	-	-	-	(6,420)	-	-	-	-	(6,420)
Interim dividend	-	-	-	-	-	-	(12,881)	-	-	-	-	(12,881)
Corporate dividend tax	-	-	-	-	-	-	(3,774)	-	-	-	-	(3,774)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to SEZ reinvestment reserve	-	-	-	-	-	-	(300)	300	-	-	-	-
Exercise of stock option	-	-	1,311	-	(1,311)	-	-	-	-	-	-	-
Balance as at December 31, 2017	**-**	**27**	**10,078**	**14,115**	**6,722**	**(187)**	**54,600**	**300**	**(6,058)**	**944**	**(88)**	**80,453**

CRISIL
An S&P Global Company

Statement of Changes in Equity

for the year ended December 31, 2017 (Contd.)

(Rupees in lakhs)

Particulars	Reserves & Surplus								Items of Other Comprehensive Income (OCI)			Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone revinvestment reserve	Equity Instruments through OCI	Hedge reserve	Other items of OCI	
Balance as at January 1, 2016	**1,222**	**27**	**2,946**	**13,187**	**4,725**	**1,133**	**53,309**	**-**	**1,905**	**274**	**-**	**78,728**
Profit for the year	-	-	-	-	-	-	24,029	-	-	-	-	24,029
Transferred on amalgamation	(1,222)	-	-	(1,117)	-	-	2,974	-	-	-	-	635
Additions during the year	-	-	1,324	-	-	(1,832)	-	-	-	-	-	(508)
Share based payment to employees	-	-	-	-	1,627	-	-	-	-	-	-	1,627
Other comprehensive income	-	-	-	-	-	-	-	-	398	954	(215)	1,137
Final dividend	-	-	-	-	-	-	(7,121)	-	-	-	-	(7,121)
Interim dividend	-	-	-	-	-	-	(12,834)	-	-	-	-	(12,834)
Corporate dividend tax	-	-	-	-	-	-	(4,063)	-	-	-	-	(4,063)
Transfer to general reserve	-	-	-	2,045	-	-	(2,045)	-	-	-	-	-
Exercise of stock option	-	-	84	-	(84)	-	-	-	-	-	-	-
Balance as at December 31, 2016	**-**	**27**	**4,354**	**14,115**	**6,268**	**(699)**	**54,249**	**-**	**2,303**	**1,228**	**(215)**	**81,630**

The accompanying notes are an integral part of the standalone financial statements.
This is the standalone statement of changes in equity referred to in our audit report of even date

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

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

M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and Chief Executive Officer
[DIN: 00494515]

Ewout Steenbergen
Director
[DIN: 07956962]

Nachiket Mor
Director
[DIN: 00043646]

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai

Summary of Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements for the year ended December 31, 2017

1 Corporate information

CRISIL Limited ("the Company" or "CRISIL") is a globally-diversified analytical Company providing ratings and research services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better.

CRISIL Limited is a public limited company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognised stock exchanges in India- The Bombay Stock Exchange and the National Stock Exchange.

These standalone financial statements for the year ended December 31, 2017 were approved by the Board of Directors on February 13, 2018.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 66.71% as on December 31, 2017 of the Company's equity share capital.

2 Summary of significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements up to and for the year ended December 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act ('Previous GAAP'). These standalone financial statements are the first financial statements of the Company under Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the previous presentation of standalone financial statements of share holders total equity as at December 31, 2016 and January 1, 2016 and of the total comprehensive income for the year ended December 31, 2016 of the Company in Note 3 under Previous GAAP to Ind AS.

Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information is presented in Indian rupees.

2.2 Basis of preparation

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

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

Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together referred as transferor) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved by the Hon'ble Bombay High Court vide order dated September 8, 2016.

2.3 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the years presented. Application of accounting policies that

require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Estimates and assumptions are required in particular for:

- ***Useful life and residual value of property, plant and equipment (PPE) and intangible assets***
  Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when it is assessed, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- ***Revenue recognition***
  Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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

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

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

- ***Share-based payments***
  The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity

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under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.4 Property, plant and equipment (PPE)

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

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

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

2.5 Intangibles

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

2.6 Depreciation / amortisation

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

Type of asset	Estimated useful life
Buildings	20 Years
Furniture and fixtures	10 Years
Office equipment	3 to 10 Years
Computers	3 Years
Vehicles	3 Years
Software	1 to 3 Years

The estimated useful lives of PPE and intangible assets as well as the depreciation and amortisation period are reviewed at the end of each financial year and the depreciation and amortisation method is revised to reflect the changed pattern, if any.

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

2.7 Impairment

a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumelated amortisation or depreciation) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or

groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

b) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are measured at amortised cost e.g., loans, deposits, and bank balance.

b) Trade receivables.

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

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

2.8 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.9 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.10 Fair value of financial instruments

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

2.11 Financial instruments

Initial recognition

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

Subsequent measurement

a) Non-derivatives financial instruments

(i) Financial assets carried at amortised cost

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

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amounts approximate the fair value due to the short maturity of these instruments.

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

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

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

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

(iv) Financial liabilities

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

b) Derivative financial instruments

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

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

Hedge accounting

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

Derecognition of financial instruments

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

Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.12 Provision, contingent liabilities and contingent assets:

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

Contingent liabilities are disclosed in the note no. 34. Contingent liabilities are disclosed for:

(1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the standalone financial statements.

2.13 Cash and cash equivalents

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

2.14 Revenue recognition

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

Income from operations

Income from operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue ratably over the estimated surveillance periods. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out. Global research and analytics revenue is recognised based on time and material at the contractual rates as service hours are delivered and direct expenses are incurred. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Interest income

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

Dividend income

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

Profit /(loss) on sale of current investment

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

2.15 Retirement and other employee benefits

Short term employee benefits

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

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that

employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

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

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

Defined contribution plans

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

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

Employee stock compensation cost

The Company recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “share-based payment reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

2.16 Foreign currency transactions

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

Exchange difference

In case of long term monetary items the exchange difference is amortised up to the date of settlement of such monetary items and charged to the statement of profit and loss. The unamortised exchange difference is carried to Foreign Currency Monetary Item Translation Difference Account (FCMITDA) under reserves and surplus. Exchange gains and losses arising on settlement of foreign currency denominated long term monetary assets and liabilities are recognised in the statement of profit and loss. (Refer note 3)

2.17 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

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

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

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

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

Deferred tax

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

2.18 Segment reporting policies

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

The Company is structured into two reportable business segments – Rating and Research. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and

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equipment that are used interchangeably among segments are not allocated to reportable segments.

Inter segment transfers:
The Company generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

Allocation of common costs:
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Recoveries from subsidiaries towards overheads allocated represent amount recovered from subsidiary companies towards sharing Company's common costs.

Unallocated items:
Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

2.19 Earnings per share

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

For the purpose of calculating diluted earnings per share, the Company has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

2.22 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.23 Recent accounting pronouncement

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. These amendments are applicable to the Company with effect from January 1, 2018.

Amendment to Ind AS 7, 'Statement of cash flows'

The amendment to Ind AS 7 requires the entities to provides disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including other changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the closing balance in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company have evaluated the requirement and determined that it will not have material impact on the standalone financial statements.

Amendment to Ind AS 102, 'Share-based payment'

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards,

modification of cash-settled awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non- market performance conditions and service vesting conditions are reflected in the estimate in the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from date of the modification. Further, the amendment requires the award that includes a net settlements feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company have evaluated the requirement and determined that it will not have material impact on the standalone financial statements.

3 Transition to Ind AS

Exemptions and exceptions availed

The transition as at January 1, 2016 to Ind AS was carried out from the Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 - First time Adoption of Indian Accounting Standards, the reconciliation of equity and total comprehensive income from previous GAAP to Ind AS are explained below:

a) The Company has elected to continue with the carrying value of all its property, plant and equipment including asset held for sale as recognised in the standalone financial statements as at January 1, 2016 (transition date) to Ind AS measured as per the the Previous GAAP and use that as its deemed cost as at the transition date.

b) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at January 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

c) Long term foreign currency monetary items: A first-time adoption may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Previous GAAP.

d) Share-based payment exemption: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS and accordingly the unvested options as on the transition date have been measured at fair value as against instrinsic value previously recognised under the Previous GAAP.

e) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as Fair Value through Other Comprehensive Income (FVTOCI) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

   Accordingly, the Company has designated its investments in equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

f) The Company has designated various hedging relationships as cash flow hedges under the Previous GAAP. On date of transition to Ind AS, the entity has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

g) The Company has opted to continue with the carrying values measured under the Previous GAAP and use that carrying value as the deemed cost for the investment in subsidiaries on the date of transition to Ind AS.

h) The Company has opted for transitional relief under Ind AS 101 (paragraph D35AA) while applying Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Paragraph D35AA provides the Company to use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell.

Standalone Financial Statements

Equity reconciliation

(Rupees in lakhs)

Particulars	Note	As at December 31, 2016	As at January 1, 2016
Equity under previous GAAP		**71,491**	**67,514**
Final dividends (including tax there on)	(a)	7,727	8,571
Impact on account of measuring non-current investments at fair value	(b)	2,995	2,477
Impact on account of measuring current investments at fair value	(b)	554	1,309
Adjustment for straight lining of lease rentals	(e)	1,113	1,281
Share based payments in respect of employees of Group companies	(d)	463	-
Others	(g)	(126)	(151)
Tax adjustments	(h)	(1,874)	(1,561)
Equity as per Ind AS		**82,343**	**79,440**
Comprising:			
Paid up equity share capital		713	712
Other equity		81,630	78,728

Profit reconciliation

(Rupees in lakhs)

Particulars	Note	Year ended December 31, 2016
Net profit as per previous GAAP		**25,565**
Add / (less) : Adjustments for GAAP differences		
Impact on account of measuring current investments at fair value	(b)	(755)
Remeasurements of net defined benefit liability	(c)	331
Share based payments	(d)	(1,164)
Adjustment for straight lining of lease rentals	(e)	(168)
Others	(g)	24
Tax adjustments on above, as applicable	(h)	196
Net profit before other comprehensive income as per Ind AS		**24,029**
Other comprehensive income (OCI)		1,646
Tax adjustments on above (OCI)	(h)	(510)
Total comprehensive income as per Ind AS (after tax)		**25,165**

Notes to reconciliations between previous GAAP and Ind AS

a) Dividend (including dividend tax)

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under the Previous GAAP, dividend payable is recorded as a liablity in the period to which it relates.

That has resulted in an increase of equity by Rs. 7,727 lakhs and Rs. 8,571 lakhs as at December 31, 2016 and January 1, 2016 respectively.

b) Fair valuation of Investments

Under the Previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS financial assets other than amortised cost are subsequently measured at fair value.

The Company has made an irrevocable election to present in OCI subsequent changes in fair value of equity investments not held for trading. This has resulted in increase in equity by Rs. 2,995 lakhs and Rs. 2,477 lakhs as at December 31, 2016 and January 1, 2016 respectively and increase in total comprehensive income by Rs. 518 lakhs for the year ended December 31, 2016.

Investment in mutual funds have been classified as fair value through profit and loss and fair value changes are recognised in the statement of profit and loss. This has resulted in increase in equity by Rs. 554 lakhs and Rs.

1,309 lakhs as at December 31, 2016 and January 1, 2016 respectively and decrease in total comprehensive income by Rs. 755 lakhs for the year ended December 31, 2016.

c) Employee benefits

Under the Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the acturial gains and losses form part of remeasurement of net defined benefit liability/ assets which is recognised in other comprehensive income in the respective periods. The amount recognised in OCI for the year ended December 31, 2016 was Rs. 331 lakhs.

There is no impact on total comprehensive income and total equity for the year ended and as at December 31 2016 and January 1, 2016 respectively.

d) Share based payment to employees

Under the Previous GAAP, the cost of equity - settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the total comprehensive income for the year ended December 31, 2016 decreased by 1,164 lakhs. There is no impact on total equity as at January 1, 2016, whereas total equity has increased by Rs. 463 lakhs as at December 31, 2016 on account of share based payment recharge to employees of subsidiary companies.

e) Adjustment for straight lining of lease rentals

Under Ind AS, straight-lining of rentals is not required if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence the lease equalisation reserve created as per the Previous GAAP is reversed which resulted in decrease in total comprehensive income for the year ended December 31, 2016 by Rs. 168 lakhs. Total equity has increased by Rs. 1,113 lakhs and Rs. 1,281 lakhs as at December 31, 2016 and January 1, 2016 respectively.

f) Reconciliation of statement of cash flow

There are no material adjustments to the statement of cash flows as reported under the Previous GAAP.

g) Others

Other adjustments include revenue deferred and the impact of discounting of security deposits.

h) Tax adjustments including deferred tax

Tax impact resulted on account of above adjustments lead to decrease in total equity under Ind AS by Rs. 1,874 lakhs and Rs. 1,561 lakhs as at December 31, 2016 and January 1, 2016 respectively, and decrease in total comprehensive income by Rs. 314 lakhs for the year ended December 31, 2016.

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4. Property, plant and equipment

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block					Accumulated Depreciation/Amortisation					Net Block
	As at January 1, 2017	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2017	As at December 31, 2017
Buildings	10	-	-	-	10	8	2	-	-	10	-
Furniture and fixtures	869	49	-	34	884	190	167	-	14	343	541
Office equipments	1,499	93	-	29	1,563	353	348	-	10	691	872
Computers	2,988	1,126	-	35	4,079	1,161	1,190	-	32	2,319	1,760
Vehicles	409	161	-	63	507	145	147	-	36	256	251
Leasehold improvements	2,956	91	-	-	3,047	866	784	-	-	1,650	1,397
Total tangible assets	**8,731**	**1,520**	**-**	**161**	**10,090**	**2,723**	**2,638**	**-**	**92**	**5,269**	**4,821**

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value					Accumulated Depreciation/Amortisation					Net Block
	As at January 1, 2016	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2016	Up to January 1, 2016	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2016	As at December 31, 2016
Buildings	10	-	-	-	10	-	8	-	-	8	2
Furniture and fixtures	642	85	154	12	869	-	185	7	2	190	679
Office equipments	1,179	138	191	9	1,499	-	347	8	2	353	1,146
Computers	1,568	1,305	119	4	2,988	-	1,141	23	3	1,161	1,827
Vehicles	239	200	4	34	409	-	151	-	6	145	264
Leasehold improvements	2,268	53	635	-	2,956	-	837	29	-	866	2,090
Total tangible assets	**5,906**	**1,781**	**1,103**	**59**	**8,731**	**-**	**2,669**	**67**	**13**	**2,723**	**6,008**

5. Intangible assets

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block					Accumulated Depreciation/Amortisation					Net Block
	As at January 1, 2017	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2017	As at December 31, 2017
Software	260	372	-	-	632	186	214	-	-	400	232
Total intangible assets	**260**	**372**	**-**	**-**	**632**	**186**	**214**	**-**	**-**	**400**	**232**

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value					Accumulated Depreciation/Amortisation					Net Block
	As at January 1, 2016	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2016	Up to January 1, 2016	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2016	As at December 31, 2016
Software	10	146	105	1	260	-	182	5	1	186	74
Total intangible assets	**10**	**146**	**105**	**1**	**260**	**-**	**182**	**5**	**1**	**186**	**74**

6. Investments

A. Non-current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
Investments in subsidiaries						
Unquoted equity investments carried at cost (Refer note 33)						
Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re. 1 each, fully paid up*	49,999,970	707	49,999,970	707	49,999,970	500
Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up *	5,514,100	11,585	5,514,100	11,585	5,514,100	11,390
Equity Shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up*	704,018	147	704,018	147	704,018	105
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited*	-	244	-	244	-	226
Equity Shares of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up (Refer note 46)	-	-	-	-	10,000	1,113
Equity Shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up (Refer note 46)	-	-	-	-	100,000	371
Equity Shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up (Refer note 46)	-	-	-	-	50,000	871
Sub - total (a)		**12,683**		**12,683**		**14,576**
Other investments						
*Unquoted equity investments carried at fair value through OCI (Refer note 33)***						
Equity Shares of Caribbean Information and Credit Rating Agency of US$1 each, fully paid up	300,000	150	300,000	45	300,000	38
Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up	1,875,000	3,521	1,875,000	3,512	1,875,000	3,002
Sub - total (b)		**3,671**		**3,557**		**3,040**
*Quoted equity investments carried at fair value through OCI (Refer note 33)***						
Equity Share of CARE Ratings Limited (formerly known as Credit Analysis and Research Limited) of Rs.10 each, fully paid up***	2,622,431	34,940	1	-	1	-
Equity Share of ICRA Limited of Rs.10 each, fully paid up***	1	-	1	-	1	-
Sub - total (c)		**34,940**		**-**		**-**
Total non-current investments - (a + b + c)		**51,294**		**16,240**		**17,616**

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B.	Current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
		No. of units	Rupees in lakhs	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
	Investments in mutual funds *(Unquoted investments carried at fair value through profit and loss)(Refer note 33)*						
	HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	253	-	-	-	-
	DSP BlackRock Liquidity Fund - Direct Plan - Growth	104,727	2,558	-	-	-	-
	Baroda Pioneer Liquid Fund - Plan B Growth	133,187	2,616	-	-	-	-
	Axis Liquid Fund - Direct Growth	137,365	2,602	-	-	295,551	4,866
	ICICI Prudential Liquid Fund - Direct - Growth	990,139	2,501	-	-	2,191,978	4,819
	Sundaram Money Fund - Direct Plan - Growth	7,226,377	2,602	-	-	15,444,070	4,838
	HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	-	-	-	-	104,807	3,251
	HDFC Liquid Fund - Direct Plan - Growth	-	-	-	-	163,297	4,786
	IDFC Cash Fund - Growth - Direct Plan	-	-	-	-	267,080	4,821
	L&T Liquid Fund Direct Plan - Growth	-	-	-	-	236,799	4,823
	SBI Premier Liquid Fund - Direct Plan - Growth	-	-	-	-	208,380	4,861
	ICICI Prudential Banking and PSU Debt Plan - Direct - Growth	-	-	9,406,994	1,759	-	-
	ICICI Prudential Long Term - Direct - Growth	-	-	23,908,345	4,920	-	-
	Axis Short Term Fund - Direct - Growth	-	-	22,922,423	4,147	-	-
	Axis Treasury Advantage Fund - Direct - Growth	-	-	259,704	4,704	-	-
	HDFC Medium Term Opportunities Fund - Direct - Growth	-	-	8,362,615	1,496	-	-
	HDFC Floating Rate Income Fund - Short Term Plan - Direct - Wholesale Option - Growth	-	-	17,613,978	4,907	-	-
	Birla Sun Life Floating Rate Fund-Long Term-Regular Plan-Growth	-	-	2,602,688	5,133	-	-
	Kotak Banking and PSU Debt Fund - Direct - Growth	-	-	13,201,309	4,836	-	-
	DSP BlackRock Ultra Short Term Fund - Direct - Growth	-	-	43,066,267	5,039	-	-
	Reliance Banking & PSU Debt Fund - Direct - Growth	-	-	22,092,785	2,579	-	-
	Reliance Dynamic Bond Fund - Direct - Growth	-	-	12,203,790	2,794	-	-
	Total investments in mutual funds (d)		**13,132**		**42,314**		**37,065**
	Total investments (a + b + c + d)		**64,426**		**58,554**		**54,681**

The market value of quoted investments is equal to the carrying value

* Includes deemed investment on account of ESOS, share based payment recharge to employees of subsidiary companies (Refer note 3)

** The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2017 was Rs. 321 lakhs and for the year ended December 31, 2016 was Rs. 47 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. For all the equity instruments that are classified by the Company as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI. The Company recognises dividend in statement of profit and loss under the head “other income”.

*** ‘-’ in amounts’ columns denote amounts less than Rs. 50,000.

7. Loans

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Unsecured, considered good, unless otherwise stated			
Loan to subsidiary (Refer note 38)	-	7,048	11,751
Total	**-**	**7,048**	**11,751**

8. Other financial assets

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Unsecured, considered good, unless otherwise stated			
Interest accrued on fixed deposits	2	-	3
Security deposits	1,261	3,237	1,930
Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with banks Rs. 39 lakhs (Rs. Nil and Rs. 48 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company (Refer note 34))	46	1	75
Total	**1,309**	**3,238**	**2,008**

9. Income tax

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current tax	12,042	13,399
Deferred tax	(1,163)	(594)
Total income tax expense recognised in current year	**10,879**	**12,805**

The tax year for the company being the year ending March 31, 2018, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2018 and the provisions for the nine months upto December 31, 2017. The tax provision for the nine months has been arrived at using effective tax rate for the period April 1, 2017 to March 31, 2018.

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

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Profit before tax	34,605	36,834
Enacted income tax rate in India (%)	34.61%	34.61%
Computed expected tax expense	11,977	12,749
Effect of:		
Income exempt from tax	(1,080)	(1,278)
Expenses that are not deductible in determining taxable profit	-	403
Tax expense of prior years	(209)	-
Others	191	931
Total income tax expense recognised in the statement of profit and loss	**10,879**	**12,805**

The applicable Indian statutory income tax rates fiscal the year ended March 31, 2018 and March 31, 2017 is 34.61% and 34.61% respectively.

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Deferred tax

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

As at December 31, 2017

(Rupees in lakhs)

Particulars	Opening Balance	Recognised in profit and loss	Recognised in Other Comprehensive income	Acquisitions/ disposal	Closing balance
Deferred tax liability					
On gains from other investments	691	-	26	-	717
On gains from mutual funds	145	(145)	-	-	-
On gains / losses on forward contract	650	-	(150)	-	500
Gross deferred tax liablity	**1,486**	**(145)**	**(124)**	**-**	**1,217**
Deferred tax asset					
On lease rent amortisation	27	(1)	-	-	26
On provision for compensated absences	1,149	318	-	-	1,467
On provision for bonus and commission	446	6	-	-	452
On provision for gratuity	425	35	(78)	-	382
On provision for bad debt	473	33	-	-	506
On initial rating fees deferred	251	290	-	-	541
On 40A(ia) and others	30	18	-	-	48
On property, plant and equipment	186	319	-	-	505
Gross deferred tax asset	**2,987**	**1,018**	**(78)**	**-**	**3,927**
Net deferred tax asset	**1,501**	**1,163**	**46**	**-**	**2,710**

As at December 31, 2016

(Rupees in lakhs)

Particulars	Opening Balance	Recognised in profit and loss	Recognised in Other Comprehensive income	Acquisitions/ disposal	Closing balance
Deferred tax liability					
On gains from other investments	572	-	119	-	691
On gains from mutual funds	408	(263)	-	-	145
On gains / losses on forward contract	145	-	505	-	650
On property, plant and equipment	147	(147)	-	-	-
Gross deferred tax liablity	**1,272**	**(410)**	**624**	**-**	**1,486**
Deferred tax asset					
On lease rent amortisation	38	(49)	-	38	27
On provision for compensated absences	1,001	110	-	38	1,149
On provison for bonus and commission	294	123	-	29	446
On provision for gratuity	344	(40)	114	7	425
On provison for bad debt	426	47	-	-	473
On initial rating fees deferred	389	(138)	-	-	251
On 40A(ia) and others	24	5	-	1	30
On property, plant and equipment	-	126	-	60	186
Gross deferred tax asset	**2,516**	**184**	**114**	**173**	**2,987**
Net deferred tax asset	**1,244**	**594**	**(510)**	**173**	**1,501**

10. Tax assets

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Advance income-tax (net of provision for taxation)	2,526	483	20
Total	**2,526**	**483**	**20**

11. Other non-current assets

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Prepaid rent	223	453	488
Prepaid expenses	142	149	173
Total	**365**	**602**	**661**

12. Trade receivable

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Unsecured, considered good, unless otherwise stated			
- Unsecured, considered good (Refer note 37)	16,144	18,705	13,077
- Considered doubtful	1,990	1,649	1,695
Less : Allowance for doubtful trade receivables	(1,990)	(1,649)	(1,695)
Total	**16,144**	**18,705**	**13,077**

13. Cash and cash equivalents

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Balances with banks :			
On current accounts	2,071	1,710	3,442
Deposits with original maturity of less than three months (Deposit includes fixed deposits with banks Rs. Nil (Rs. Nil and Rs. 14 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company. (Refer note 34))	1,750	370	65
Total	**3,821**	**2,080**	**3,507**

14. Other bank balances

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
On unpaid dividend accounts	64	93	105
Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 47 lakhs (Rs. 81 lakhs and Rs. 42 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company. (Refer note 34))	441	410	735
Total	**505**	**503**	**840**

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15. Loans

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Considered good unless otherwise stated			
Loan to subsidiary (Refer note 38)	3,333	1,680	2,273
Loans to employees	314	304	245
Total	**3,647**	**1,984**	**2,518**

16. Other financial assets

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Unsecured, considered good, unless otherwise stated			
Advances recoverable in cash or kind	2,113	969	813
(Related party balances - Refer note 37)			
Application for investment in mutual fund	-	700	-
Security deposits	2,293	43	1,032
Accrued revenue	1,613	1,782	844
Accrued interest on fixed deposit	6	23	12
Interest accrued on loan to subsidiary	42	87	163
Forward contract receivable	1,444	1,878	419
Total	**7,511**	**5,482**	**3,283**

17. Other current assets

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Asset held for sale*	318	318	318
Prepaid rent	230	223	52
Prepaid expense	870	1,391	457
Balances with government authorities	1,030	559	647
Total	**2,448**	**2,491**	**1,474**

* The Company has classified a building premise as asset held for sale at its carrying value Rs. 318 lakhs. The Company has actively marketed the premise. The premise has been classified as unallocable as the Company believes that it is currently not practicable to allocate the premise to any segment.

18. Share capital

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Authorised capital:			
100,000,000 Equity Shares of Re.1 each (100,000,000 equity shares of Re. 1 each as on December 31, 2016 and 100,000,000 equity shares of Re. 1 each as on January 1, 2016)	1,000	1,000	1,000
Issued, subscribed and paid up:			
71,704,928 Equity Shares of Re. 1 each fully paid up (71,335,358 equity shares of Re.1 each as on December 31, 2016 and 71,209,103 equity shares of Re.1 each as on January 1, 2016)	717	713	712
Total	**717**	**713**	**712**

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

Equity shares

Particulars	As at December 31, 2017	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	713	71,335,358
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 47)	4	369,570
Outstanding at the end of the year	**717**	**71,704,928**

Particulars	As at December 31, 2016	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	712	71,209,103
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 47)	1	126,255
Outstanding at the end of the year	**713**	**71,335,358**

(b) Terms/rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Group Holding of the S&P Global Inc.			
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, Fellow Subsidiary (31,209,480 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	312	312	312
10,623,059 Equity Shares of Re.1 each fully paid held by S&P Global Asian Holdings Pte. Limited, Fellow Subsidiary (10,623,059 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	106	106	106

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(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
6,000,000 Equity Shares of Re.1 each fully paid held by Standard & Poor's International LLC, Fellow Subsidiary (6,000,000 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	60	60	60
Total	**478**	**478**	**478**

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
	Nos.	Nos.	Nos.
Equity shares bought back by the Company			
Aggregate number of equity shares bought back by the Company (In last five years)	1,421,932	1,421,932	1,421,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company.	Nil	Nil	Nil

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

Name of the shareholder	As at December 31, 2017	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.52%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.81%	10,623,059
c) Standard & Poor's International LLC	8.37%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.53%	3,965,000
3. Life Insurance Corporation of India	5.45%	3,908,261

Name of the shareholder	As at December 31, 2016	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.75%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.89%	10,623,059
c) Standard & Poor's International LLC	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000
3. Life Insurance Corporation of India	1.70%	1,213,086

Name of the shareholder	As at January 1, 2016	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.92%	10,623,059
c) Standard & Poor's International LLC	8.42%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.62%	4,000,000
3. Life Insurance Corporation of India	1.08%	765,735

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company (Refer note 47).

(g) Capital management

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The Company has a overdraft facility with banks to support any temporary funding requirements which has not been utilised as at December 31, 2017.

19. Explanation of reserves:

a) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

c) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve

d) Share-based payment reserve

The share-based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Other comprehensive income (OCI)

Other comprehensive income includes equity Instruments through OCI, Hedge reserve and actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets.

Hedge reserve -These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes.

f) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets is accumulated in separate reserve within equity. The cumulative amount is reclassified to the statement of profit and loss over the life of the monetary asset on a straightline basis.

g) Captal redemption reserve

The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings in 2015. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

h) Special Economic Zone (SEZ) reinvestment reserve

The Special Economic Zone (SEZ) reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilised by the Company for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.

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20. Other financial liabilities

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Employee related payables	156	-	-
Sundry deposits	149	73	-
Total	**305**	**73**	**-**

21. Other non-current liabilities

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Unearned revenue and fees received in advance	48	16	8
Total	**48**	**16**	**8**

22. Provisions

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Gratuity (Refer note 40)	1,288	1,353	889
Total	**1,288**	**1,353**	**889**

23. Trade payables

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Total outstanding dues of micro enterprises and small enterprises (Refer note 48)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,682	3,395	2,427
Total	**4,682**	**3,395**	**2,427**

24. Other financial liabilities

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Employee related payables	7,199	6,813	4,418
Unpaid dividend (Investor education and protection fund will be credited as and when due)	64	93	105
Total	**7,263**	**6,906**	**4,523**

25. Other current liabilities

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Statutory liabilities	1,674	1,260	937
Unearned revenue and fees received in advance	9,856	8,850	8,959
Total	**11,530**	**10,110**	**9,896**

26. Provisions

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Current			
Compensated absences	4,709	4,326	3,425
Gratuity (Refer note 40)	630	423	385
Total	**5,339**	**4,749**	**3,810**

27. Income from operations

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Ratings services	48,029	46,768
Research services	69,709	66,196
Total	**117,738**	**112,964**

28. Other income

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest on bank deposits	34	128
Interest on loan to subsidiary	262	553
Profit on sale of fixed assets	69	126
Interest income on financial assets carried at amortised cost	254	263
Dividend on non-current investments	1,098	47
Profit on sale of current investments	1,428	2,474
Profit on fair valuation of current investments	32	554
Miscellaneous income	417	284
Total	**3,594**	**4,429**

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29. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Salaries, wages and bonus	45,476	41,658
Share based payment to employees	766	1,164
Contribution to provident and other funds	1,564	1,417
Contribution to gratuity fund (Refer note 40)	972	529
Staff training and welfare expenses	1,527	1,178
Less : Recoveries from subsidiaries towards overhead allocated	(1,142)	(433)
Total	**49,163**	**45,513**

30. Finance cost

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest expense on bank overdraft	41	-
Total	**41**	**-**

31. Other expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Repairs and maintenance - Buildings	1,266	1,288
Repairs and maintenance - Others	782	784
Electricity	1,024	944
Communication expenses	784	768
Insurance	74	56
Rent (Refer note 39)	4,455	4,292
Rates and taxes	12	16
Printing and stationery	267	272
Conveyance and travelling	2,632	2,397
Books and periodicals	637	540
Vehicle expenses	5	4
Remuneration to non-whole time directors	152	129
Business promotion and advertisement	89	137
Foreign exchange loss	717	398
Professional fees	15,090	12,899
Associate service fee	4,124	4,167
Software purchase and maintenance expenses	750	764
Provision for doubtful debts / bad debts	1,229	1,196
Corporate social responsibility (CSR) expenses (Refer note 43)	727	604
Donation	97	200
Auditors' remuneration (Refer note 35)	57	76
Recruitment expenses	245	383
Miscellaneous expenses	279	138
Less : Recoveries from subsidiaries towards overhead allocated	(823)	(257)
Total	**34,671**	**32,195**

32. Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 33. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarised below:-

32.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of December 31, 2017 and December 31, 2016, we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under note 33.

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

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EURO	1,043	-	793	-
Others	44	17,032	8	1,106

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	13,330	135	9,053	92
GBP	16,887	-	14,184	-
EURO	1,187	10	841	7
Others	965	12,952	332	817

For the year ended December 31, 2017, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by +/- Rs. 598 lakhs (+/-1.77%). For the year ended December 31, 2016, operating margins would increase/decrease by Rs. 1,175 lakhs (+/- 3.33%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. None the less, the analysis above is considered to be representative of the Company's exposure to currency risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence, and exit strategies in order to mitigate losses.

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The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. The details of such investment are given under note 6. If the prices had been higher/lower by 5% from the market prices existing as at the reporting date, profit would increase/decrease by Rs. 657 lakhs and Rs. 2,116 lakhs for the year ended December 31, 2017 and for the year ended December 31, 2016 respectively.

The Company is also exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. The details of such investment are given under note 6. If the equity prices had been higher/lower by 5% from the market prices existing as at December 31, 2017, OCI for the year ended December 31, 2017 would increase/decrease by Rs.1,747 lakhs.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The short term treasury position of the company is given below:

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016
Trade receivables	16,144	18,705
Cash and cash equivalents	3,821	2,080
Other bank balances	505	503
Investments in mutual funds	13,132	42,314
Total	**33,602**	**63,602**

Financial liabilities maturing within one year:

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016
Trade payables	4,682	3,395
Others	7,263	6,906
Total	**11,945**	**10,301**

32.3 Business and credit risks

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

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

(Rupees in lakhs)

Receivables	As at December 31, 2017	As at December 31, 2016
<= 6 months	15,601	18,338
> 6 months but <= 1 year	2,533	2,016
> 1 year	-	-
Provision for doubtful receivables	(1,990)	(1,649)

33. Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2017 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	34,940	-	-	34,940	34,940
Unquoted equity investments	-	-	-	3,671	-	-	3,671	3,671
Mutual funds	-	-	13,132	-	-	-	13,132	13,132
Cash and cash equivalents	3,821	-	-	-	-	-	3,821	3,821
Other bank balances	505	-	-	-	-	-	505	505
Trade receivables	16,144	-	-	-	-	-	16,144	16,144
Loans	3,647	-	-	-	-	-	3,647	3,647
Other financial assets	7,376	-	-	-	-	1,444	8,820	8,820
Total	**31,493**	**-**	**13,132**	**38,611**	**-**	**1,444**	**84,680**	**84,680**
Liabilities								
Trade payables	4,682	-	-	-	-	-	4,682	4,682
Other financial liabilities	7,568	-	-	-	-	-	7,568	7,568
Total	**12,250**	**-**	**-**	**-**	**-**	**-**	**12,250**	**12,250**

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The carrying value and fair value of financial instruments by categories as at December 31, 2016 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,557	-	-	3,557	3,557
Mutual funds	-	-	42,314	-	-	-	42,314	42,314
Cash and cash equivalents	2,080	-	-	-	-	-	2,080	2,080
Other bank balances	503	-	-	-	-	-	503	503
Trade receivables	18,705	-	-	-	-	-	18,705	18,705
Loans	9,032	-	-	-	-	-	9,032	9,032
Other financial assets	6,842	-	-	-	-	1,878	8,720	8,720
Total	**37,162**	**-**	**42,314**	**3,557**	**-**	**1,878**	**84,911**	**84,911**
Liabilities								
Trade payables	3,395	-	-	-	-	-	3,395	3,395
Other financial liabilities	6,979	-	-	-	-	-	6,979	6,979
Total	**10,374**	**-**	**-**	**-**	**-**	**-**	**10,374**	**10,374**

The carrying value and fair value of financial instruments by categories as at January 1, 2016 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,040	-	-	3,040	3,040
Mutual funds	-	-	37,065	-	-	-	37,065	37,065
Cash and cash equivalents	3,507	-	-	-	-	-	3,507	3,507
Other bank balances	840	-	-	-	-	-	840	840
Trade receivables	13,077	-	-	-	-	-	13,077	13,077
Loans	14,269	-	-	-	-	-	14,269	14,269
Other financial assets	4,872	-	-	-	-	419	5,291	5,291
Total	**36,565**	**-**	**37,065**	**3,040**	**-**	**419**	**77,089**	**77,089**
Liabilities								
Trade payables	2,427	-	-	-	-	-	2,427	2,427
Other financial liabilities	4,523	-	-	-	-	-	4,523	4,523
Total	**6,950**	**-**	**-**	**-**	**-**	**-**	**6,950**	**6,950**

* '-' in amounts' columns denote amounts less than Rs. 50,000.

Fair value hierarchy

For financial reporting purpose, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value as at December 31, 2017, December 31, 2016 and January 1, 2016.

(Rupees in lakhs)

	Particulars	As at December 31, 2017			As at December 31, 2016			As at January 1, 2016		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Financial assets measured at fair value:									
A	Investments at FVTPL									
	1. Mutual Funds	13,132	-	-	42,314	-	-	37,065	-	-
B	Investments at FVTOCI									
	1. Quoted equity shares	34,940	-	-	-*	-	-	-*	-	-
	2. Unquoted equity shares	-	-	3,671	-	-	3,557	-	-	3,040
C	Forward contracts receivable	-	1,444	-	-	1,878	-	-	419	-

* '-' in amounts' columns denote amounts less than Rs. 50,000.

Derivative financial instruments and hedging activity

The Company's risk management policy is to hedge substantial amount of forecast transactions for each of the major currencies presently US$, GBP £ and Euro €. The hedge limits are governed by the risk management policy. The Company uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under :

As at December 31, 2017

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	61,421	41,693	Jan - Dec-18	67.88	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	88.86	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78.26	(28)	28

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As at December 31, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	48,521	34,528	Jan - Dec-17	71.16	742	(742)
	GBP	14	9,071	8,733	Jan - Dec-17	96.27	907	(907)
	EUR	12	4,118	3,280	Jan - Dec-17	79.66	229	(229)

As at January 1, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	15	38,548	26,544	Jan - Dec-16	68.86	116	(116)
	GBP	15	9,211	9,606	Jan - Dec-16	104.30	273	(273)
	EUR	14	4,526	3,428	Jan - Dec-16	75.73	30	(30)

Movement in cash flow hedging reserve

(Rupees in lakhs)

Particulars	Foreign exchange forward contract
As at January 1, 2016	**274**
Add: Changes in fair value of effective portion of outstanding forcasted cash flow hedge	3,324
Less: Amounts reclassified to profit or loss	(1,865)
Less: Tax relating to above (net)	(505)
As at December 31, 2016	**1,228**
Add: Changes in fair value of effective portion of outstanding forcasted cash flow hedge	3,904
Less: Amounts reclassified to profit or loss	(4,338)
Less: Tax relating to above (net)	150
As at December 31, 2017	**944**

The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge.

Revenue hedge: For forecasted revenue transaction, the Company will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

Details of unhedged foreign exposure

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Monetary				
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EUR	1,043	-	793	-
Others	44	17,032	8	1,106
Sub-total	**18,208**	**17,114**	**13,127**	**1,158**
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	**15,466**	**-**	**11,720**	**-**
Total	**33,674**	**17,114**	**24,847**	**1,158**

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Monetary				
USD	13,330	135	9,053	92
GBP	16,887	-	14,184	-
EUR	1,187	10	841	7
Others	965	12,952	332	817
Sub-total	**32,369**	**13,097**	**24,410**	**916**
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	**15,466**	**-**	**11,720**	**-**
Total	**47,835**	**13,097**	**36,130**	**916**

Particulars	As at January 1, 2016 (Foreign currency in '000)		As at January 1, 2016 (Rupees in lakhs)	
Currency	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Monetary				
USD	8,176	50	5,425	33
GBP	18,478	4	18,263	4
EUR	1,317	3	950	2
Others	109	6,512	9	243
Sub-total	**28,080**	**6,569**	**24,647**	**282**
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	**15,466**	**-**	**11,720**	**-**
Total	**43,546**	**6,569**	**36,367**	**282**

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

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Contingent liabilities			
1. Bank guarantee in the normal course of business	2,320	351	1,901
2. Disputed income tax and sales tax demand:			
(i) Pending before appellate authorities in respect of which the Company is in appeal	3,872	4,113	2,275
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,185	1,185	352
The Company has given a bank guarantee of Rs. 2,190 lakhs in relation to the tax demands with regards Pipal India, for FY 2007-08 to FY 2011-12			
	7,377	**5,649**	**4,528**
Capital commitment			
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	142	539	390
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various authorities.			
The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the juridictions of operations in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.			
Total	**7,519**	**6,188**	**4,918**

35. Auditors' remuneration includes :

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Audit fees	38	57
In any other matter:		
Certification work	14	16
Out of pocket expenses	5	3
Total	**57**	**76**

36. Segment reporting

Business segments:

The Company has two major business segment: Rating and Research. A description of the types of products and services provided by each reportable segment is as follows:

- Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

- Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER),IPO gradings and training.

Segment reporting for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue (Refer note 27)	48,029	69,709	117,738
Segment results	15,104	20,142	35,246
Add / (less) Unallocables:			
1. Unallocable income			
Interest income			296
Profit on sale of current investments			1,428
Profit on sale of fixed asset			69
Others*			1,801
2. Unallocable expenditure			(1,383)
3. Depreciation/ Amortisation			(2,852)
Profit before exceptional item			34,605
Exceptional item			-
Profit before tax			34,605
Tax expense			(10,879)
Profit after tax			23,726
Segment assets	7,527	26,902	34,429
Unallocable assets**			77,196
Segment liabilities	12,465	11,471	23,936
Unallocable liabilities**			6,519

Revenue and Total Assets by Geographic Segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	45,813	83,938
Europe	28,159	15,178
North America	35,796	5,600
Rest of the world	7,970	1,673
Total	**117,738**	**106,389**

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Segment reporting for the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue (refer note 27)	46,768	66,196	112,964
Segment results	14,232	22,608	36,840
Add / (less) Unallocables :			
1. Unallocable income			
Interest income			681
Profit on sale of current investments			2,474
Profit on sale of fixed asset			126
Others*			1,148
2. Unallocable expenditure			(1,584)
3. Depreciation/ Amortisation			(2,851)
Profit before exceptional item			36,834
Exceptional item			-
Profit before tax			36,834
Tax expense			(12,805)
Profit after tax			24,029
Segment assets	6,985	30,296	37,281
Unallocable assets* *			71,664
Segment liabilities	11,837	10,103	21,940
Unallocable liabilities**			4,662

Revenue and Total Assets by Geographic Segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	41,632	70,869
Europe	32,315	27,187
North America	32,078	7,538
Rest of the world	6,939	1,367
Total	**112,964**	**106,961**

Notes to segmental results :

* Other income which have been allocated to business segments have not been considered in determining unallocable income.

**Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

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

The Company recovered certain common expenses from subsidiaries based on management estimates and the same form a part of the segment results.

The top two customers of the research segment contributed to more than 10% of the standalone revenue of the Company. These entitties are under common control of the Company.

The following table gives details in respect of revenues generated from top two customers:

(Rupees in lakhs)

Particulars	**Year ended December 31, 2017**	Year ended December 31, 2016
Total revenue from top two customers	43,720	43,726

37. List of related parties

Particulars	Relationship
Related parties where control exists	
S&P Global Inc.	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary (Refer note 46)
Coalition Development Systems (India) Private Limited	Subsidiary (Refer note 46)
Mercator Info-Services India Private Limited	Subsidiary (Refer note 46)
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
CRISIL Foundation	Controlled Trust
Other Related parties	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow Subsidiary
S&P Global Canada Corp.	Fellow Subsidiary
S&P Global International LLC	Fellow Subsidiary
S&P Global UK Limited	Fellow Subsidiary
J.D. Power and Associates	Fellow Subsidiary (up to September 8, 2016)
Standard & Poor's Credit Market Services Europe Limited	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow Subsidiary
S&P Global Market Intelligence LLC	Fellow Subsidiary
Standard & Poor's Ratings Services	Fellow Subsidiary
Asia Index Private Limited	Fellow Subsidiary
S&P Global Market Intelligence Inc.	Fellow Subsidiary
JM Financial Asset Reconstruction Company Private Limited *	Common Director
Global Healthcare Systems Private Limited *	Common Director
Care India Solutions for Sustainable Development *	Common Director
Key Management Personnel	
Ravinder Singhania	Alternate Director
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director
Vinita Bali	Independent Director
M. Damodaran	Independent Director
H. N. Sinor	Independent Director (up to October 25, 2017)
Ewout Steenbergen	Director (with effect from October 17, 2017)
Martina Cheung	Director
John L Berisford	Chairman (with effect from October 17, 2017)
Douglas Peterson	Chairman (up to October 17, 2017)
Ashu Suyash*	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Financial Officer
Minal Bhosale *	Company Secretary

* Related party as per the Companies Act, 2013

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Transactions with related parties

(Rupees in lakhs)

Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
S&P Global UK Limited	Professional services rendered	291	317	-
	Amount receivable	288	133	22
S&P Global Canada Corp.	Professional services rendered	124	106	-
	Amount receivable	31	13	4
Standard & Poor's Credit Market Services Europe Limited	Professional services rendered	4,396	4,056	-
	Amount receivable	659	706	621
Standard & Poor's Financial Services, LLC	Professional services rendered	11,384	11,328	-
	Subscription fees	-	5	-
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	646	498	-
	Amount receivable	52	52	-
Standard & Poor's Hong Kong Limited	Professional services rendered	235	195	-
	Amount receivable	17	20	15
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	409	326	-
	Amount receivable	31	32	15
Standard & Poors Global Ratings Japan Inc.	Professional services rendered	144	122	-
	Amount receivable	11	15	6
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	183	204	-
	Amount receivable	16	36	24
S&P Global Market Intelligence LLC.	Subscription fees	86	17	-
S&P India, LLC	Dividend	8,424	8,736	-
	Share capital outstanding	312	312	312
Standard & Poor's International LLC	Dividend	1,620	1,680	-
	Share capital outstanding	60	60	60
S&P Global Asian Holdings Pte. Limited	Dividend	2,862	2,968	-
	Share capital outstanding	106	106	106
S&P Global Inc.	Reimbursement of expenses received	-	15	-
	Amount receivable	-	2	-
Asia Index Private Limited	Reimbursement of expenses	1	1	-
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	18	5	-
	Professional fees	11	4	-
	Expenses recovered	517	486	-

(Rupees in lakhs)

Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
	Share of overhead expenses received	767	598	-
	Reimbursement of expenses paid	108	73	-
	Amount receivable	226	109	98
	Reimbursement of expense received (ESOS)	109	-	-
	Investment outstanding	707	707	500
	Amount payable	29	12	3
CRISIL Irevna UK Limited	Professional services rendered	20,153	24,048	-
	Share of overhead expenses received	351	-	-
	Amount payable	-	-	4
	Reimbursement of expenses received	59	19	-
	Amount receivable	1,824	5,307	3,869
	Investment outstanding	11,585	11,585	11,390
	Reimbursement of expense received (ESOS)	41	-	-
	Loan outstanding	3,333	8,728	14,024
	Loan repaid	5,907	3,403	-
	Interest income	262	553	-
	Interest amount receivable	42	87	163
CRISIL Irevna US LLC	Professional services rendered	23,567	19,678	-
	Share of overhead expenses received	452	-	-
	Reimbursement of expenses received	21	5	-
	Reimbursement of expenses paid	4	43	-
	Reimbursement of expense received (ESOS)*	66	-	-
	Amount receivable	5,512	7,417	3,968
CRISIL Irevna Argentina, S.A.	Investment outstanding	147	147	105
	Professional fees	6,079	4,793	-
	Amount payable	467	413	306
	Dividend income	402	-	-
CRISIL Irevna Poland Sp.zo.o	Professional fees	1,823	1,994	-
	Reimbursement of expenses received	8	7	-
	Reimbursement of expense received (ESOS)	4	-	-
	Amount payable	369	162	-
	Amount receivable	8	33	259

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(Rupees in lakhs)

Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Pipal Research Analytics and Information Services India Private Limited (Refer note 46)	Investment outstanding	-	-	1,113
	Professional fees	-	652	-
	Reimbursement of expenses received	-	3	-
	Share of overhead expenses received	-	92	-
	Rent recovered	-	46	-
	Amount receivable	-	-	58
	Amount payable	-	-	226
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Investment outstanding	244	244	226
	Amount payable	272	171	135
	Professional fees	1,928	1,911	-
	Advance recoverable	-	12	12
	Dividend income	388	-	-
Coalition Development Systems (India) Private Limited (Refer note 46)	Investment outstanding	-	-	871
	Reimbursement of expenses received	-	24	-
	Amount receivable	-	-	5
Coalition Development Limited	Professional services rendered	791	480	-
	Share of overhead expenses received	577	-	-
	Reimbursement of expense received (ESOS)	775	-	-
	Reimbursement of expense	1	-	-
	Amount receivable	226	62	-
Mercator Info-Services India Private Limited (Refer note 46)	Investment outstanding	-	-	371
	Reimbursement of expenses received	-	44	-
	Amount receivable	-	-	48
Coalition Development Singapore Pte Limited	Professional services	-	17	-
	Amount payable	-	4	3
	Professional services rendered	3,286	2,456	-
	Amount receivable	469	278	-
	Reimbursement of expense received (ESOS)	3	-	-
JM Financial Asset Reconstruction Company Private Limited	Professional services rendered	-	57	-
	Amount receivable	-	-	6
CRISIL Foundation	Donation	807	435	-
	Reimbursement of expenses received	35	-	-

(Rupees in lakhs)

Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Girish Paranjpe	Sitting fees and commission	7	-	-
Nachiket Mor	Sitting fees and commission	33	30	-
Vinita Bali	Sitting fees and commission	39	33	-
M. Damodaran	Sitting fees and commission	39	34	-
H. N. Sinor	Sitting fees and commission	34	32	-
Ashu Suyash*	Remuneration	596	514	-
Amish Mehta*	Remuneration	325	297	-
	Options granted (nos.)	25,000	-	-
Minal Bhosale*	Remuneration	86	87	-

*Note: As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors is not included above.

38. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013:

(Rupees in lakhs)

Name of the entity	Relationship	Purpose for which the loan to be utilised	Particulars of loans	Amount outstanding as at December 31, 2017	Amount outstanding as at December 31, 2016
CRISIL Irevna UK Limited	100% subsidiary	Acquisition	Loan given by CRISIL to CRISIL Irevna UK Limited for financing acquisition. The loan is repayable on demand. These loans carry interest @ 3 months Libor plus 425 bps.	3,333	8,728

For details of investments and advances provided to related parties refer notes 37.

39. Operating lease

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

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Lease payment recognised in the statement of profit and loss	4,455	4,292
Future minimum lease payments :		
Not later than one year	4,684	4,002
Later than one year and not later than five years	5,084	8,229
Later than five years	2	200
Total	**9,770**	**12,431**

40. Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Company.

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The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in statement of Profit and Loss and OCI:

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current service cost	497	426
Interest cost on defined benefit obligation	107	103
Re-measurement - actuarial (gain)/loss recognised in OCI	(187)	344
Expected return on plan assets	(20)	(13)
Past service cost	368	-
Net gratuity benefit expense	**765**	**860**

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Present value of funded obligations	3,561	3,180	2,350
Fair value of plan assets	(1,643)	(1,404)	(1,076)
Net liability	**1,918**	**1,776**	**1,274**

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

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening defined benefit obligation	3,180	2,350	2,019
Current service cost	497	426	387
Interest cost	202	190	164
Acquisitions (credit)/ cost	(18)	207	-
Actuarial (gain)/loss	(51)	(4)	-
Actuarial (gain)/loss (financial assumptions)	(136)	348	100
Past service cost - plan amendements	368	-	-
Benefits paid	(481)	(337)	(320)
Closing defined benefit obligation	**3,561**	**3,180**	**2,350**

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

(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening fair value of plan assets	1,404	1,076	992
Expected return on plan assets	20	13	90
Interest income on plan assets	95	88	10
Contribution by employer	605	402	304
Asset acquired on amalgamtion/ acquisition	-	162	-
Benefits paid	(481)	(337)	(320)
Closing fair value of plan assets	**1,643**	**1,404**	**1,076**

The defined benefit obligation shall mature after December 31, 2017 as follows:

Particulars	Rupees in lakhs
December 31, 2018	326
December 31, 2019	381
December 31, 2020	452
December 31, 2021	525
December 31, 2022 to December 31, 2027	4,055

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

Particulars	**Year ended December 31, 2017**	Year ended December 31, 2016
Investment with insurer	100%	100%

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

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

Particulars	**Year ended December 31, 2017**	Year ended December 31, 2016
Discount rate	7.20%	6.50%
Rate of return on plan assets	7.20%	8.00%
Expected employee turnover		
Service years	**Rates**	**Rates**
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for the first 4 years starting 2017 and 7% thereafter	10% for the first 4 years starting 2016 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	630	423

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

Particulars	**Year ended December 31, 2017**	Year ended December 31, 2016
Government securities	67.41%	56.05%
Fixed deposit, debentures and bond	2.89%	35.12%
Others	29.70%	8.83%
Total	**100.00%**	**100.00%**

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

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Discount rate	(130)
Effect on DBO due to 0.5% decrease in Discount rate	139

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Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Salary escalation rate	120
Effect on DBO due to 0.5% decrease in Salary escalation rate	(117)

Other Benefits

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

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
i. Contribution to Provident fund	1,366	1,248
ii. Contribution to other funds	198	169

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rs. 4,709 lakhs has been made as at December 31, 2017 (Rs. 4,326 lakhs as at December 31, 2016 and Rs. 3,425 lakhs as at January 1, 2016).

41. Earning per share

The following reflects the profit and share data used in the basic and diluted earning per share (EPS) computations

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Net profit for calculation of basic/diluted EPS	23,726	24,029

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
	(Nos.)	(Nos.)
Weighted average number of equity shares in calculating basic EPS	71,489,561	71,269,219
Effect of dilution:		
Add: weighted average stock options granted under ESOS	450,874	757,032
Weighted average number of equity shares in calculating diluted EPS	71,940,435	72,026,251

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
	Rupees	Rupees
Earnings per share : Nominal value of Re.1		
Basic	33.19	33.72
Diluted (On account of ESOS, refer note 47)	32.98	33.36

The following potential equity shares are anti-dilutive and therefor excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
	(Nos.)	(Nos.)
Options to purchase equity shares had anti-dilutive effect	60,838	19,870

42. Dividend

Details of dividend paid on equity shares are as under:

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Final dividend for the year 2016 Rs 9 per equity share of Re 1 each (Rs. 10 for the year ended December 31, 2015)	6,420	7,121
Dividend distribution tax on final dividend	1,307	1,450
Interim dividend for the year 2017 Rs 18 per equity share of Re 1 each (Rs. 18 for the year ended December 31, 2016)	12,881	12,834
Dividend distribution tax on interim dividend	2,467	2,613
Total	**23,075**	**24,018**

Proposed dividend

The Board of Directors at its meeting held on February 13, 2018 have recommended a payment of final dividend of Rs.10 per equity share of face value of Re. 1 each for the financial year ended December 31, 2017.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

43. Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2017 includes Rs. 727 lakhs (Rs. 604 lakhs for the year ended December 31, 2016) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rs 684 lakhs (Rs 619 lakhs for the year ended December 31, 2016). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.

44. Acquisition of Pragmatix

On November 15, 2017, CRISIL had entered into a definitive agreement to acquire 100% of the equity shares of Pragmatix Services Private Limited (‘Pragmatix’). CRISIL has completed the acquisition of 100% stake in Pragmatix on January 24, 2018. Pragmatix is a data analytics company focused on delivering cutting edge solutions in the ‘data to intelligence’ lifecycle to the Banking, Financial Services & Insurance (BFSI) vertical. Its big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform. Pragmatix provides solutions across the risk, sales, and finance domains in India, Middle East and North America. The transaction is at a total consideration of upto Rs. 5,600 lakhs. This will enable CRISIL to leverage its technology platform and deep domain expertise to enhance its business intelligence, analytics and risk management offerings for financial sector clients in India and globally.

45. Personnel expenses to the extent of Rs. 363 lakhs (Rs. 47 lakhs for the year ended December 31, 2016) is considered for capitalisation as intangible assets.

46. Amalgamation

a) Pipal Research Analytics and Information Services India Private Limited (Pipal) is engaged in providing low risk IT Enabled Services in the area of corporte research. Coalition Development Systems (India) Private Limited (Coalition India) and Mercator info-Services India Private Limited (Mercator) is engaged in the business of providing Researched Data Processing Services. The Company held 100% voting power of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator info-Services India Private Limited.

b) Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor) have been amalgamated with the Company with effect from April 1, 2016 (‘appointed date’) in terms of the scheme of amalgamation (‘the scheme’)

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approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1,2016.

Pursuant to the scheme coming into effect, all the equity shares held by the Company in Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited stand automatically cancelled.

c) The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly the assets, liabilities and reserves of Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited have been accounted at their carrying values.

The difference between the carrying value of investments in the books of the Company and the amount of the 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 have been adjusted in Capital Reserve / General Reserve as per the scheme.

Accordingly the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the following summarised values :

(Rupees in lakhs)

Particulars	Pipal Research Analytics and Information Services India Private Limited	Coalition Development Systems (India) Private Limited	Mercator info-Services India Private Limited
Assets			
Fixed Assets	500	153	494
Current investments	273	-	-
Deferred Tax Assets	126	47	-
Cash and bank balances	354	430	184
Loans and advances	451	299	638
Other Current Assets	2	-*	-
Total Assets	**1,706**	**929**	**1,316**
Less : Liabilities			
Trade payables	221	68	272
Other liabilities	108	44	64
Provisions	148	(3)	39
Total Liabilities	**477**	**109**	**375**
Net Assets	**1,229**	**820**	**941**
Less : Transfer of reserves of Pipal, Coalition India and Mercator	1,228	815	931
Redemption of Share Capital	1	5	10
Less : Cancellation of Company's investment in Pipal, Coalition India and Mercator	1,113	871	371
Balance adjustment on account of amalgamation as at appointed date from :			
Reduction in Reserves:			
Capital reserve	1,112	110	-
General reserve	-	756	361

* '-' in amounts' columns denote amounts less than Rs. 50,000.

47. Employee stock option scheme ("ESOS")

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	03-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51

* At the end of 3rd, 4th & 5th year in equal tranches

**Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

The Company had three schemes under which options have been granted in the past. Under ESOS 2011 and ESOS 2012 option vest over three years at each of the anniversaries. All options are exercisable within three years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	252,700	2,119.67	131,790	1,502.86	1,895,607	1,292.28
Granted during the period	-	N.A.	-	N.A.	38,400	1,970.79
Forfeited during the period	22,000	2,025.20	11,480	1,060.00	188,306	1,217.20
Exercised during the period	3,500	579.88	41,960	1,078.26	323,560	1,217.20
Expired during the period	-	N.A.	-	N.A.	-	N.A.
Outstanding at the end of the period	227,200	2,152.54	78,350	1,767.15	1,422,141	1,337.62
Exercisable at the end of the period	71,840	2,091.32	40,110	1,372.73	298,748	1,217.20

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Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	April 19, 2017	2,014.57
	July 18, 2017	1,902.94
	October 17, 2017	1,840.77

Particulars	Range of exercise prices (Rupees)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,060.00	105 days
	1,119.85 to 1,997.35	1208 days
	2,025.20 to 2,180.85	1855 days

Share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured:

Variables	ESOS 2014	ESOS 2014
Date of Grant	July 17, 2017	March 9, 2017
Stock Price (Rupees)	1,956.55	1,997.35
Volatility	27.15%	27.85%
Riskfree Rate	6.58%	6.97%
Exercise Price (Rupees)	1,956.55	1,997.35
Expected Life (Time to Maturity)	5.01	5.01
Dividend yield	1.38%	1.15%
Fair value per option	626.51	680.28

The Company have used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The Company has considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Riskfree rate: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Expected life of the options: Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and maximum life of the options.

Dividend yield: Expected dividend yield has been calculated as an total of Interim and final dividend declared in last year preceding date of Grant.

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2017		Year ended December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	369,020	4,411	122,665	1,294
Exercised during the previous year	550	6	3,590	31
Total	**369,570**	**4,417**	**126,255**	**1,325**

There are no cash settled plans implemented by the Company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	Year ended December 31, 2017		Year ended December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than Two Years	1,609,972	22,831	1,461,007	19,716
Later than Two Years & not later than Five Years	117,719	2,467	819,090	12,117
Total	**1,727,691**	**25,298**	**2,280,097**	**31,833**

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

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

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

M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and Chief Executive Officer
[DIN: 00494515]

Ewout Steenbergen
Director
[DIN: 07956962]

Nachiket Mor
Director
[DIN: 00043646]

Amish Mehta
Chief Financial Officer

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai