

Annexure to the Directors' Report

Management Discussion and Analysis Report

CRISIL Businesses

CRISIL is a leading agile and innovative global analytics company, driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions to corporates, financial markets and the economy at large. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers. Our businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, Singapore and the United Arab Emirates.

We are majority-owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

Ratings

A sharp drop in corporate bond issuances amid rising yields and a temporary liquidity crunch following the default by a large non-banking finance company (NBFC) outweighed improvement in investor sentiment during 2018. It also kept business environment in the world's fastest-growing major economy muted.

Even though capital market activity was subdued because of rising yields, demand for bank credit grew. It was driven by higher working capital requirements (necessitated by a rise in commodity prices) and shift in demand from the capital market to bank loans (given slower interest rate transmission).

On the regulatory front, the Securities and Exchange Board of India (SEBI) announced a series of changes pertaining to enhancing disclosure by CRAs and issuers and measures to expand the debt capital market.

Further, the small and medium enterprise (SME) segment in India underwent a significant digital transformation with the introduction of Goods and Services Tax (GST) and other government-led digital initiatives.

In this challenging situation, new client acquisitions and healthy traction in new products maintained CRISIL Ratings' market leadership in 2018. As many as 2,976 new bank loan ratings (BLRs) and over 19,000 SME grading and assessments were assigned in the year. Ratings have been assigned to more than 28,000 large and mid-size corporates till date and the performance of over 144,000 SMEs were assessed. Further, we onboarded 150+ new large corporate clients and gained positive revenue traction in rating the resolution plans of stressed assets. Despite intense competition and considerable price erosion, we were able to maintain our market share in the BLR space in terms of the new quantum rated.

In 2018, CRISIL Ratings rated India's first toll-operate-transfer (TOT) road project. We also rated pass-through certificates

(PTCs) backed by education loan receivables. In another first, we assigned a credit opinion to capital protection available to unitholders of an alternative investment fund. We were also the first to rate the resolution plan of a stressed asset and develop detailed criteria and methodology in line with the requirement of the RBI circular on 'Resolution of Stressed Assets – Revised Framework'.

CRISIL SME business also made considerable progress to sustain consistency in revenues and reduction of costs, post the NSIC subsidy withdrawal. Initial traction was witnessed in newly launched products for bulk originations through lenders such as CRISIL Credit Assessment Score (CCAS), Enhanced Due-Diligence (EDD) and i-Check. Institutional SME (ISME) business has been identified as one of the growth drivers for SME business and has exhibited robust growth during the year with addition of various new clients across industries and increased share of wallet from existing clients. We have also made advancements in the domain of education grading.

Further, in near to medium term, smefirst.com, our digital portal for SME sector, is expected to be one of the important growth contributors to the SME business. With enhanced focus on digital lending, smefirst.com will act as a one-stop solution provider for lenders, SMEs and corporates to meet their assessment requirements. ISME business with its robust pipeline is expected to provide further stability to the overall SME business. In continuation with last year's trend of aligning offerings to market requirements, we also launched a new product SME Compare, a peer comparison tool for SMEs, accessible on smefirst.com.

GAC continued to partner with S&P Global Ratings Services on key surveillance and optimisation initiatives in the data and analytical domains and enhanced its support to the risk and control functions. With increasing focus on automation and optimisation, GAC stepped up its efforts on the ongoing process improvement and automation by leveraging new age technologies. With continued focus on strengthening the first line of defence, GAC undertook several initiatives to strengthen the internal controls framework. GAC's adoption of lean management tools, work standardisation and process re-engineering initiatives resulted in consistent support levels across diverse geographies and asset classes

Research

GR&A

Regulations continue to drive both the short and long trends in the BFSI industry. The impact of new regulations that came into effect in 2017 and 2018 has started to materialise. The Markets in Financial Instruments Directive II (MiFID II) regulation has significantly affected the way research is produced, disseminated and consumed, impacting both sell and buy-side ecosystems. The rising cost of unbundled research has also nudged banks to consider a revamp of their overall operational strategy, with increasing preference for

captives to alleviate margin pressures. There is also a growing demand for specialised research to provide differentiated value, ushering in a new wave of niche research providers.

Within the credit ecosystem, there is a requirement of robust, adaptive solutions that provide surveillance and risk monitoring in a cost-effective manner. This is enabled by leveraging the latest technology disruptions in the form of artificial intelligence (AI), machine learning (ML) and advanced analytics. GR&A is striving to meet these requirements.

2018 was a great year for GR&A's foray into the wider European (ex-UK) banking ecosystem. On the back of the TRIM audits conducted this year by the ECB, our Quantitative Research sub-vertical witnessed good traction for our model development, validation, documentation and audit offerings. There is also a growing demand for modular, off-the-shelf solutions across the spectrum of MRM and FCC analytics as an increasing number of smaller, regional banks are being brought under the regulatory radar. Global banks continue to make strategic investments in long-term business transformation and process reengineering initiatives, sustaining demand for our regulatory and non-regulatory change management offerings. We have been witnessing good interest for our data quality and controls, system optimisation (trading and risk) and risk and finance integration services.

CRISIL GR&A continues to be a market leader, providing cutting-edge financial research and risk and analytics support to our client base of more than 75 global banks, 50+ buy-side firms, insurance companies, corporations, consulting firms, private equity and asset management firms. It supports 17 of the top 20 global investment banks and provides coverage of over 3,300 stocks and 3,400 credits globally.

India Research

Uncertainty in the macroeconomic environment and volatility in asset classes augured well for the India Research business. Upturn in the capital expenditure cycle, rise in commodity prices and increasing competition boosted demand for bespoke research. Mandates for the 'Industry Chapter' for DRHP filings gave business the extra boost.

In the backdrop of mounting defaults, banks and NBFCs have increased focus on risk mitigation and identifying early warning signals. Customers demand a comprehensive data solution (structured and unstructured data) that can be integrated into their workflow and help them with better analytics. Quantix, our new product, caters to this need with its advanced tool and analytics and comprehensive database of 50,000+ companies.

In the Fixed Income Research business, we consolidated our strong position in the valuation space by winning mandates from general insurers and corporates. We continue to be the largest provider of fixed income indices in India and have launched 39 new debt and five new hybrid indices, taking the total to 91.

In mutual fund research, we enhanced our presence with corporate treasuries and exempted provident fund trusts, helping them review portfolio performance and monitor risks.

There is a constant need for upskilling the talent pool at the NBFCs, SFBs and other banks - especially in the public sector - given the large number of senior-level retirements. Our Training business has been catering to these requirements through open house and customised programmes. We launched 48 unique open house programmes and an e-Learning course that will enable a much larger user base to benefit from CRISIL's expertise in credit and risk management.

C-CER launched the Macro Plus training programme this year. We conducted six such programmes, of which two were in collaboration with the fixed income team. The programmes not only saw massive participation by clients' senior management teams, but also received encouraging response from them.

Further, we continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We released 36 high impact reports, 38 bylines, 29 press releases and also held marquee events - India Outlook 2018, Fourth Pension Conference, CNBC Mutual Fund Awards, AMFI Annual Summit and Trustee Seminar by SEBI.

CRISIL Coalition

We embarked on several initiatives to enhance our market relevance and connect with customers. These initiatives included reaching out to prospective clients, including regional players. In 2018, CRISIL Coalition added six new logos to its impressive list of global corporate and investment banks. New and more granular IP was developed to cater to newer clients, such as the regional banks.

We reinforced our leadership with the top 15 banks by meeting most of the heads of CIB and all heads of GM/IB businesses, in addition to presenting to 200+ executive committees at various banks. More than 90+ publications globally carried our views and quoted them during the year. We were referenced by leading global banks in 75+ investor relations presentations.

On the operations side, the focus has been on enhancing productivity through increased automation and digitisation. We developed and deployed an application for automated printing of client presentations, having undertaken efforts to digitise the research value chain. This will enable better data discovery in research and analytics. CRISIL Coalition obtained the coveted SSAE16 SOC2 Type II certification, in 2018. The certificate attests and describes the operating effectiveness of controls designed and implemented to protect data and IP.

Infrastructure Advisory

CRISIL Infrastructure Advisory is a leading advisor to governments and regulators, multilateral agencies, investors and large corporates. We help shape public policy and enable infrastructure development. This year, business momentum slowed significantly with the Indian government focusing more on implementation and monitoring of ongoing flagship programmes such as AMRUT, Smart Cities and Bharatmala. The government continued to account for the lion's share of

investments in infrastructure, with the private sector still shying away from infrastructure development. The latter's share of infrastructure investment fell to a decadal low, below 25%.

Despite the slowdown, the Infrastructure Advisory business strengthened its order book by deepening its penetration in international markets and winning a couple of large-value multi-year implementation support and programme management mandates in India. Some prestigious mandates included programme management of Bharatmala Pariyojana, programme and design management for a smart city, an electricity distribution improvement programme in Uttar Pradesh, acting as transaction advisor for auction of major and minor minerals in Chhattisgarh and advisory support on city gas distribution.

CRISIL Infrastructure Advisory also successfully hosted the second edition of the CRISIL India Infrastructure Conclave in New Delhi in October 2018, themed 'Enabling private sector participation in the infrastructure build-out'. Mr Suresh Prabhu, Minister of Commerce & Industry and Civil Aviation, was the keynote speaker and Mr Amitabh Kant, CEO NITI Aayog, was the guest of honour. Several dignitaries and speakers also participated. The event received good media coverage and significantly improved the franchise and positioning of the business among the key stakeholders.

Risk Solutions

The weak credit environment has made for a compelling pitch for our risk solution products including the RAM, the early warning system and portfolio evaluation and monitoring. Despite demand with both public and private financial institutions, we are treading cautiously as implementation and timeline challenges exist.

In the overseas markets, we deepened our collaboration with S&P Global to leverage its client franchise and offer combined solutions, syncing its risk scorecard with our technology platform.

Delayed decisioning at client end and increasing competition impacted conversions and price points during the year. The business continues to focus on product development and tapping clients in newer markets to serve the needs for risk management and mitigation.

Despite a challenging year, we have some prominent green shoots. We successfully launched and implemented our Expected Credit Loss (ECL) offering under the new International Financial Reporting Standards regime to financial institutions in India and overseas.

Our product development efforts continue, and we intend to launch ICON, a new-age RAM, in the first half of 2019.

Pragmatix

The demand for business intelligence & analytical solutions continues to be strong. Spends in these areas across all geographies is robust. We made significant gains with key customers across India and Middle East geographies during the year. The environment continues to present significant growth opportunities for the business over the near future.

The Pragmatix business in 2018 saw good growth and continued to maintain excellence in execution and client satisfaction.

We remain focused on expanding our technology capabilities and deepening presence with clients.

Analysis of consolidated financial performance and result of operations

The consolidated financial statements include CRISIL Limited's financial statements combined with the financial statements of its wholly owned subsidiaries (Group). Subsidiaries are entities controlled by the Company.

The financial statements of the Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items - assets, liabilities, income and expenses - after duly eliminating intra-group balances and transactions and resulting gains/ losses.

The consolidated 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 the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The financial statements have been prepared under 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. Management accepts responsibility for the integrity and objectivity of the financial statements as well as for various estimates and judgment used therein.

On January 24, 2018, CRISIL completed the acquisition of 100% stake in Pragmatix Services Private Limited (Pragmatix). Pragmatix is a data analytics company focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the BFSI vertical. Pragmatix became a wholly owned subsidiary of CRISIL with effect from the said date. Therefore, the figures for the year ended December 31, 2018, are not comparable with the previous year's figures.

The consolidated financial performance and result of operations are relevant for understanding CRISIL's performance.

A. Financial performance

1. Property, plant, equipment and intangible assets

The Group's investments in property, plant and equipment represent cost of buildings, leasehold improvements, computers, office equipment, furniture, fixtures and vehicles. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

The Group's intangible assets - software, customer relationship, technology, database, tradename and platform - are stated at cost of acquisition or construction less accumulated amortisation and impairment losses, if any. The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year.

During the year, the Group capitalised Rs 53.44 crore to its gross block and deducted Rs 4.20 crore from the gross block on disposal of various assets. Capitalised assets include office equipment, computers, software and leasehold improvements to support business expansion and provide for replacement of the existing assets.

Depreciation as a percentage of total income declined by 1% in 2018. The Group expects to fund its investments in fixed assets and infrastructure from internal accruals and liquid assets.

At the end of the year, the Group's investments in property, plant, equipment and intangible assets were as follows:

Details	As at December 31,		(Rs crore)
	2018	2017	Growth %
Carrying value			
Property, plant, equipment and intangible assets	219.91	161.12	36
Less accumulated depreciation/amortisation	147.23	99.69	48
Net block	72.68	61.43	18
Depreciation/amortisation as % of total income	2%	3%	
Accumulated depreciation as % of gross block	67%	62%	

2. Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Goodwill is tested for impairment annually or more frequently, if there are indications of impairment. The acquisition of Pragmatix resulted in increase in goodwill by Rs 36.21 crore in the consolidated books. The balance growth was owing to translation difference.

3. Financial assets

A. Investments and treasury: The Group's investments and treasury comprise non-current equity investments, current investments, cash and bank balances and fixed deposits.

- Equity investments:** All equity investments (quoted and unquoted) are measured at fair value through other comprehensive income (FVTOCI).
- Current investments and treasury:** The Group's investments in mutual funds are classified as fair value through profit or loss (FVTPL). The Group's treasury was Rs 389.66 crore as at December 31, 2018, as against Rs 271.44 crore in the previous year. The contribution of cash and cash equivalents to total treasury declined by 2% to 24% for the year ended December 31, 2018. The treasury position is after payouts of dividend of Rs 251.38 crore and payment of Rs 56.00 crore on Pragmatix acquisition.

Category	As at December 31,				(Rs crore)
	2018	%	2017	%	Growth %
Cash and bank balance	94.07	24	71.19	26	32
Fixed deposit	112.56	29	60.92	23	85
Mutual funds	183.03	47	139.33	51	31
Total	389.66	100	271.44	100	

Cash and bank balance include Indian and overseas bank accounts. The latter is maintained to meet the expenditure of overseas operations. The Group's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds.

The Group maintains adequate amount of liquidity/treasury to meet strategic and growth objectives. It has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks.

The Group actively monitors its treasury portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls ensure investments are made as per the policy.

B. Loans

Loans comprise security deposits and loans to employees. Loans were Rs 45.29 crore as at December 31, 2018, as against Rs 42.39 crore in the previous year.

C. Trade receivables

Trade receivables at gross levels were Rs 324.70 crore as at December 31, 2018 compared with Rs 284.56 crore in the previous year. Trade receivables constituted 19% of operating revenue compared with 17% the previous year.

The break-up of debtors relating to the segments is tabled below:

Segment	As at December 31,				(Rs crore)
	2018		2017		Growth %
	Amount	%	Amount	%	
Ratings	62.28	19	67.70	14	(8)
Research	203.11	63	181.74	78	12
Advisory	59.31	18	35.12	8	69
Total	324.70	100	284.56	100	

The Group believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance was Rs 39.87 crore as at December 31, 2018, as against Rs 24.14 crore in the previous year. The increase in bad debt provision is mainly on account of additional provision for receivables of Rs 16.84 crore in the Advisory segment. Provision for bad debt as a percentage of revenue for the year ended December 31, 2018, was 2% compared with 1% in the previous year.

D. Other financial assets

Other financial assets comprise advances recoverable, accrued revenue, accrued interest and forward contract receivable. Advances recoverable in cash or kind, or for value to be received, are mainly towards amounts paid in advance for value and services to be received in future. Other financial assets amounted to Rs 94.49 crore for the year ended December 31, 2018, compared with Rs 99.89 crore in the previous year.

4. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, business combination, provision for bad debt and deferred initial rating fees. The Group's net deferred tax assets totaled Rs 56.76 crore as at December 31, 2018, as against Rs 34.75 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax paid was Rs 44.29 crore as at December 31, 2018, compared with Rs 31.93 crore in the previous year.

5. Other assets

Other assets mainly comprise advances to vendors, prepaid expenses and tax credit receivable.

6. Equity share capital

The Company's authorised capital is Rs 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the Company issued and allotted 410,854 equity shares to eligible employees on exercise of options granted under ESOS 2011, 2012 and 2014. Consequently, the Company's issued, subscribed and paid-up capital increased from 71,704,928 equity shares of Re 1 each to 72,115,782 equity shares of Re 1 each.

7. Other equity

Other equity was Rs 1,129.04 crore as at December 31, 2018, as against Rs 1,041.40 crore in the previous year. Other equity comprises reserves, surplus and other comprehensive income (OCI).

8. Financial liabilities

A. Trade payables

Trade payables as at December 31, 2018, were Rs 64.77 crore as against Rs 56.72 crore in the previous year. Trade payables include amount payable to vendors for the supply of goods and services.

B. Other financial liabilities

Other financial liabilities, which include dues to employees, unclaimed dividend, book overdraft and miscellaneous liabilities, were Rs 167.13 crore as at December 31, 2018, as against Rs 152.00 crore in the preceding year.

9. Provisions and other liabilities

A. Provisions

Provision for employee benefits- The overall liability was Rs 77.11 crore as at December 31, 2018, compared with Rs 75.08 crore in the previous year. The increase was in line with merit increase.

B. Others

Other non-financial liabilities include unearned revenue and statutory liabilities. Other liabilities were Rs 174.20 crore as against Rs 152.34 crore in the previous year. The increase was on account of increase in unearned revenue which represents fees received in advance or services have not been rendered.

B. Results of operations

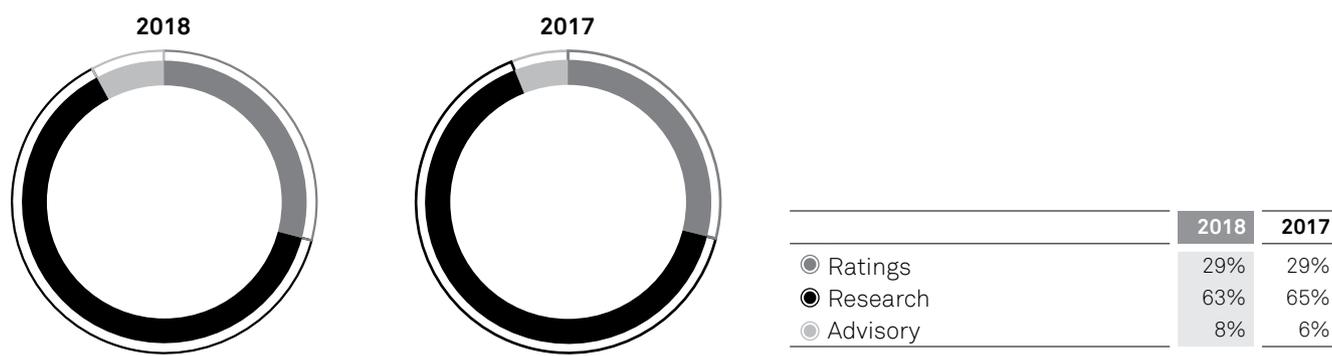
The summary of the operating performance in 2018 is given below:

(Rs crore)

Particulars	Year-ended December 31,			
	2018	% of revenue	2017	% of revenue
Income				
Income from operations	1,748.49	96	1,658.46	98
Other income	73.41	4	25.38	2
Total income	1,821.90	100	1,683.84	100
Expenses				
Personnel expenses	887.36	49	845.93	50
Finance cost	2.23	0	0.41	0
Depreciation	42.82	2	46.64	3
Other expenses	389.90	21	357.25	21
Total expenses	1,322.31	73	1,250.23	74
Profit before tax	499.59	27	433.61	26
Tax expense	136.49	7	129.18	8
Profit after tax	363.10	20	304.43	18

Income from operations grew by 5% in 2018. Operating expenses grew by 6%.

Segmental revenue analysis



Segmental results

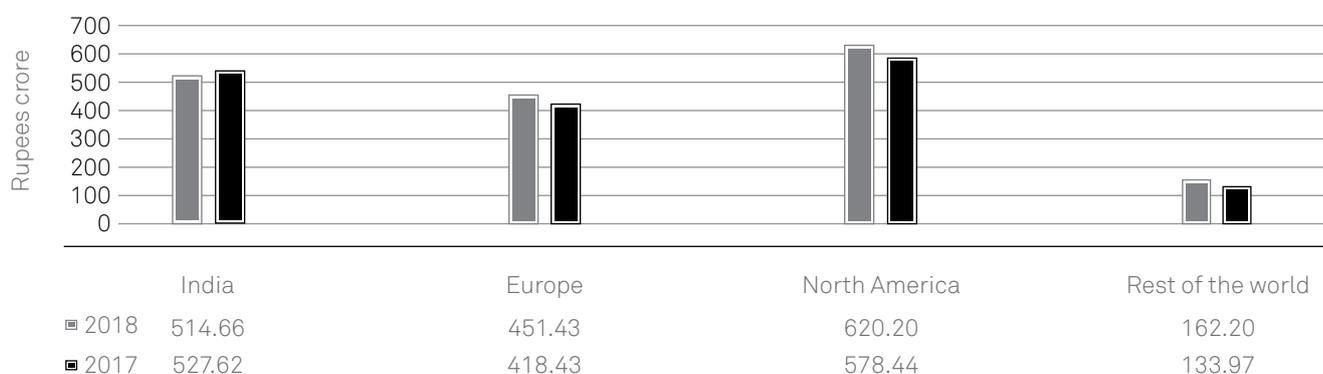
Segmental details	Year ended December 31,		(Rs crore)
	2018	2017	Growth %
	Revenue		
Ratings	507.30	480.29	6
Research	1,106.01	1,080.39	2
Advisory	135.18	97.78	38
Total	1,748.49	1,658.46	5
Segmental profit			
Ratings	184.17	151.20	22
Research	326.44	308.46	6
Advisory	(8.09)	9.24	(188)
Total	502.52	468.90	7

Ratings segment grew on account of pointed focus on analytical and surveillance quality, client engagement, differentiated positioning and excellence in ratings, along with productivity improvements, which resulted in a healthy growth in revenue and margins. Despite a challenging business environment, Ratings grew at a healthy pace on the back of improved market share through client acquisition.

India Research continued to grow driven by new client additions and mandates stemming from capital market buoyancy and upturn in a few sectors. CRISIL Coalition continued to grow strongly led by client demand for more insights and analytics. The business sharpened focus on products and platforms to take advantage of changing client needs. The GR&A business faced headwinds from maturing regulations in the US and Europe.

Infrastructure Advisory won prestigious mandates from multilaterals and government entities. The segment's results were impacted by an additional provision for receivables of Rs 16.84 crore.

Revenue by geography



Of the total revenue for the year ended December 31, 2018, exports contributed 71% and domestic services 29%.

Other income (net)

Other income was Rs 73.41 crore for the year ended December 31, 2018, compared with Rs 25.38 crore in the previous year. The growth is mainly on account of export benefits amounting to Rs 24.93 crore received by the Group in the form of duty-free saleable scrips under the Service Export India Scheme (SEIS) from the government authorities. The Group also accounted for a net foreign exchange gain of Rs 21.26 crore during the year.

Expense analysis

Total expense in the year was Rs 1,322.31 crore as against Rs 1,250.23 crore in the previous year. The composition of expenses is given below:

Particulars	(Rs crore)			
	Year ended December 31,		Year ended December 31,	
	2018	% of total expense	2017	% of total expense
Personnel expenses	887.36	67	845.93	68
Finance cost	2.23	0	0.41	0
Depreciation	42.82	3	46.64	4
Other expenses	389.90	29	357.25	29
Total operating expenses	1,322.31	100	1,250.23	100

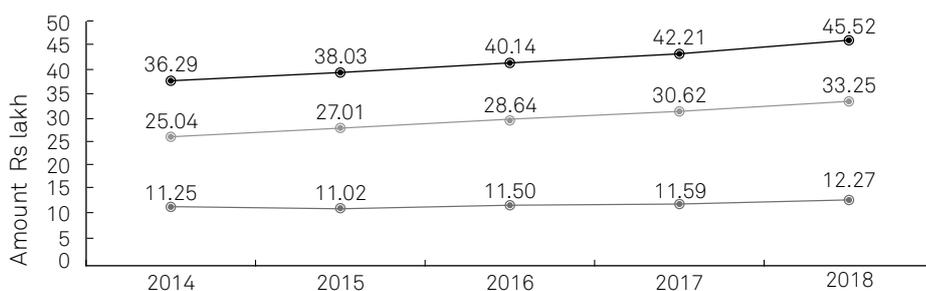
Personnel expense grew by 5% on account of merit increase in the year. Other expenses grew by 9% for the year ended December 31, 2018 owing to the additional provision for receivables of Rs 16.84 crore in the Advisory services segment. Finance cost includes the effect of inflation on the Argentine subsidiary's net monetary position. Finance cost also includes interest expense on bank overdraft in the year.

Profit and loss ratios

Particulars	2018	2017	2016	2015	2014
Personnel expenses/revenue (%)	49	50	50	49	46
Operating and other expenses/revenue (%)	73	74	73	71	71
Operating profit (PBIDT)/revenue (%)	30	29	31	31	32
Depreciation and amortisation/revenue (%)	2	3	3	3	3
Tax/revenue (%)	7	8	9	8	8
PAT/revenue (%)	20	18	18	20	21

Note: Figures for 2018, 2017 and 2016 are based on Ind AS and for the preceding years are based on IGAAP

Revenue and profit per employee for the past five years



	2014	2015	2016	2017	2018
Operating revenue per employee	36.29	38.03	40.14	42.21	45.52
Operating Expense per employee	25.04	27.01	28.64	30.62	33.25
Operating Profit per employee	11.25	11.02	11.50	11.59	12.27

Note: Figures for 2018, 2017 and 2016 are as per Ind AS and for the earlier years as per IGAAP

Operating revenue per employee recorded a growth of 8% on-year. Operating profit per employee increased to Rs 12.27 lakh which was achieved through a combination of revenue growth and increased productivity through effective utilisation of resources.

Analysis of standalone financial performance and result of operations of CRISIL

A. Financial performance

1. Property, plant, equipment and intangible assets

The Company's investments in property, plant and equipment represent cost of buildings, leasehold improvements, computers, software, office equipment, furniture, fixtures and vehicles. Property, plant, equipment and intangible assets are measured at cost less accumulated depreciation and impairment losses, if any.

During the year, the Company capitalised Rs 28.27 crore to its gross block and deducted Rs 2.24 crore from the gross block on disposal of various assets. Property, plant, equipment and intangible assets capitalised during the year include office equipment, computers, software and leasehold improvements to support expansion of the business and provide for replacement of the existing assets.

Depreciation as a percentage of total income remained constant at 2% in the year. The Company expects to fund its investments in fixed assets and infrastructure from internal accrual and liquid assets.

b. Current investments and treasury

The Company's investments in mutual funds are classified as Fair Value Through Profit and Loss (FVTPL). The Company's treasury totaled Rs 233.26 crore as at December 31, 2018, as against Rs 174.40 crore in the previous year.

Cash and cash equivalents constituted 21% of the treasury as at December 31, 2018, as against 14% in the previous year. The treasury position is after considering dividend payouts which totaled Rs 251.38 crore and payment of Rs 56.00 crore towards acquisition of Pragmatix.

Category	(Rs crore)			
	As at December 31,			
	2018	%	2017	%
Cash and bank balance	48.86	21	24.71	14
Fixed deposit	1.39	1	18.37	11
Mutual funds	183.03	78	131.32	75
Total	233.28	100	174.40	100

Note: The Company's treasury policy calls for investing surplus in a combination of fixed deposits with scheduled banks and debt mutual funds. The Company's treasury position is healthy.

B. Loans

Loans comprise of security deposits, loans to subsidiary and loans to staff. As at December 31, 2018, the loans receivable amount totaled Rs 45.77 crore.

C. Trade receivables

Trade receivables at gross levels were Rs 182.37 crore as at December 31, 2018, compared with Rs 181.34 crore in the previous year. Trade receivables as a percentage of operating revenue remained constant at 15%.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision

At the end of the year, the Company's investments in net property, plant, equipment and intangible assets were Rs 48.72 crore as against Rs 50.53 crore in the previous year.

2. Financial assets

A. Investments and treasury: The Company's investments and treasury comprise non-current equity investments, current investments, cash and bank balances and fixed deposits.

a. Equity investments

All equity investments (quoted and unquoted, other than investment in subsidiaries) are measured at Fair Value Through OCI (FVTOCI).

Investments in subsidiaries are measured at cost. On January 24, 2018, CRISIL completed the acquisition of 100% stake in Pragmatix and it became a wholly owned subsidiary of the Company with effect from the said date. As at December 31, 2018, the cost of investment in subsidiaries stood at Rs 182.83 crore.

D. Other financial assets

Other financial assets comprise advances recoverable in cash/kind, accrued revenue, accrued interest and forward contract receivable. Other financial assets for the year ended December 31, 2018, amounted to Rs 33.21 crore, compared with Rs 41.67 crore in the previous year.

3. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, provision for bad debt and unearned revenue. The Company's net deferred tax assets was Rs 45.40 crore as at December 31, 2018, as against Rs 27.10 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

The advance income tax paid was Rs 36.18 crore as at December 31, 2018, compared with Rs 25.26 crore in the previous year.

4. Other assets

Other assets mainly comprise prepaid expenses, assets held for sale and tax credit receivable.

5. Equity share capital

The Company's authorised capital is Rs 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the Company issued and allotted 410,854 equity shares to eligible employees on exercise of options granted under ESOS 2011, 2012 and 2014. Consequently, the issued, subscribed and paid-up capital of the Company increased from 71,704,928 equity shares to 72,115,782 equity shares of Re 1 each.

6. Other equity

Other equity comprises reserves, surplus and OCI. It was Rs 801.72 crore as at December 31, 2018, as against

Rs 804.53 crore in the corresponding previous year. This was after considering the final and interim dividend payouts amounting to Rs 251.38 crore during the year ended December 31, 2018.

7. Financial liabilities

A. Trade payables

Trade payables amounted to Rs 52.07 crore as at December 31, 2018, as against Rs 46.82 crore in the previous year. Trade payables include amount payable to vendors for supply of goods and services.

B. Other financial liabilities

Other financial liabilities, which include unclaimed dividend, book overdraft, dues to employees and sundry deposit payable, were Rs 76.03 crore as at December 31, 2018, as against Rs 75.68 crore in the preceding year.

8. Provisions

Provisions comprise provisions for employee benefits. The overall liability was Rs 67.79 crore as at December 31, 2018, as against Rs 66.27 crore at the end of the previous year. Growth was in line with merit increase.

9. Other liabilities

Other liabilities mainly represent payables on account of withholding tax, service tax, other duties and unearned revenue. Unearned revenue represents fee received in advance or advance billing for which services have not been rendered.

B. Results of operations

The summary of standalone operating performance in 2018 is given below:

(Rs crore)

Particulars	As at December 31,			
	2018	% of revenue	2017	% of revenue
Income				
Income from operations	1,181.99	93	1,177.38	96
Other income	88.87	7	47.21	4
Total income	1,270.86	100	1,224.59	100
Expenses				
Personnel expenses	504.19	40	498.49	41
Finance cost	1.18	-	0.41	-
Depreciation	28.67	2	27.81	2
Other expenses	356.25	28	351.83	29
Total expenses	890.29	70	878.54	72
Profit before tax	380.57	30	346.05	28
Tax expense	103.04	8	108.79	9
Profit after tax	277.53	22	237.26	19

Revenue analysis

Other income (net)

Other income during the year increased to Rs 88.87 crore from Rs 47.21 crore in the previous year. This was mainly due to export benefits received amounting to Rs 24.17 crore in the form of saleable scrips from the government, under SEIS. The Company also recorded a foreign exchange (net) gain of Rs 16.75 crore.

Expense analysis

The total expenses for the year ended December 31, 2018 was Rs 890.29 crore as against Rs 878.54 crore during the corresponding previous year. The growth in other expenses was mainly on account of establishment related expenses. Finance cost incurred was on account of interest expense on bank overdraft during the year.

Risk management

The company has in place a robust risk management framework 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 Risk Committee comprising senior members of the leadership team provides governance and oversight on the process. The company has created a specialised role of 'Chief Risk Officer' to drive the risk management agenda.

Risk assessment is a combination of bottom-up and strategic view of key risks facing the business across all segments and functions. All the risks were reviewed and assigned probability of occurrence and potential impact (financial and non-financial) based on deliberations with business leaders and independent assessment. Mitigation plans are designed, implemented and monitored on quarterly basis.

Key business risks and mitigation strategy are highlighted below.

1. Business 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.

The Company strives to add value to its clients by providing services of a superior quality and by maintaining a robust franchise with investors and end-users, to mitigate the risk arising from slowdown in global economy and competitive pricing. Repeat business from large clients in the Research segment, nevertheless, continues to contribute significantly to revenue.

The Company carries reputation risk for services rendered, especially in the Rating business. CRISIL's ratings process is designed to ensure that all ratings are based on the highest standards of independence and analytical rigour.

2. Foreign exchange earning risk

CRISIL's foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. The company has in place a well-defined foreign exchange management policy and process designed to minimise the impact of volatility in foreign exchange fluctuations on earnings.

3. Policy risk

In the last two to three years, SEBI, the regulator for CRAs in India, has issued guidelines to mandate more disclosures by CRAs, ensure greater discipline in the rating processes, make rating outlooks compulsory, enhanced norms for functioning of rating committees, underline the process to be adopted in the event of non-cooperation by issuers, introduced independent member in rating committee for appeal cases and segregation of legal entity for regulated and non-regulated businesses. The recent guidelines also raise the bar on the eligibility to set up a CRA and stipulate greater disclosure for issuers on their financial performance. Overall, the guidelines will improve transparency of the credit rating process and enhance standard of the CRA industry. The recent guidelines increase the operational intensity of the rating process. CRISIL continues to pursue its focus on leveraging technology to build appropriate controls and monitoring tools for safeguarding the ratings process and facilitating necessary disclosures. Further, the company has initiated the process of legal entity restructuring.

The policy announcements for development of bond markets have largely been supportive in recent years. The moves towards nudging large corporates to raise 25% of their funding needs from bond markets, persuading insurance and pension regulators to accord recognition to corporate bonds rated in 'A category' and implementation of Insolvency and Bankruptcy Code (IBC), once fully implemented, will structurally enhance the role of bond markets in India's financing landscape over time. As a part of its franchise strategy, CRISIL continues to highlight the critical role played by the bond markets in the financial system, engage with the regulators and policy makers to facilitate development of the bond market, conduct regular events on the theme of bond markets and invest significant efforts towards innovations that have a potential to expand the role of bond markets.

4. People risk

CRISIL's key assets are its employees, and in a highly competitive market, attrition continues to be one of the key challenges. CRISIL continues to accord top priority to managing employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

5. Legal and statutory risks

CRISIL is subject to national and regional laws and regulations in such diverse areas as products, trademarks, copyright, competition, environment, corporate governance, listing and disclosure, employment and taxes. Failure to comply with laws and regulations could expose CRISIL to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. CRISIL is committed to complying with the laws and regulations of the countries in which we operate. In specialist areas, the relevant teams at global, regional or local levels are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles. Our legal and regulatory specialists are heavily involved in monitoring and reviewing our practices to provide reasonable assurance that we remain aware of and in line with all relevant laws and legal obligations. Our tax principles provide overarching governance and our tax experts sets out the controls established to assess and monitor tax risk for direct and indirect taxes. We monitor proposed changes in taxation legislation and ensure these are taken into account when we consider our future business plans.

Legal and compliance functions seek to mitigate legal risks with support from other departments. The objectives of these functions are to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation and to provide legally appropriate solutions for transactions and business processes.

6. Technology-related risks

Information technology (IT) is core to the operations of all CRISIL businesses. All technology services are governed through comprehensive policies and processes. These processes allow information access to personnel within the company based on identified roles. Audits are conducted regularly to identify areas of vulnerability and to identify actions that mitigates the operational risks. ISO certification of key CRISIL offices is conducted to ensure compliance with policies related to information security and management system.

Inadvertent or deliberate sharing of client confidential data or CRISIL proprietary information by staff is an important risk. The company has put in place 'Data Leakage Prevention' process. Information Security team acts as a second line of defence in driving agenda pertaining to information security training, implementing tools to strengthen information security posture and evaluate areas of vulnerabilities and improve the controls to prevent/detect/neutralise malicious network penetration (cyberattack). The incidents of cyberattacks globally as well as in India have increased. The company continues to evaluate and invest in additional mitigation plans through tools & infrastructure and enhanced monitoring.

The company's business processes are automated through bespoke business applications that capture and maintain information regarding business processes, client agreements, reports generated and assignments delivered, thus creating adequate database for our knowledge appropriately. The technology used by the company at all locations provides for redundancy and for disaster recovery. For critical business processes, the business teams have defined a business continuity plan and have tested it with the help of the IT team. The Technology department keeps abreast of changes and undertakes projects for technology upgradation to provide for redundancy.

7. Internal Audit and Internal Financial Controls System

The Audit Committee provides oversight of the Company's Internal Audit process. The Audit Committee reviews and concurs in the appointment, replacement, performance and compensation of the Company's Internal Auditor and approves Internal Audit's annual audit plan and budget. The Audit Committee also receives regular updates on the Audit Plan's status and results including reports issued by the Internal Auditor and the status of management's corrective actions.

Pursuant to the requirement of amendments in Companies Act, 2013, the Company has institutionalised Internal Financial Controls System. Accordingly, key risks and controls across all businesses and functions are identified and gaps are remediated, if any.

Independent Auditors' Certificate for Corporate Governance

To the members of CRISIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated April 23, 2018
2. We have examined the compliance of conditions of corporate governance by CRISIL Limited (the Company) for the year ended December 31, 2018, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Management's responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations

Auditor's responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in Paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI) and

Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Business Ethics issued by the ICAI

6. We have complied with the relevant applicable requirements of the Standard on quality control (SQC) 1, quality control for firms that perform audits and reviews of historical financial information and other assurance and related services engagements

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended December 31, 2018

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose

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

Place: Mumbai
 Date: February 12, 2019

Khushroo B Panthaky
 Partner
 Membership No. 42423

MD & CEO's Declaration

To the members of CRISIL Limited

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

Mumbai, February 12, 2019

For CRISIL Limited

Ashu Suyash
 MD & CEO
 DIN: 00494515

Report of the Directors on Corporate Governance

At CRISIL, corporate governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable, value-driven growth for the Company. CRISIL maintains the highest standards of corporate governance and disclosure practices and is committed to transparency in all its dealings. Our vision, mission and values are integrated into all our offerings and operations across levels to provide transparent and unbiased analytical data and solutions to investors, clients, policymakers and other stakeholders. A strict regard for the mission, vision and values, together with our endeavour for consistent growth, culture of innovation and global footprint, help us create value for our stakeholders.

The Directors present below the Company's policies and practices on corporate governance.

A. Board of Directors

Size and Composition of the Board

The Board of Directors has eight members, of which seven (87.5%) are Non-Executive Directors. Four (50%) of the eight Board members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Company has one Alternate Director. As per the Articles of Association of the Company, the Board can have up to 15 members. None of the directors are related to any other director on the Board.

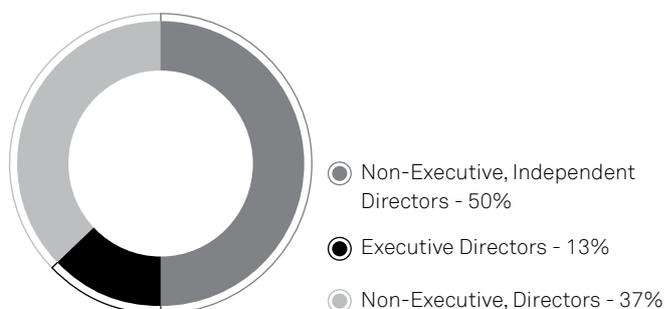
The composition of the Board of Directors of the Company as on December 31, 2018, was as follows:

Category	Name of the Director
Non-Executive Chairman	Mr John L Berisford (DIN: 07554902)
Independent, Non-Executive Directors	Mr M Damodaran (DIN: 02106990) Ms Vinita Bali (DIN: 00032940) Mr Girish Paranjpe (DIN: 02172725) Ms Arundhati Bhattacharya (DIN: 02011213)
Non-Executive Directors	Ms Martina Cheung (DIN: 07551069) Mr Ewout Steenbergen (DIN: 07956962)
MD & CEO	Ms Ashu Suyash (DIN: 00494515)
Alternate Director (alternate to Mr John L Berisford)	Mr Ravinder Singhanian (DIN: 00006921)

Notes:

- Dr Nachiket Mor (DIN: 00043646) demitted office upon completion of his tenure as Independent Director on July 23, 2018.
- The Board of Directors of the Company has appointed Ms Arundhati Bhattacharya as Additional Non-Executive, Independent Director of the Company with effect from October 16, 2018.

Percentage of Board positions



Criteria for Board Membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skill sets and that the Company benefits from new insights, guidance and challenges to business proposals. The said Policy outlines the appointment criteria and qualifications for the Directors on the Board of CRISIL and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at <https://crisil.com/en/home/investors/corporate-governance.html>.

The brief profiles of Directors forming part of this Annual Report give an insight into the education, expertise, skills and experience of CRISIL Directors. None of the Directors is a relative of an Executive Director or of a Non-Executive Director.

Membership Term

As per the Articles of Association of the Company, at least two-thirds of the other Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring directors qualify for re-appointment. The MD is appointed by the shareholders for a period of five years, but can be reappointed on completion of the term, if eligible. The employment may be terminated by either party by giving three months' notice. Independent Directors shall hold office for up to two terms of five years each.

Succession Policy

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment if thought fit, upon expiry of their respective tenures. The Nomination and Remuneration Committee of the Board regularly reviews succession planning and competency planning priorities for the Board and senior management.

The Board has adopted a retirement policy for its members. The maximum age of retirement of Executive Directors is 60 years, provided that the term of the person holding this position may be extended beyond the age of 60 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 60 years.

Memberships of other Boards

Independent Directors are expected not to serve on the boards of competing companies. No Director shall hold office

as a Director in more than 10 public companies. No Director of the Company shall serve on more than 10 committees or can act as Chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he/she is a Whole-time Director in any listed company.

Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place. The details of other directorships held by the Company's Directors as on December 31, 2018, are given below:

Name of the Director	Directorship#	Name of other listed companies where he/she is a Director		Membership of committees*	Chairmanship of committees*
		Company	Type of directorship		
Mr M Damodaran	8	Biocon Limited	Independent Director	5	3
		Larsen & Toubro Limited	Independent Director		
		Tech Mahindra Limited	Independent Director		
		Hero Motocorp Limited	Independent Director		
Ms Vinita Bali	3	Syngene International Limited	Independent Director	1	0
Mr Girish Paranjpe	6	Axis Bank Limited	Independent Director	1	0
Ms Arundhati Bhattacharya	5	Reliance Industries Limited	Independent Director	2	0
		Piramal Enterprises Limited	Independent Director		
		Wipro Limited	Independent Director		
Mr John L. Berisford	1	-	-	0	0
Ms Martina Cheung	2	-	-	1	0
Mr Ewout Steenbergen	1	-	-	1	0
Ms Ashu Suyash	1	-	-	1	0
Mr Ravinder Singhanian	7	-	-	0	0

Covers private, public and listed companies, including CRISIL Limited, but excludes foreign companies and Section 8 companies.

* Memberships / chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee of listed and public limited companies including CRISIL Limited. Committee Membership(s) and Chairmanship(s) are counted separately.

Details of Shareholdings of Directors as on December 31, 2018

None of the Directors hold any shares in the Company. However, Ms Ashu Suyash, MD & CEO, has been granted 91,069 options under the Company's ESOP Scheme 2014.

Responsibilities

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every calendar year and the maximum time gap between any two meetings is not more than 120 days. During the year ended December 31, 2018, the Board met six times - on February 13, April 17, June 22, July 17, October 16 and December 14. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by

detailed notes and presentations, where applicable, is sent to each Director at least seven days before the date of the Board and Committee meetings. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the meeting(s), as and when required.

The Company has an Executive Committee comprising the MD and a team of senior leaders with proper demarcation of responsibilities and authority. The MD is responsible for corporate strategy, planning, external contacts and Board matters. The Heads of individual businesses and the CRISIL leadership team are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions. Important decisions taken by the Board and its committees are promptly communicated to the concerned leadership team for execution and status reports on actions taken are reported at subsequent meeting(s).

Attendance at the meetings of the Board of Directors was as under:

Name of the Directors	No. of Board meetings held during the tenure*	No. of Board meetings attended out of those held	Last Annual General Meeting attendance
Dr Nachiket Mor [^]	4	4	Yes
Mr M Damodaran	6	4	Yes
Ms Vinita Bali	6	6	Yes
Mr Girish Paranjpe	6	5	Yes
Ms Arundhati Bhattacharya ^{\$}	2	2	Not applicable
Mr John L Berisford	6	6	Yes
Ms Martina Cheung	6	6	Yes
Mr Ewout Steenbergen	6	4	Yes
Ms Ashu Suyash	6	6	Yes
Mr Ravinder Singhania (Alternate Director)	6	--@	--@

* Of the above 6 meetings, 4 were scheduled meetings for approval of Financial Results & 2 were additional meetings for various other matters

[^] Ceased to be Director with effect from July 23, 2018

^{\$} Appointed on October 16, 2018

[@] Mr Ravinder Singhania did not attend the meetings since the Director for whom he was Alternate Director, attended all the meetings

Independent Directors Role and Familiarisation Processes

As trustees of shareholders, independent directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfillment of the requisite independence criteria by CRISIL's Independent Directors.

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his / her affirmation is taken with respect to the same.

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the various CRISIL businesses, offering, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

Ongoing familiarisation aims to provide insights into the Company and the business environment to enable the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The Company's Policy of Conducting the Familiarisation Programme and the details of familiarisation programmes imparted to independent directors during 2018 have been disclosed on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html>

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company.

Remuneration Policy

1) Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The commission payable to each Non-Executive Director is determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members. In term of a shareholders' resolution passed on April 20, 2017, the Company can pay remuneration not exceeding 1% of the net profit to Non-Executive Directors. The Non-Executive Directors have not been granted any stock options of the Company

2) Managing Director

Ms Ashu Suyash, our MD has signed an agreement containing the terms and conditions of employment. The agreement is for a term of five years, but either the Company or the MD may generally terminate the agreement upon three months' notice to the other party. She is not eligible for any severance fee

The remuneration and reward structure for MD comprises two broad components — short-term remuneration and long-term rewards. The remuneration package of Ms Ashu Suyash comprises a fixed salary, allowances, perquisites, reimbursements and retirement benefits and a variable pay to be determined by the Board on the recommendation of the Nomination and Remuneration Committee. Ms Suyash is eligible for benefits under any long-term incentive plan, stock option plan, excess contribution and other benefits in accordance with the rules of the Company applicable to all employees. In addition, Ms Suyash has been granted options under the Company's ESOP Schemes as under:

Plan	Date	Nos	Price	Remarks
ESOS – 2014	June 1, 2015	71,507	Rs 2,101.10	These options will vest in three equal tranches in the third, fourth and fifth year from the grant and can be exercised after two years from each vesting
ESOS – 2014	April 4, 2018	19,562	Rs1,841.35	These options will vest in three equal tranches in second, third and fourth year from the grant and can be exercised after two years from each vesting

The Nomination and Remuneration Committee determines the remuneration of the MD. The detailed policy of the Company on the Nomination and remuneration is available on the Company website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Sitting fees and commission paid to Non-Executive Directors

Name of Directors	Sitting fees	Commission	Rs
			Total
Dr Nachiket Mor [#]	320,000	1,680,000	2,000,000
Mr M Damodaran	930,000	3,000,000	3,930,000
Ms Vinita Bali	1,135,000	3,000,000	4,135,000
Mr Girish Paranjpe	805,000	3,000,000	3,805,000
Ms Arundhati Bhattacharya [^]	160,000	635,000	795,000
Mr John L Berisford	Nil*	Nil*	Nil*
Ms Martina Cheung	Nil*	Nil*	Nil*
Mr Ewout Steenbergen	Nil*	Nil*	Nil*
Mr Ravinder Singhania (Alternate Director)	Nil	Nil	Nil
Total	3,350,000	11,315,000	14,665,000

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

[#] Ceased to be Director with effect from July 23, 2018

[^] Appointed with effect from October 16, 2018

Remuneration paid to the MD & CEO for the year ended December 31, 2018

Name	Rs
Salary*	34,886,347
Variable Pay	20,500,000
Provident Fund	1,710,864
Perquisites	39,600
No. of ESOPs granted during 2018	19,562
Appointment valid till	May 31, 2020

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

Besides the above, any pecuniary transaction, if so undertaken between a Director and the Company in the ordinary course of business is reflected in the related party disclosure in the notes to the financial statements.

B. Board Committees

The Board has constituted committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

As on December 31, 2018, the Company had the following committees:

1. Audit Committee
2. Investment Committee
3. Nomination and Remuneration Committee
4. Stakeholders' Relationship Committee
5. CSR Committee

Each of the committees has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of committee meetings are circulated to the Directors and placed before the Board Meeting for noting thereat.

1. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises four Non-Executive Directors who are well-versed with financial matters and corporate laws. The Audit Committee met six times in 2018 — on February 12, April 16, June 22, July 16, October 16 and December 14. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on April 17, 2018. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under.

Name	Category	Position	Number of meetings during 2018	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-Executive	Chairman	6	5
Ms Vinita Bali	Independent, Non-Executive	Member	6	6
Mr Girish Paranjpe	Independent, Non-Executive	Member	6	6
Ms Martina Cheung	Non-Executive	Member	6	6

The Audit Committee invites the executives of the Company, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors at its meetings.

Role of the Audit Committee

The terms of reference for the Audit Committee are broadly as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in Director's Responsibility Statement included in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries based on exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency
- 7) Review and monitor the auditors' independence and performance and effectiveness of audit process
- 8) Approval or any subsequent modification of transactions of the company with related parties
- 9) Scrutiny of inter-corporate loans and investments
- 10) Valuation of undertakings or assets of the company, wherever it is necessary
- 11) Evaluation of internal financial controls and risk management systems
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- 14) Discussion with internal auditors of any significant findings and follow up there on
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- 18) To review the functioning of the Whistle blower mechanism
- 19) Approval of the appointment of CFO
- 20) To review report submitted by the monitoring agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In line with its terms of reference, during 2018, the Audit Committee, at its each meeting, reviewed the operations audit reports for businesses pursuant to audits undertaken by the internal auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. Independent sessions were held with the statutory and the internal auditors to assess the effectiveness of the audit processes. The Committee reviewed adequacy of internal financial controls on a Company-wide basis and shared their recommendations on the internal control processes to the Board. As a special action, the Committee reviewed the internal audit practices versus international best practices, the themes emerging from audit findings and improvement trends during the year. The Committee reviewed the risk management process, effectiveness of the monitoring and review mechanism therefor, key risks and their respective mitigation plans. On a quarterly basis, the Committee continues to review whistle blower complaints with the corrective actions and controls put in place thereof, material litigations/notices and related party transactions.

2. Investment Committee:

The Investment Committee lays down policy guidelines and procedures for investing the Company's funds and reviews this activity at regular intervals. The Investment Committee met once during the year, on July 17. The necessary quorum was present for the meeting. The details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	1	1
Mr Girish Paranjpe	Independent, Non-Executive	Member	1	1
Mr Ewout Steenbergen	Non-Executive	Member	1	1
Ms Ashu Suyash	MD & CEO	Member	1	1

3. Nomination and Remuneration Committee

The broad terms of reference of the Nomination and Remuneration Committee are:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills
- Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board
- Establishing and reviewing Board and senior executive succession plans
- Evaluating Board performance
- Assisting the Board in ensuring diversity of gender, thought, experience, knowledge and perspectives in the Board
- Reviewing and making recommendations to the Board on:
 - the remuneration of the MD, Whole-time Directors and KMPs
 - the total level of remuneration of Non-Executive Directors and individual remuneration of Non-Executive Directors and the Chairman
 - the remuneration policies for all employees including base pay, incentive payments, equity awards, retirement rights and service contracts

The Nomination and Remuneration Committee met five times in 2018 - on January 8, February 13, April 16, July 16 and December 14. The necessary quorum was present for all the meetings. In terms of its mandate, during 2018, the Committee focussed on review of initiatives relating to talent acquisition & management, succession planning, employee engagement, leadership development, employee compensation and long term incentive plans. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 17, 2018. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	5	5
Mr John L Berisford	Non-Executive	Member	5	5
Mr M Damodaran	Independent, Non-Executive	Member	5	4

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Further, the details of remuneration paid to all the directors and the other disclosures required to be made under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been published in the previous section of this Report titled 'Board of Directors'.

4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee periodically reviews the status of shareholder grievances and redressal of the same. The committee also reviews complaints from all stakeholders of the Company, including customers, employees, vendors/business partners. Through this process, the Committee reviews and steers improvements in relation to service delivery, quality and other issues pertaining to other stakeholders as well. The Committee met four times in 2018 - on

February 12, April 16, July 16 and October 15. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on April 17, 2018.

The composition of the committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-Executive	Chairman	4	3
Mr Ewout Steenbergen	Non-Executive	Member	4	4
Ms Ashu Suyash	MD & CEO	Member	4	4

The details of shareholders' complaints received and redressed during the year are given in Section D of the Report.

5. CSR Committee

The broad terms of reference of the CSR Committee are:

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

The Committee met twice in 2018 - on February 12 and June 22. The necessary quorum was present for both the meetings. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairman	2	2
Mr Girish Paranjpe	Independent, Non-Executive	Member	2	2
Ms Ashu Suyash	MD & CEO	Member	2	2

The details of corporate social responsibility activities of the Company during the year are mentioned in the annexures to the Directors' Report.

6. Meeting of Independent Directors

The Company's Independent Directors met on February 12, 2018, without the presence of the MD & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

7. Performance Evaluation

The Company has put in place a mechanism for performance evaluation of the Directors. The details of the same have been included in the Directors' Report.

C. Shareholders

Means of Communication

1. Quarterly and annual financial results are published in leading national and regional newspapers and displayed on the Company's website.
2. News releases, press releases and presentations made to investors and analysts, if any, are displayed on the Company's website.

- The Annual Report is circulated to all members and is also available on the Company's website.
- Material developments relating to the Company that are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company is disclosed to the stock exchanges in terms of the Company's Policy for Disclosure of Material Information and is also available on the Company's website.
- The Company website contains information on the businesses of the Company, governance and important policies of the Company.

To serve the investors better and as required under Regulation 46(2)(j) in the Listing Regulations, the designated email address for investor complaints is investors@crisil.com. The email address of grievance redressal division is continuously monitored by the Company's compliance officer.

The Annual Report of the Company for 2018 has been emailed to the members whose email addresses are available with

the depositories for communication purposes or are obtained directly from the members, as per Section 136 of the Companies Act, 2013, and Rule 11 of the Company (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. The Company encourages its shareholders to subscribe to e-communication from the Company. For this purpose, shareholders are requested to update their email ids in the forms prescribed by their respective depository participants for shares held in demat form and write to the Company's registrar and share transfer agent for email updation for shares held in physical mode.

Grievance Redressal

The Board has appointed Stakeholders' Relationship Committee to review and redress complaints received from shareholders. The Committee meets periodically to consider the status of the investor grievances received and redressed.

General Body Meetings: The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue	Special resolutions passed
Twenty Ninth Annual General Meeting	April 19, 2016, at 3.30 pm	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Thirtieth Annual General Meeting	April 20, 2017, at 3.30 pm	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	One special resolution was passed regarding amendments in CRISIL ESOS 2014
Thirty First Annual General Meeting	April 17, 2018, at 3.30 pm	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	One special resolution was passed regarding making investments, giving loans and providing securities beyond the prescribed limits

Postal Ballot

During 2018, the Company did not pass any resolutions by postal ballot.

Pursuant to the provisions of the Companies Act, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Disclosures

During the year, there were no related party transactions which were materially significant and that could have a

potential conflict with the interests of the Company at large. Related party transactions have been disclosed in the annexures to the Directors' Report as required in terms of the provisions of the Companies Act.

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchange or SEBI, or any statutory authority on any matter related to the capital markets during the last three years.¹

1. On January 31, 2018, vide a settlement order issued by SEBI, the Company, without admitting or denying the violations, settled proceedings in connection with a show cause notice pertaining to alleged violation of certain provisions of the CRA regulations, for an amount of Rs 28.36 lakh.

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulation 27(1):

- i. **Modified opinion(s) in Audit Report:** The Company's financial statements have unmodified audit opinions
- ii. **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate
- iii. **Reporting of internal auditors:** The internal auditors of the Company directly report to the Audit Committee

CRISIL Code of Conduct for Directors and Senior Management

The Board of Directors of CRISIL has adopted the Code of Conduct for Directors and Senior Management, which is available on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

Prohibition of Insider Trading

CRISIL has formulated a Code of Ethics and Personal Trading Policy for Directors and employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations). This policy is framed adopting the standards set out in the Regulations to regulate, monitor and report trading by its employees to achieve compliance with the said Regulations.

Vigil Mechanism and Whistle Blower Policy

The Company has a Whistle blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in certain cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy has been hosted on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

Policy for Determining 'Material' Subsidiaries

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries, which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

Material unlisted subsidiary

During 2018, the Company had two of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary

companies. Material subsidiaries are subject to special governance norms in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of CRISIL Limited for review and noting.

Policy against Sexual and Workplace Harassment

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

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Act, 2013.

The Company has a 'Policy on Redressal of Sexual Harassment' for CRISIL and its subsidiary companies. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognises the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Independent Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy. During the year, five complaints were received from CRISIL employees, of which three were resolved and two were under investigation as on December 31, 2018. Additionally 1 complaint was received from off-roll personnel which was resolved. No complaints were received in respect of subsidiary companies.

Related Party Transactions Policy

As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy, which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

Record Management Policy

As required under Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for Preservation of Documents. The same has been implemented in the Company with effect from December 1, 2015.

Policy for Determining Materiality of an Event or Information and for Making Disclosures to Stock Exchanges

As required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the stock exchanges; the same is available at <https://www.crisil.com/en/home/investors/corporate-governance.html>.

The Board of Directors of the Company has authorised the CFO of the Company to determine materiality of an event or information and for making disclosures to the stock exchanges under the said regulation.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, has formulated the CRISIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code has also been hosted on the website of the Company, viz., www.crisil.com.

Commodity price risk or foreign exchange risk and hedging activities

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141, dated November 15, 2018, is not applicable.

The detailed discussion of the foreign exchange risk and Company's hedging activities is given in the Management Discussion & Analysis Report and the Notes to the Financial Statements.

Unclaimed equity shares

Consequent to the sub-division of nominal value of the equity shares of the Company from Rs 10 per share to Re 1 per share with effect from October 1, 2011 and in terms of Regulation 39 (4) of the formulated the (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule VI thereof, the Company has opened a demat account in the name and style 'CRISIL Limited - Unclaimed Shares Suspense Account'. At the beginning of the year, 9,000 equity shares belonging to five shareholders were lying in the account. During the year, one shareholder claimed 1,000 equity shares from the account, which were transferred to such shareholder after adequate verification. Further, in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, 5,000 shares, in respect of which dividend has not been claimed by shareholders for seven consecutive years, lying in the CRISIL Limited - Unclaimed Shares Suspense Account were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed by the said rules as indicated later in the report.

At the end of the year, i.e. as at December 31, 2018, 3,000 equity shares belonging to three shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2018, shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of its identity to the Company's Registrar & Share Transfer Agent, Karvy Fintech Private Limited.

SEBI Complaints Redress System (SCORES)

SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment, and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company received 13 investor complaints through SCORES, all of which were responded to within 15 days of receipt.

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience. The procedure for dematerialisation has been published on the Company's website at <https://www.crisil.com/en/home/investors/shareholder-services/procedure-for-dematerialisation-of-shares.html>.

Updation of KYC details

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register, communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

D. General Shareholders' Information:

1. Annual general meeting	Date and Time Venue	: April 17, 2019, at 3.30 pm : Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
2. Calendar for financial reporting	First Quarter ending March 31, 2019 Second Quarter ending June 30, 2019 Third Quarter ending September 30, 2019 Year ending December 31, 2019 Newspapers where the results are published Websites where the financial results, shareholding pattern, annual report, etc., are uploaded	: In April 2019 In July 2019 In November 2019 In February 2020 Business Standard and Navshakti www.crisil.com, www.bseindia.com and www.nseindia.com
3. Proposed final and special dividend		: Final dividend of Rs 11 per share having nominal value of Re 1 each
4. Dates of book closure		: April 2 to 3, 2019 (both days inclusive)
5. Dividend payment date		: April 24, 2019 (if dividend payment is approved at the Annual General Meeting)
6. Listing details		: The shares of the Company are listed on: National Stock Exchange of India Ltd (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 BSE Ltd (BSE) P.J. Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid listing fees at both the exchanges and has complied with the listing requirements.
7. Stock codes		: NSE – CRISIL BSE – 500092 ISIN: INE007A01025 CIN: L67120MH1987PLC042363
8. Registrars and share transfer agents		: Karvy Fintech Private Limited Unit: CRISIL Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032 Email: einward.ris@karvy.com Phone: +91 40 6716 1500 Toll Free No. : 1-800-34-54-001 Fax: +91 40 6716 1567
9. Compliance officer		: Ms Minal Bhosale, Company Secretary, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 Phone: 022-3342 3000 Fax: 022-3342 3001
10. Depository system		: As on December 31, 2018, 99.86% of the Company's share capital was held in dematerialised form. For any assistance in converting physical shares in electronic form, investors may approach Karvy Fintech Private Limited or Ms Minal Bhosale, Company Secretary, at the addresses given above.

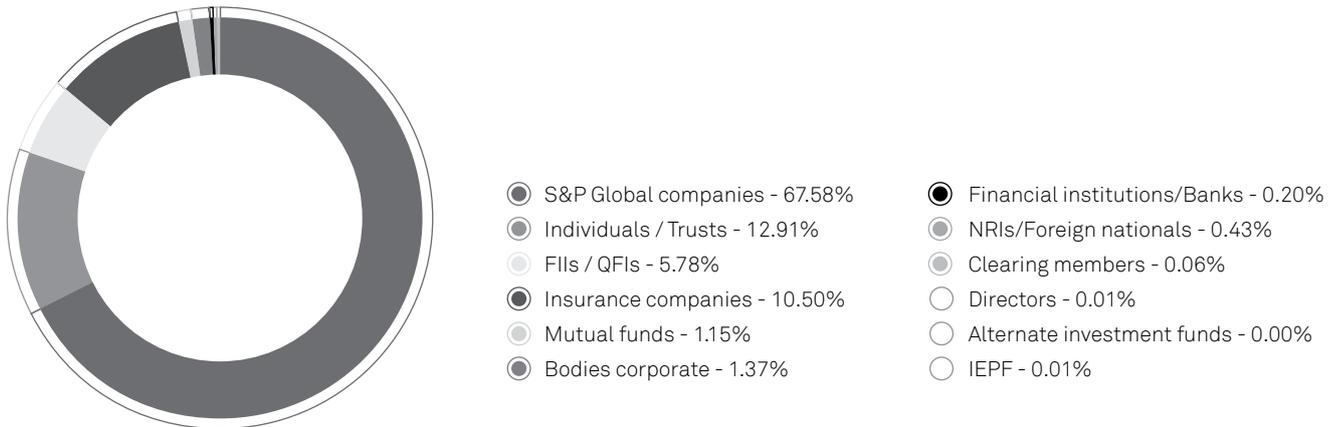
- 11. Electronic clearing service (ECS)** : The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss / damage of dividend warrants in transit and correspondence with the Company on revalidation / issuance of duplicate dividend warrants
- 12. Bank details for electronic shareholding** : Members are requested to notify their depository participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs
- 13. Furnish copies of permanent account number (PAN)** : The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of the Prevention of Money Laundering Act, 2002. For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company
- 14. Investor complaints to be addressed to** : Registrars and Share Transfer Agents or to Ms Minal Bhosale, Company Secretary, at the above mentioned addresses
- 15. Email ID of grievance redressal division** : investors@crisil.com

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14.

16. Category-wise shareholding pattern as on December 31, 2018

Sr. no.	Category	No. of shares	% holding
1	Group holding of S&P Global Inc: <ul style="list-style-type: none"> ■ S&P India LLC ■ Standard & Poor's International, LLC ■ S&P Global Asian Holdings Pte Limited 	48,732,586	67.58
2	Individuals (includes trusts)	9,308,657	12.91
3	FII's / QFI's / FPI's	4,164,998	5.78
4	Insurance companies	7,571,371	10.50
5	Mutual funds	826,886	1.15
6	Financial institutions / banks	143,384	0.20
7	Bodies corporate	994,504	1.37
8	NRIs / foreign nationals	314,418	0.43
9	Directors	-	-
10	Clearing members	8,112	0.01
11	Alternate investment funds	10,826	0.01
12	Investor Education and Protection Fund	40,040	0.06
	Total	72,115,782	100.00

Category-wise shareholding pattern as on december 31, 2018



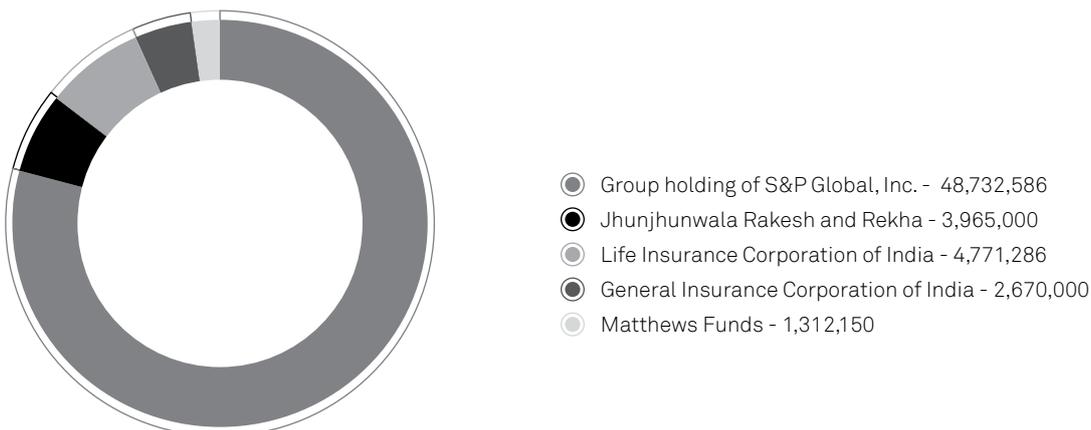
17. Distribution of shareholding as on December 31, 2018

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	27,871	99.16	3,119,922	4.33
5,001 – 10,000	85	0.30	618,050	0.86
10,001 – 20,000	49	0.17	718,807	1.00
20,001 – 30,000	26	0.09	644,126	0.89
30,001 – 40,000	7	0.02	241,135	0.33
40,001 - 50,000	12	0.04	542,774	0.75
50,001 – 1,00,000	24	0.09	1,812,174	2.51
1,00,000 and above	32	0.11	64,418,794	89.33
Total	28,106	100.00	72,115,782	100.00

18. Members holding more than 1% of the paid-up share capital as on December 31, 2018

Sr. No.	Name of the shareholder	No. of shares	% holding
1.	Group holding of S&P Global Inc: <ul style="list-style-type: none"> ■ S&P India LLC ■ Standard & Poor's International, LLC ■ S&P Global Asian Holdings Pte Limited 	48,732,586	67.58
2.	Jhunjhunwala Rakesh & Rekha	3,965,000	5.50
3.	Life Insurance Corporation of India	4,771,286	6.62
4.	General Insurance Corporation of India	2,670,000	3.70
5.	Matthews India Fund / Matthews Asia Funds - India Fund	1,312,150	1.82

Members holding more than 1% as on



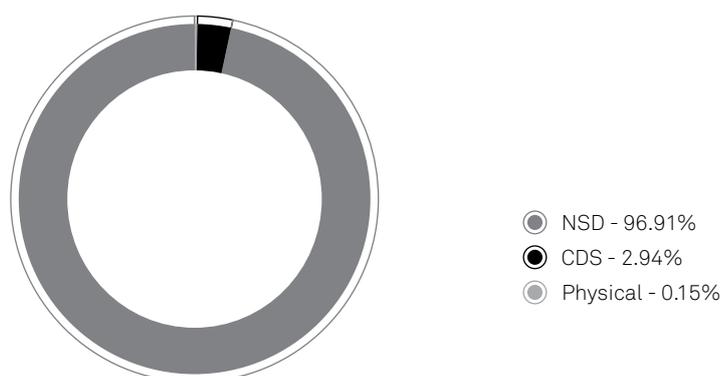
19. Status report shareholder complaints during the year ended December 31, 2018

Nature of complaints	No. of complaints received
Outstanding as on January 1, 2018	1
Non-receipt of dividend	14
Non-receipt of shares	0
Non-receipt of Annual Report	13
Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs/ Regulatory Authorities	20
Total	48

The Company addressed all the investor complaints received as indicated above, except for one which was received towards the year-end and resolved in January 2019.

20. Shares held in physical and dematerialised form as on december 31, 2018

The break-up of physical and dematerialised shareholding as on December 31, 2018 is explained graphically below:

Distribution of holdings - Demat and physical


Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, and elimination of any possibility of loss of documents and bad deliveries.

21. Equity history since sub-division of shares

Date	Particulars	No. of shares	Cumulative no. of shares
01.10.2011	No. of issued and fully paid up equity shares of face value Re 1 each after stock split	70,968,440	70,968,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 910,000	70,058,440
16.04.2012	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 109,950	70,168,390
17.10.2012	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 67,350	70,235,740
18.04.2013	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 270,730	70,506,470
18.10.2013	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 146,420	70,652,890
17.04.2014	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 309,140	70,962,030

17.10.2014	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 3,95,025	7,13,57,055
17.04.2015	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 93,465	71,450,520
16.07.2015	Extinguishment of shares consequent to buy-back	(-) 511,932	70,938,588
17.10.2015	Allotment of shares to employees on exercise of options granted under ESOS, 2011, ESOS, 2012 and ESOS, 2014	(+) 270,515	71,209,103
19.04.2016	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 67,575	71,276,678
14.10.2016	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 58,680	71,335,358
20.04.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 21,750	71,357,108
18.07.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 270,417	71,627,525
17.10.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 77,403	71,704,928
13.02.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 21,101	71,726,029
17.04.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 80,920	71,806,949
17.07.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 238,413	72,045,362
16.10.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 70,420	72,115,782

22. Dividend

Dividend policy: CRISIL believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth and also as a means to meet any unforeseen contingency. CRISIL's Dividend Policy specifies the financial parameters that will be considered when declaring dividends, internal and external factors and for declaring dividends and the circumstances under which shareholders can or cannot expect a dividend. The Policy has been put up on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html> and the same is also annexed herewith as Annexure I.

Modes of payment of dividend: The dividend is paid under two modes;

- (i) Credit to the bank account via electronic clearing services ECS / National Electronic Clearing Services (NECS) / SWIFT transfer and

- (ii) Despatch of physical dividend warrant,

ECS/NECS: The Company has extended the ECS/NECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants. Investors may obtain the ECS/NECS mandate form from the FAQs link (<https://www.crisil.com/en/home/investors/shareholders-services/faqs.html>) on Investors section of the Company's website, www.crisil.com.

Bank details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.

Unclaimed dividend: Dividends that are not encashed or claimed, within seven years from the date of their transfer to the unpaid dividend account, will, in terms of the provisions of Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the government. In respect of the transfers made after coming into effect of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on December 31, 2018, are as follows:

Sr. no.	Dividend name	Dividend per share (Rs)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF*
1.	Unclaimed Final Dividend 2011	2.75	275%	16-Apr-2012	18-May-2019
2.	Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012	6.00	600%	16-Apr-2012	18-May-2019
3.	Unclaimed 2nd Interim Dividend 2012	3.00	300%	18-Jul-2012	19-Aug-2019
4.	Unclaimed 3rd Interim Dividend 2012	3.00	300%	17-Oct-2012	18-Nov-2019
5.	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
6.	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020
7.	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
8.	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020
9.	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-2014	18-May-2021
10.	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-2014	18-May-2021
11.	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
12.	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021
13.	Unclaimed Final & Special Dividend 2014	10.00	1000%	17-Apr-2015	18-May-2022
14.	Unclaimed 1st Interim Dividend 2015	4.00	400%	17-Apr-2015	18-May-2022
15.	Unclaimed 2nd Interim Dividend 2015	4.00	400%	17-Jul-2015	17-Aug-2022
16.	Unclaimed 3rd Interim Dividend 2015	5.00	500%	17-Oct-2015	17-Nov-2022
17.	Unclaimed Final & Special Dividend 2015	10.00	1000%	19-Apr-2016	20-May-2023
18.	Unclaimed 1st Interim Dividend 2016	5.00	500%	19-Apr-2016	20-May-2023
19.	Unclaimed 2nd Interim Dividend 2016	6.00	600%	19-Jul-2016	19-Aug-2023
20.	Unclaimed 3rd Interim Dividend 2016	7.00	700%	14-Oct-2016	14-Nov-2023
21.	Final Dividend 2016	9.00	900%	20-Apr-2017	20-May-2024
22.	Unclaimed 1st Interim Dividend 2017	6.00	600%	20-Apr-2017	20-May-2024
23.	Unclaimed 2nd Interim Dividend 2017	6.00	600%	18-Jul-2017	17-Aug-2024
24.	Unclaimed 3rd Interim Dividend 2017	6.00	600%	17-Oct-2017	16-Nov-2024
25.	Final Dividend 2017	10.00	1000%	17-Apr-2018	17-May-2025
26.	Unclaimed 1st Interim Dividend 2018	6.00	600%	17-Apr-2018	17-May-2025
27.	Unclaimed 2nd Interim Dividend 2018	6.00	600%	17-Jul-2018	16-Aug-2025
28.	Unclaimed 3rd Interim Dividend 2018	7.00	700%	16-Oct-2018	12-Nov-2025

Notes:

- Investors are requested to send their claim at least 15 days prior to due date for transfer to IEPF for ensuring payment of their dividend.
- The stock was split from face value Rs 10 to face value Re. 1 with effect from October 1, 2011. Hence, dividend declared after that date is on share of face value Re 1 each.

Transfer of shares to IEPF

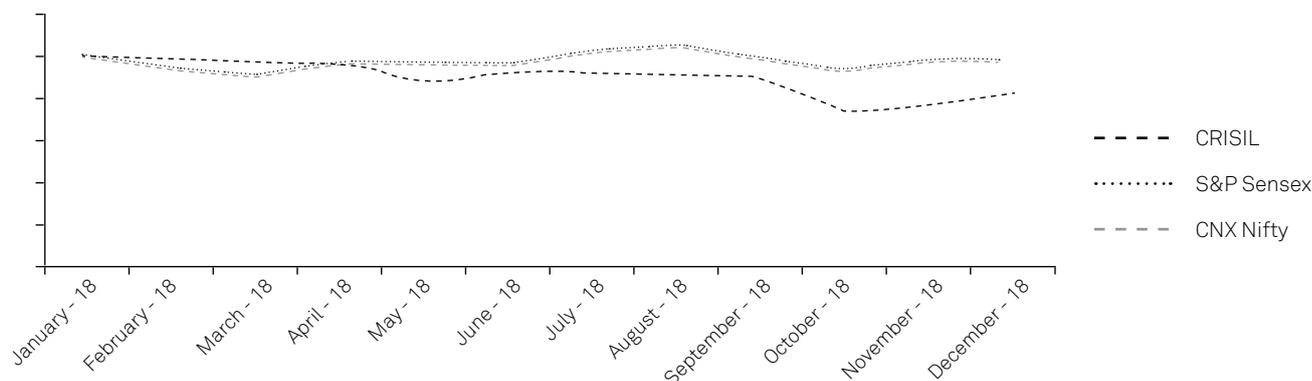
Further pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously to IEPF. The Company transferred 8,000 shares to IEPF during the year. Details of these shares are available on the Company's website www.crisil.com.

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.crisil.com.

23. Stock price and movement of the Company's shares on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the period from January 2018 to December 2018:

BSE			NSE		
Month	High (Rs)	Low (Rs)	Month	High (Rs)	Low (Rs)
January	2,020.00	1,853.05	January	2,013.00	1,850.25
February	2,020.85	1,907.00	February	2,023.00	1,915.00
March	1,970.00	1,875.00	March	1,968.80	1,870.00
April	1,988.00	1,835.00	April	1,990.00	1,833.30
May	2,014.55	1,611.00	May	2,021.70	1,608.60
June	1,862.95	1,695.00	June	1,869.70	1,689.95
July	1,889.90	1,740.00	July	1,844.00	1,733.00
August	1,831.60	1,717.00	August	1,820.00	1,710.00
September	1,825.00	1,702.00	September	1,787.55	1,701.00
October	1,750.00	1,259.00	October	1,740.05	1,335.00
November	1,650.00	1,440.75	November	1,550.00	1,435.40
December	1,649.70	1,464.80	December	1,646.70	1,471.00

Price movement of CRISIL shares in 2018 on NSE and BSE vis-a-vis movement



24. Shareholders' rights

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time
- To receive copies of the annual report, balance sheet and profit and loss account and the auditor's report
- To participate and vote in General Meetings either personally or through proxies
- To receive dividends in due time, once approved in General Meetings or Board Meetings
- To receive corporate benefits like rights, bonus etc. once approved
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting
- To inspect the minute books of the general meetings and to receive copies thereof
- To apply for the winding-up of the Company
- To receive the residual proceeds
- Other rights are as specified in the Memorandum and Articles of Association available on the website, <https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>

Apart from the above rights, the shareholders also enjoy the following rights as a group:

- To appoint the Directors and Auditors of the Company
- To requisition an extraordinary general meeting
- To apply to the National Company Law Tribunal to investigate the affairs of the Company
- To apply to the National Company Law Tribunal for relief in cases of oppression and / or mismanagement

The above-mentioned rights may not necessarily be absolute

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

Mumbai, February 12, 2019

John L Berisford
Chairman

Annexure I to Corporate Governance Report Dividend Policy

Policy for determining 'dividend payout' to shareholders

1. Purpose and scope

The purpose of this policy is to broadly specify external and internal factors including financial parameters that will be considered when declaring a dividend and the circumstances under which the shareholders of the Company may or may not expect a dividend. The Board of Directors will refer to the policy when declaring/ recommending dividends on behalf of the Company.

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration the guidelines issued by the SEBI to the extent applicable.

2. Decision framework

i. The circumstances under which shareholders can or cannot expect a dividend:

The Company has been consistently paying out dividends to shareholders and can be reasonably expected to continue declaring more than 50% of standalone profit after tax in future unless the Company is constrained by insufficient profits or if any internal or external factor or financial parameter indicated below becomes adverse or if there is any likely requirement for business expansion or acquisition as determined by the Board.

ii. The financial parameters that will be considered when declaring dividends:

- a. Profit after tax
- b. Positive cash flow after taking into consideration future business needs
- c. Debt/EBITDA

iii. Internal and external factors that would be considered for declaring dividends:

- a. Business environment and trends in capital markets
- b. Statutory regulations and guidelines
- c. Profit earned during the year
- d. Net worth
- e. Company's need for growth capital
- f. Working capital requirements and contingency plan
- g. Any other factor as deemed fit by the Board

iv. Utilisation of retained earnings shall be towards:

- a. Business expansion and growth
- b. Acquisition
- c. Working capital requirements and contingencies

v. Provision with regard to various classes of shares:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

3. Policy review

This policy shall be reviewed by the Board as and when any changes are to be incorporated owing to changes in regulations or as may be felt appropriate by the Board. Any changes or modification in policy would be put up for approval of the Board of Directors.

This policy is dated October 14, 2016.

Business Responsibility Report

The Business Responsibility Report articulates CRISIL's activities on sustainability during 2018 based on the nine-principle framework of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, notified by the Ministry of Corporate Affairs on July 8, 2011. Policies and practices under each principle are explained in subsequent paragraphs with correlation to the SEBI reporting format, appended at the end of the report.

Principle No. 1

Ethics, transparency and accountability

The constantly evolving business environment, increasing scale and rapid technological changes influence our business practices and the way we network with our stakeholders. In keeping with this, in 2018, we reviewed and updated our Code of Ethics policy which contains essential principles and values that underline business interactions across CRISIL and its subsidiaries. The Code of Ethics covers overarching norms for ethical business practices, employee conflicts, non-discrimination, diversity, fair labour practices, workplace safety and conduct, protecting the environment, protecting information and confidentiality, and protecting CRISIL's assets. Individual policies reinforce and articulate detailed practices for certain principles. CRISIL's employees also adhere to the S&P Code of Business Ethics. Both Codes are communicated throughout the organisation and reinforced through training, assessment and affirmation of employees at the time of joining and on an annual basis. Training/certification on Code of Ethics is mandatory for all employees across the organisation, including the senior management.

As a trusted intermediary in the financial market, meeting our own statutory obligations in line with the letter and spirit of the law is fundamental to our business. We have adopted a robust IT-enabled framework which monitors our regulatory obligations and supports the respective teams in tracking compliance with them.

Confidentiality of client information is of utmost importance at CRISIL. The company lays great emphasis on appropriate policies and controls over employee trading practices, regular awareness and training sessions and reporting. Our policies not only cover CRISIL's shares but also clients' securities, depending on the restricted list maintained for each business. Two critical initiatives were launched in 2018 to enhance controls in this area. The first was that of empanelling brokers through whom CRISIL's employees will henceforth be permitted to trade. Such a channelled approach will enable the monitoring of employee trades on a timely and independent basis and reduce the reliance on self disclosure by employees. The second is a first-of-its-kind approach for

the industry, whereby individual employee holdings will be tracked through depository records on a consolidated basis for all securities held and reported by the employees. These two initiatives will strengthen our monitoring and surveillance of security trades and holdings disclosed by employees as well as augment our conflict management framework.

We continue to pursue instilling ethical and responsible corporate behaviour amongst our business partners as well, by encouraging them to adopt our Suppliers' Code of Conduct. For more details on this, please refer to Principle No. 5. As a specific initiative in extending CRISIL's information confidentiality and stronger data protection protocols to its supply chain, the Company is in the process of institutionalising a policy whereby vendors will be evaluated on their risk profile based on information security measures they have in relation to the confidentiality of information that they process. Vendors with high-risk profiles would need additional approvals for engagement.

The Code of Ethics articulates the mechanism for reporting violations. The Whistle Blower Policy contains essential safeguards to reassure whistle blowers that the non-discrimination and fair conduct encapsulated in the Codes will protect them from reprisal. Several avenues exist for reporting transgressions such as direct reporting to respective line managers or HR executives or Legal department as well as the Compliance Officer. Complaint redressal is tracked rigorously at various levels of management. A Board committee dedicates exclusive time to review cases of policy violations and stakeholder complaints regularly.

Complaints received from employees, vendors, customers and shareholders have been reported in Principles 3, 4 and 9 of this Report and under Corporate Governance Report, respectively. Besides these, there were no other stakeholder complaints.

Principle No. 2

Sustainable services

CRISIL is the pioneer of credit ratings in India and plays a pivotal role in the development of the financial sector by developing and bringing to the fore, relevant services required to meet the evolving requirements of the financial sector. As a reliable ratings, research and advisory partner to corporates, banks, financial institutions, small businesses, governments and regulators, we play a catalytic role in developing markets, improving access to capital, reducing borrowing costs, supporting economic growth and efficient allocation of capital. We showcase our significant projects/ services during 2018, which created a meaningful impact on some of our stakeholders:

Ratings

The Indian banking system has been grappling with bad loans for a while now. On June 13, 2017, the RBI recommended that several large non-performing assets be referred to the National Company Law Tribunal for resolution under the Insolvency and Bankruptcy Code. In February 2018, the RBI directed banks to obtain an independent credit evaluation of the residual debt by credit rating agencies for resolution plans involving restructuring/ change in ownership of large accounts. In May 2018, CRISIL promptly introduced a new rating product - Independent Credit Evaluation (ICE) of stressed assets. The ICE methodology involves extensive analysis of a company's business and its financial and management risk profiles. A lot of emphasis is placed on the efficacy of the business plan in addressing issues concerning the business, stability and adequacy of the company's cash flows in relation to debt and the management's competence, integrity and risk appetite in the context of its ability to turn around the business. The product aimed to enable the selection of a sustainable resolution plan for a stressed asset. So far, CRISIL has rated 19 entities under this new scale.

SME

The SME business continues to help micro, small and medium enterprises (MSMEs) achieve sustainable growth by enabling access to formal channels of credit. Through its integrated platform smefirst.com, CRISIL provides various SME offerings online and helps financial institutions to better assess and evaluate MSMEs.

In 2018, CRISIL launched WE-Check, a free digital verification and assessment service dedicated to women entrepreneurs, in association with NITI Aayog. WE-Check offers instant and independent verification of an organisation's presence in the market and can be obtained online in real-time. Being 'verified by CRISIL' helps women entrepreneurs position themselves as reliable business partners and empowers them to be successful entrepreneurs. It enables timely access to credit from formal channels.

Skilling the workforce has been one of the agendas of the Government of India (GoI). To ensure quality checks of skilling institutions, Directorate General of Training, Ministry of Skill Development and Entrepreneurship partnered with CRISIL to grade Industrial Training Institutes (ITIs). The grading exercise aimed to enable ITIs find out the key areas of improvement and compare with the best performing institutes. Under this programme, CRISIL graded around 4,800 ITIs (government + private) across India.

Social sector assessments aim to strengthen the entities operating in the social sector and financial inclusion space through assessment and grading services. CRISIL grading enables corporate donors to identify impactful non-governmental organisations (NGOs) with good governance including reviewing the performance of existing implementing agencies we partner with. Grading helps NGOs understand their strengths and weaknesses and display their credentials to donors supporting their fund-raising objectives.

India Research

With deep understanding of the economy and our extensive coverage on more than 90+ sectors, CRISIL India Research is the country's largest independent and integrated research house. We provide unique insights on micro-macro and cross-sectoral linkages and help meet the requirements of our Indian and global clients.

Quantix, CRISIL Research's comprehensive and high-end data analytics tool, has been released in a modular fashion and received positive response from the market. It has an extensive database of 50,000+ companies.

During 2018, CRISIL Research launched 39 new debt and 5 new hybrid indices, taking the total to 91. We are the largest provider of valuation of fixed-income securities to the mutual fund, insurance and banking industries today.

Regulatory and risk support

Financial markets are highly dynamic and at times volatile, making it crucial for market players to evaluate and reduce risk.

CRISIL Global Risk & Analytics (GR&A) helps large global retail, commercial and investment banks, asset management companies and insurance companies globally to navigate through uncertainties such as market volatility and helps such institutions migrate to robust risk and trading platforms and measure risk in a more real-time manner.

GR&A works with some of the biggest global investment, retail and commercial banks and assists them in completing critical regulatory submissions in a timely manner – Basel II/II.5/III, CCAR/DFAST, EBA/PRA Stress Testing, etc.

We are also the preferred end-to-end implementation partner for various banks for their regulatory implementation programme (FRTB, CECL, TRIM, MiFID II, etc.), leveraging our rich experience of working with clients globally and deep expertise in the financial services domain, complemented by technology and project management capabilities.

On the domestic front, CRISIL Risk Solution has been working with banks and financial institutions to manage and mitigate risks. Our solutions and offerings help lending institutions take informed decisions to assess, manage and monitor their credit risk. Our monitoring framework helps identify potential early delinquencies for institutions to take proactive corrective actions. This improves the health of institutions' credit portfolio.

With increased focus on financial inclusion, many new age non-banking financial companies (NBFCs) are contributing to the financial ecosystem of the country. CRISIL Risk Solutions (CRS) has partnered with many of them to enhance their risk management capabilities, prepare scoring models for them and aiding them to differentiate between creditworthy and risky borrowers. These will help improve the credit culture in the country.

This year, CRS team engaged with MannDeshi Bank, a part of MannDeshi Foundation, dedicated to the economic empowerment of rural women. We designed a customised risk assessment model for the bank that will enable them to extend affordable and easy credit to women entrepreneurs. As a by-product of this framework, it will also enable the foundation to educate rural women entrepreneurs and make credit access easier for them.

Infrastructure Advisory

CRISIL Infrastructure Advisory offers a wide array of services across the infrastructure development cycle ranging from work in the areas of policy and regulatory advisory, public-private partnership (PPP) frameworks, infrastructure financing mechanisms, business and commercial diligence, programme management, capacity enhancement and institutional strengthening for government and infrastructure agencies.

During 2018, the Ministry of Petroleum and Natural Gas set out an ambitious plan to augment the share of natural gas in the primary energy basket of India from 6.5% to 15%. In this connection, the Gol envisaged setting up a gas trading hub to establish an Indian gas pricing benchmark. CRISIL Infrastructure Advisory was awarded the engagement mandate to assist the Petroleum & Natural Gas Regulatory Board in framing regulations to operationalise the hub. The mandate required evaluating the critical success factors to enable a vibrant gas trading hub in India, including seamless logistics of gas movement from source to the point of delivery.

Over the past few years, India has witnessed significant slowdown in PPP activity. The private sector, in general, has been averse to taking a larger share in India's infrastructure growth story. NITI Aayog has been tasked with the mandate to revive PPPs in the country. In this regard, CRISIL Infrastructure Advisory was mandated by NITI Aayog to carry out an assessment of select sectors such as airports, urban rail (Metro) and solid waste management and provide recommendations for development of PPPs. This mandate provides CRISIL the opportunity to shape the future development of India's infrastructure and accelerate efficient and equitable development.

The Bharatmala Pariyojana (a flagship programme of the Gol) has been envisaged to ensure faster movement of freight and passenger traffic across the country. This mega programme envisages an investment of Rs 5.35 lakh crore over the next four years through the development of around 83,677 km of road network, economic corridors, inter corridors and feeder routes, national corridor efficiency improvement, border and international connectivity roads, coastal and port connectivity roads and greenfield expressways. CRISIL Infrastructure Advisory is one of the firms appointed by the National Highways Authority of India/Ministry of Road Transport and Highways as Programme Management Consultant for the Bharatmala Pariyojana. Our team has been tasked with the critical responsibility of developing a robust tracking mechanism to continuously monitor and ensure effective implementation of the project.

Coalition

Coalition is a leading analytics and business intelligence provider to more than 25 corporate and investment banks across the global financial services industry. We operate from five global locations, providing objective research and high-end analytics to support strategic and tactical decision-making across four analytics -- competitor, financial resources analytics, client and country analytics. In 2018, Coalition was referenced in 350+ articles across 90+ global publications and its analytics were referenced in 75+ investor relations presentations across leading global banks.

Sustainable supply chain

Our efforts to conduct business ethically and responsibly extend to our supply chain. CRISIL outlines the standards of conduct that we expect from our suppliers in providing products, services and headcount to us by embedding in the General Terms & Conditions which are a part of every purchase order. These include, among other things, norms for environmental compliance, health and safety, non-use of child labour, non-discrimination, anti-bribery and confidentiality. Such practices seek to create greater awareness on human rights, safety and environment preservation.

Employees are our key resource. Diversity of experience, skill sets, acumen and background enable us to constantly innovate and expand our service horizon. Aimed at attracting talent from across the country and nurturing them into world-class finance professionals for the Company and industry at large, we run CRISIL Certified Analyst Programme (CCAP). In 2018, CRISIL partnered with IIM Calcutta and The Times of India to facilitate CCAP. A batch of 33 applicants was absorbed in the programme in 2018. Accepted associates study at high-tech learning centres. On successful completion of the course, they get absorbed in CRISIL as management trainees. CRISIL also undertakes alternate hiring approaches by hiring from tier 2 and 3 cities, thus providing opportunity for talent from smaller cities to develop into world-class analysts.

CRISIL Foundation sponsors projects under CRISIL RE Change the Scene, empowering employees to drive change through interventions for financial capability building and education among underprivileged communities and the general public. Some important initiatives supported during 2018 were:

Aarohan enhanced the livelihood of underprivileged women with increased sales of handmade products through a new product line - handmade contemporary clothing for women.

GATI empowered underprivileged women with driving skills to enhance their livelihood, culminating in the women becoming driver partners for cab aggregators.

Tandul increased income in a farming community through the alternative use of by-products such as rice straw, a supply chain for mushrooms for domestic and export consumption and a new source of income – wild vegetables and honey.

Employability for the disabled developed a collaborative web-based platform for employment of persons with intellectual and developmental disabilities, to enable

engagement between relevant NGOs, mentors, employers and individuals.

In addition, at CRISIL local offices, we have empanelled women entrepreneurs in the past for services such as horticulture and composting.

Principle No. 3

Our employees

CRISIL focuses on the employee's entire life-cycle to ensure timely interventions that build a long-lasting and fruitful career. A number of initiatives were taken in this direction in 2018.

Safe and flexible work culture

A safe, flexible and hassle-free work culture at CRISIL elicits optimum performance as employees rest assured that their safety and security concerns are taken care of. Towards this end, security services were upgraded on a pan-India basis. For better incident monitoring and investigations, the surveillance systems at CRISIL House, Mumbai, are being upgraded. Work premises' safety is ensured through regular safety drills and necessary advisories on security incidents and weather situations. Security escorts are provided to women employees leaving office after 9 pm.

We believe in a flexible work culture and strongly propagate work-life balance. Some of the significant flexible options we provide are paid maternity leave of six months, child creche, paternity leave, flexi-hours, work from home and sabbatical.

We have specific policies and procedures to resolve issues and concerns raised by employees in a fair and transparent manner. The Whistle Blower Policy provides a channel for employees to express their grievances. It guarantees complete anonymity and confidentiality of information to the reporting individual and safeguards from reprisals.

To foster a positive work environment, free from harassment, we have institutionalised the Prevention of Sexual Harassment (POSH) framework, through which we address complaints related to sexual harassment. Our policy guarantees discretion and non-retaliation to complainants. We follow a gender-neutral approach in handling complaints and we are compliant with the law of the land that we operate in.

	No. of complaints filed during financial year	No. of complaints pending as on end of financial year
Child Labour/ Forced Labour/ Involuntary Labour	Nil	Nil
Sexual Harassment*	5	2
Discriminatory Employment	Nil	Nil

*The aforesaid data relates to CRISIL Limited on a stand-alone basis. Additionally one complaint was received from an off-roll person which has been resolved. No complaints were received in respect of subsidiary companies.

Besides the above, the company received complaints from employees which were resolved through an appropriate redressal mechanism. During the year, three complaints were received of which none was pending resolution as on December 31, 2018.

Complaints were redressed and appropriate action within the applicable framework was taken.

Employee engagement

Our annual engagement survey, VIBE, is now aligned to our parent company S&P Global, allowing us to benchmark with global best practices. Each year, the survey results guide CRISIL to better the employee experience of working at the Company, be it better use of technology and work methods, improved communication, effective recognition and rewards programme or closer leadership engagement.

With the aim of obtaining candid feedback, we launched ECHO – a programme to connect with new joiners and employees who have left, through a neutral and independent firm.

About 88% of our workforce are millennials. To empower employees to voice themselves and collaborate with their colleagues, we introduced CRISIBuzz - a new internal social collaboration platform. The mobile app-based platform makes optimal use of technology as we aim to bridge the gap between our global offices.

Senior leadership town halls are an important communication platform through which employees interact with the senior management.

To ensure employees are motivated and at their productive best, we continue to work on the Reward & Recognition programme, in terms of annual awards for excellence, quarterly rewards for service excellence and spot recognition programmes. Fun activities at the work place, such as Family Day, talent contests and offsite team-building boost motivation and productivity and build a positive work environment.

Our stock incentive programme was leveraged for rewarding and retaining our high-potential employees and senior leadership during 2018.

We recognise the right to freedom of association in accordance with the laws of the land. However, we do not have a recognised employee association.

Diversity and inclusion

Diversity of the workforce has always been our strength. Spanning knowledge areas, age, gender, skills, experience and nationality, we have employees representing 32 nationalities.

Women comprise about 36% of CRISIL's workforce. Our programme Winspiration has been the pillar through which we provide different interventions for our women colleagues, encouraging and fostering their growth.

We had more than 1,300 people working on a contract basis as on December 31, 2018. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2018			2017			2016		
	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
Americas	65	140	205	60	153	213	57	143	200
Europe	30	95	125	34	119	153	32	115	147
APAC	38	28	66	35	30	65	37	32	69
India	1222	2150	3372	1291	2182	3473	1308	2248	3556
UAE	3	25	28	NA	NA	NA	NA	NA	NA
Grand Total	1358	2438	3796	1420	2484	3904	1434	2538	3972

The above table covers permanent employees of CRISIL and its subsidiaries on a global basis.

Diversity helps broaden our perspective and enriches us with a better understanding of client requirement and markets. It enables us to equip our clients with the best solutions.

Talent development

CRISIL believes in lifelong learning for its employees and competency development continues to be a key focus area for us. We launched a new learning management tool this year – Youiverse. Through this, we have been able to make learning more intuitive and interactive. Through mobile-based programmes, employees are now able to learn on the go. The programme has enhanced the reach of the structured e-learning process across the Company.

We have initiated a programme on managerial effectiveness through which managers are coached on specific situations to get the absolute best from their teams and build strong working relationships.

Besides this, CRISIL Conclave is our knowledge sharing forum where reputed industry experts share their experiences and insights, providing our employees an opportunity to interact and learn from leaders from different walks of life.

The training effort across employee categories over the past year is as follows:

Particulars	Count	Training manhours	Average training manhours
Permanent employees	3743	49690	13.2
Permanent women employees	1343	12923	9.6
Contract staff	1440	4893	3.4

Count includes training conducted globally for CRISIL and its subsidiaries.

Our internal job rotation policy provides opportunities to employees looking for varied roles across the organisation. The mid-year and annual appraisals allow employees to take stock of their performance, set new goals and identify developmental needs in a transparent manner.

Principle No. 4

Stakeholder engagement

Our principal stakeholders are our shareholders, employees, customers, vendors/partners and communities.

We have adopted the policy of equal opportunity towards our stakeholders and engage with vendors and employees strictly on merit and business needs. The Company's commitment to maintaining a work environment that is free from all forms of unlawful discrimination extends to all persons involved in the operation of the Company's business and prohibits discrimination or unlawful harassment by any employee against applicants, customers, independent contractors, vendors or other strategic partners. The Company's selection of business partners is not based on any consideration other than normal business parameters. All employees are responsible for maintaining a work atmosphere free from discrimination by treating others with dignity and respect. A 36%-strong women workforce is a testimony to CRISIL's non-discriminatory approach.

The Company's recruitment policies cover strict safeguards over age-related criteria. We expect the same high standards on engagement of child labour and human rights protection from all our contractors, suppliers and other business partners.

Though we do not keep track of employees or business partners with disability or vulnerabilities today, our endeavour is to make our main office premises friendly to those with special needs.

Stakeholder engagement surveys deployed by teams who interface with various stakeholders help assess the material expectations of our stakeholders.

CRISIL has a dedicated procurement team to review, consolidate and optimise key large spends. The team enables sustained interaction with large vendors, regular capability assessments, exchange of expectation and challenges and helps build sustainable long-term relationships with key vendors. During the year, three vendor complaints were received, of which one was pending resolution as at the year-end.

Business development and senior management teams from various businesses engage with customers through periodic meetings, project-level feedback and surveys to help us assess our customers' voice and improve our offerings and service quality. Besides this, knowledge sharing sessions and workshops are conducted for our clients regularly to share holistic perspectives on major changes and trends in the economy, regulations and industries relevant to them.

Shareholder, analyst and investor meetings and annual and quarterly reports provide updates on the Company's performance, the factors surrounding its growth and market dynamics. These also help gather insights on the expectations from the market and constructive feedback for improving shareholder services.

Engagement with employees has been covered under Principle 3.

Our policy on corporate social responsibility determines our engagement with socially and economically disadvantaged sections of the society, to strengthen their financial capabilities. CRISIL Foundation does extensive work in the area of financial literacy of women in Assam and Rajasthan and helps rural households get access to various government schemes for improving livelihood. It is also a partner in the RBI's Centres for Financial Literacy in Maharashtra and Haryana, imparting training and awareness with respect to financial products in these states. For more details on our engagements with communities, please refer to Principle No. 8.

Further, linkage of our portfolio of services with financial institutions such as banks, pension funds, mutual funds, NBFCs and other financial intermediaries helps us take care of their information needs and engage with them regularly.

CRISIL outreach programmes enable us to continuously engage with market participants, issuers and clients and thereby provide confidence and sustain momentum in improving depth in capital markets. In 2018, we shared a large number of opinion pieces with representatives from diverse entities, cutting across sectors and regions. These pieces covered a spectrum of issues, from the macroeconomic to the micro cluster level, including fiscal outlook, budget analysis, securitisation and industries such as telecom, power, auto, etc. We also prepared many reports jointly with industry bodies such as the Pension Fund Regulatory and Development Authority (Security for seniors), the Association of Mutual Funds in India (Digital evolution - Can technology be the propelling factor for the industry?), SEBI and ASSOCHAM (Debt market in India and imperatives for growth) and PHD Chamber of Commerce (Emerging trends in natural gas and recent government initiatives), which were very well received.

We often engage with regulatory bodies such as the RBI and SEBI to put forth our opinions in designing better governance policies. We engage with central government departments such as the finance and infrastructure ministries and state and local governments, to support policy development initiatives and large infrastructure programmes.

Principle No. 5

Human rights

CRISIL upholds the principles of human rights and fair treatment in its business activities. We have reinforced this stance by adopting the Policy on Anti-Slavery, which ensures transparency and prohibits the use of forced, compulsory or

trafficked labour in our business. The policy extends to all CRISIL subsidiaries (please refer to the statement appended at the end of this Report).

We expect the same high standards on human rights protection from all our contractors, suppliers and other business partners. For this purpose, we have adopted a Supplier Code of Conduct, which outlines the minimum standards of conduct that CRISIL expects from its vendors and suppliers in the areas of business ethics and integrity, fraud prevention, discrimination and diversity, child labour, health and safety, environmental compliance and sustainability. Suppliers who have deployed their resources at CRISIL's premises and where resources have access to our technology infrastructure and applications, need to affirm compliance with the Code of Conduct in their dealings with CRISIL. Other suppliers are encouraged to embrace the Code as well.

In addition, we contractually bind our major suppliers of IT support, facility management and security services, which employ people from the more vulnerable sections with lower literacy levels, to comply with labour standards such as minimum wages, gratuity, bonus, leave, employees' state insurance and other employment laws. The administrative team regularly inspects the providers of housekeeping, cafe and employee transport services to check on compliance requirements.

Being in the financial services sector, our workplace and processes are inherently non-hazardous and safe in nature. We are focused on providing comfortable and safe workplaces, which keep the employees' motivation level high and enable them to focus on contributing effectively to their work.

A comprehensive and customised sensitisation programme is developed on prevention of harassment of any nature, including sexual. This programme covers awareness regarding CRISIL's policies on prevention of sexual and workplace harassment and the procedures for employees to report sexual harassment. Each year, all employees are mandated to take the online learning course.

Our employees have various channels to report harassment, discrimination or forced labour.

Other than what has been reported under Principle No. 3, there were no complaints relating to human rights violations during the year.

Principle No. 6

Environment

CRISIL is not a manufacturing company and, hence, our business activities are inherently non-energy intensive. Nonetheless, we continuously endeavour to minimise consumption of resources for administrative support and facility management and, thus, reduce our carbon footprint to the extent possible.

As a conscious step in this direction, we are progressively moving towards energy-saving LED technology for our office lighting needs. During the year, we used LED installations at three of our office premises. We recognise that small actions are no less valuable than large projects in the overall journey of energy saving. Some illustrative actions in this area are as follows:

- We continue to monitor the use of high energy-consuming devices such as UPS and have successfully reduced UPS loads by removing three UPS in CRISIL House, Mumbai, which were deployed for non-critical areas
- By deploying uniform active directory policies, we force desktop shutdown by 11.00 pm from the back-end to save power
- We continue to recycle and reuse material to minimise waste. Unused workstations at our Guregram premises were installed in the Mumbai office

Another major achievement was migration to a secure printing solution, which helps reduce the printing numbers annually and enforces a discipline for need-based printing and deleting print jobs that are not processed within 24 hours, thus saving paper. Now, new generation, energy-efficient printers are deployed and the number of printers has been reduced by 40%.

CRISIL House, Mumbai, our corporate headquarters, remains a platinum-rated green building and is a hallmark of our commitment to the environment. Last year, we commenced an important initiative to convert wet garbage generated in CRISIL House into compost instead of giving it for municipal collection. Organic manure thus generated from wet waste is being used for in-house garden landscaping.

CRISIL's environment policy underlines our commitment to be responsible by improving our environmental performance across activities and encouraging our employees and members of the wider community to work for the environment.

Employee volunteer programme

CRISIL's employee volunteer programme, under the aegis of the CRISIL Corporate Social Responsibility Policy, is actively focused on the environment and has a number of initiatives outlined for this purpose. The programme includes centrally-driven and employee-run projects and strives to constructively engage employees and their families, friends and relatives in conservation. In 2018, CRISIL Foundation undertook a comprehensive tree-tagging exercise in collaboration with CERE, an NGO focused on environment-based research, to audit and geo-tag 16,750 trees planted since 2015 across India. The exercise revealed that the foundation's plantation sites will offset 3,921.12 metric tonnes of carbon dioxide over the next 15 years (equivalent to offsetting the carbon emissions of 795 individuals).

The foundation planted 2,327 trees across 4 cities and one international location this year, taking the total number of trees planted to 18,670 (2015 to 2018).

The foundation sponsors projects under CRISIL RE Change the Scene, a social impact incubator. Employees design and develop proof of concepts for sustainable solutions for environment conservation and financial inclusion in underprivileged communities. Important initiatives incubated for environment conservation in 2018 include:

Green Shoots set up an agro-forest in an under-privileged community to increase income from farming and for conserving the environment.

Disha instilled environmental consciousness and hygiene among students, faculty and staff for sustainable waste management, through vermi-composting food and paper waste.

ReGreen set up compost bins and conducted mass awareness campaigns among students for waste management.

Women's empowerment – Setting up a dry flower production unit reused flowers to produce dry powder used in rangoli and perfumes, also empowering differently abled women as producers of such powder.

No show-cause / legal notices were received from any pollution control authorities during the financial year.

Principle No. 7

Public policy advocacy

CRISIL's objective is to make markets function better. Advocacy is an important tool in this regard, especially when interacting with regulators and decision-makers. SEBI has introduced various disclosure requirements for credit rating agencies over the past two years to enhance transparency and improve accountability. It held consultations with the industry, seeking their inputs on the subject. CRISIL's senior management proactively and continuously engaged with regulators and stakeholders by providing feedback at various stages.

Some notable affirmative actions in this area were:

- CRISIL has been promoting the use of Expected Loss scale of ratings alongside the traditional Probability of Default scale to facilitate informed investment decisions that take into account recovery prospects of operational and stabilised infrastructure projects. This has been positively received by regulators such as the Insurance Regulatory and Development Authority. CRISIL will continue to interact with various stakeholders to increase the acceptance of this scale
- CriSidEx is India's first sentiment index for micro and small enterprises (MSEs) developed jointly by CRISIL and Small Industries Development Bank of India. The crucial benefit of CriSidEx is that its readings flag potential headwinds and changes in production cycles and, thus, helps improve market efficiencies. By capturing the sentiment of exporters and importers, it also offers actionable indicators on foreign trade

- CRISIL Infrastructure Advisory successfully hosted the second edition of CRISIL India Infrastructure Conclave themed 'Enabling private sector participation in the infrastructure build-out'. Regulators, policymakers and industry leaders from the infrastructure domain came together to discuss and identify viable models and strategic interventions to revive and scale-up private investment in infrastructure
- CRISIL successfully hosted its 5th edition of Annual Bond Market Seminar themed 'Bonds of growth - Assessing the supply-demand matrix'. The event aimed to provide the much-needed impetus to the corporate bond market in India. The seminar launched the much awaited CRISIL Yearbook on the Indian Debt Market 2018 - a one-of-its-kind publication that provides deep insights into the corporate bond market. Deliberations carried out during this seminar were submitted to the regulators for further action
- NBFCs: The evolving landscape and key imperatives' event was a part of our platform CRISIL Fin Insights, which is aimed at fostering dialogue/ discussion on developments in the banking and financial space in India. The event aimed to understand the critical imperatives for key industry characteristics such as evolving landscape and key imperatives, asset and liability management (ALM), liquidity, asset quality and profitability overview, emerging NBFCs and fin-tech companies

We continue to interact with market participants and issuers through seminars and webinars on key developments in the economy and sectors. Such interactions help us shape up the thought process and give direction to the market on key issues impacting the sectors.

CRISIL's association with S&P Global helps blend local and global perspectives. CRISIL partners with S&P Global to organise an annual event in India and Singapore titled- India Credit Spotlight. This year's theme was 'Growth Prospects Amid Macro Risks' and it was conducted in Mumbai and Singapore. Such active association enables global investors to benefit from CRISIL's expertise in the Indian credit market. Similarly, CRISIL taps S&P Global's expertise in the global markets to enable domestic investors to understand the implications of major developments in the global markets. Besides, CRISIL and S&P jointly hosted exclusive economists' and investor briefing seminars in India to showcase our deep expertise in domestic and global economy research.

As a part of our thought leadership and outreach initiative, we authored opinion pieces and articles on noteworthy industry events and regulatory developments which were covered in premier dailies and online platforms. We also contributed as knowledge partners, speakers or panellists at various summits organised by industry associations.

During the year, we reached out to over 45,000 representatives, including government officials, policymakers, regulators, corporates, banks, investment banks, MSMEs, industry associations and financial intermediaries in India and global

markets through 21 events and 24 webinars hosted by CRISIL and 105 events at which CRISIL experts participated as speakers or panellists.

We continue to be part of various meetings set up by regulators, which enables us to shape public policy and the ecosystem essential for development of the capital markets.

We are members of industry associations such as the Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry and the ASSOCHAM. Several of our senior employees participate in committees and sub-committees of industry associations set up for facilitating an enabling and conducive policy and regulatory framework for sectors.

Our GR&A division continued dialogues with key global and regional regulators such as the Monetary Authority of Singapore; with global clearing houses and exchanges such as NASDAQ, Euroclear, CME Group and LME; and key federal financial enterprises such as Freddie Mac in an effort to understand the changing market landscape better and suitably align our offerings. We also published several thought leadership and analytical pieces on topical themes such as Fundamental Review of the Trading Book and market risk, Brexit and its impact on the AML (anti-money laundering) landscape, the European Central Bank's Internal Models guidelines and the application of blockchain in trade finance. We conducted four roundtable conferences on current expected credit loss, FCC (financial crime and complaints) and Uncleared Margin Rules and also participated in five other events centred on AML and model risk.

Principle No. 8

Inclusive growth

CRISIL Foundation reaches out to socially disadvantaged sections of the society, beginning with women and self-help groups, instilling in them a sense of control over their finances. Our maiden programme, Mein Pragati, launched in Assam and scaled to Rajasthan, has been customised for various target groups, across mediums, models and geographies, including the RBI's ambitious Money-wise Centres for Financial Literacy.

Mein Pragati - Assam

Mein Pragati Assam, now in its second phase, is committed to financial inclusion in the state - the programme is driving long-term behavioural change to manage money; improving households' access to government schemes; and strengthening livelihood access for women in households. The key medium to achieve these objectives in existing project geographies is creating a vibrant community cadre (Sakhis) and developing institutional infrastructure.

CRISIL Foundation designed and developed a comprehensive training programme to hone the Sakhi's soft skills as well as facilitate availing of financial services. The cadre soon began to effectively facilitate inclusion at the doorsteps of those in need. The foundation defined a basket of services for

the Sakhis - facilitating financial linkages, using e-wallets, seeding identification documents and enabling access to various government schemes - and has trained the Sakhis in delivering all these services at the doorstep. Villagers, thus, benefitted from significant cost savings when accessing government schemes.

Best practices from the Sakhi model have been captured in a first-of-its-kind certification programme to create a cadre of financial health workers. CRISIL Foundation inducted its foremost batch of 52 CRISIL Sakhis across Morigaon, Nalbari, Kamrup, Darrang, Goalpara and BARPETA (current districts of Mein Pragati operations) in June 2018 to pilot test the certification module. The cadre is undergoing training through a mobile-based application, customised in regional languages, with interactive and engaging learning content. The GramShakti certification is intended to elevate public perception of the cadre as certified and astute financial experts. The first batch is likely to graduate in January 2019.

Scale-up in Rajasthan

CRISIL Foundation is focusing on accelerated replication and scale-up of the Sakhi cadre in Rajasthan, having successfully tested its efficacy in Assam.

Subsequently, the foundation concluded Mein Pragati Phase I in Rajasthan, reaching out to over 60,000 women through the donor-NGO partner model to optimise resources.

The key objective is to develop a community cadre of Sakhis in Alwar and Dausa (current districts of operation) to sustain good financial practices, enabling financial as well as welfare linkages for self-help groups that participated in Phase I.

Money-wise Centres for Financial Literacy

CRISIL's centres under the RBI's Money-wise Centres for Financial Literacy completed one year of operations in October 2018. Since inception, the centre staff (20 selected blocks of Haryana and Maharashtra) reached out to over 175,450 villagers through training and awareness camps.

The centres have seen over 10,000 walk-ins with villagers looking to resolve queries and issues related to financial products and services, as well as availing financial products and services. Given the programme's need for a hub-and-spoke model, more than 250 rural financial advisors have been onboarded and trained to actively provide local support in their respective villages.

Strategic partnerships for expansion of outreach activities and deeper impact

In 2018, CRISIL Foundation signed memorandums of understanding with Mahila Arthik Vikas Mahamandal, ITC Ltd and the Madhya Pradesh State Rural Livelihoods Mission, to customise Mein Pragati training modules for different regions. For instance, financial inclusion modules were modified considering the rural setting in Maharashtra for Mahila Arthik Vikas Mahamandal and regional contextualisation to

strengthen financial capabilities in Madhya Pradesh under the ambit of ITC's Women's Empowerment Programme for sustainable livelihoods.

CRISIL RE

CRISIL Foundation sponsors projects under CRISIL RE Change the Scene, a social impact incubator. Employees design and develop proof of concept for sustainable solutions to environment conservation issues and financial inclusion of underprivileged communities.

The objectives of CRISIL RE are:

- Champion initiatives related to environment conservation, sustainable waste management, financial literacy and education through centrally-driven activities
- Leverage CRISIL's workforce as catalyst for social change by empowering employees to lead and drive projects for social impact
- Support disaster relief/ emergency response initiatives for rehabilitation and relief of victims of natural calamities

Mein Pragati and CRISIL RE activities are undertaken by CRISIL Foundation with the assistance of implementation partners as required. CRISIL Foundation comprises a team of social work specialists, dedicated towards driving and monitoring corporate social responsibility (CSR) activities.

The programmes are assessed and monitored both internally and externally for project outcomes and impact. Internal tracking mechanisms such as the Mein Pragati Android app, monthly reports, process audits and follow-up field visits along with external impact assessment and financial audits by external agencies, provide a holistic perspective about programme impact and enable course corrections, where required.

Please refer to the section 'Annual report on corporate social responsibility activities' under statutory reports for details on spending on CSR activities during the year.

Principle No. 9

Customer value

Our customer base is varied and vast and includes SMEs, lenders, financial institutions, government bodies and multilateral agencies. Irrespective of their business and bottom line, all expect us to deliver independent opinions, insights and viable solutions that empower them to make informed decisions. We aim to consistently surpass their expectations and retain their trust by constantly engaging with them, listening to them and partnering with them responsibly to create long-term value for their business.

To drive close customer collaboration, we actively seek regular feedback and accordingly improve our systems and processes.

During 2018, CRISIL undertook the net promoter score (NPS) survey across all businesses as a step towards our objective to be customer and market-led and deliver exceptional and differentiated customer experience. NPS would help standardise customer loyalty metrics across all divisions, creating a system to analyse, share and act on insights. The NPS system also allows to create a consistent and simplified baseline customer sentiment metric among customers and provide timely insights that are easy to act on. Besides, we emphasise on regular one-on-one interactions with clients and undertake conscious outreach initiatives for vulnerable clients and investors to understand their perspectives and address their concerns.

Further, we conduct regular knowledge-sharing sessions for investors and issuers to help them derive value from CRISIL's superior research quality, insights and ratings. CRISIL Ratings brings in transparency in service standards by publishing detailed rating rationale to articulate the drivers of instrument ratings. CRISIL Ratings publishes all criteria on its website and revises them periodically to reflect market dynamics. CRISIL Ratings has been publishing Ratings Round-up since 2000, a semi-annual publication that provides a summary of its rating actions and serves as a leading indicator of the performance of economy and different sectors for the credit markets. CRISIL Ratings has also been publishing default and transition rates annually since 2004, a benchmark for quality of ratings, helping investors quantify credit risk.

Our focus during the year was on leveraging technology to enhance the speed and quality of our interactions and transforming our value proposition to our customers. In 2018, CRISIL Research launched a smart state-of-the-

art learning management system to provide a complete e-learning solution to clients. CRISIL's smefirst is a digital platform for SME ratings, that enables achieving scale, speed and productivity in a cost-effective way. In 2018, CRISIL Coalition partnered with a leading global financial services consultancy, leveraging existing capabilities between CRISIL Coalition and our new partner, to develop analytics that will focus on providing an in-depth view on financial resources for global and regional banks.

CRISIL conducts outreach programmes to continuously engage with clients and enable conversations with them on important industry events and regulatory developments. Outreach programmes include webinars, knowledge partnerships, thought leadership reports, insights and media appearances. These also serve as a forum to deliberate with clients on their areas of business and gather perspectives to enable us to serve them better and address their information needs.

CRISIL undertook an extensive exercise to review its processes and standards for managing personal information of its clients under the new global data protection regime in Europe and took actions to build the necessary safeguards in this respect.

Each business receives and addresses customer complaints regularly. As of the end of the year, 2.08% of customer complaints were pending. We do not have any pending material consumer litigation. Further, no case has been filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years, which is pending as of the end of the financial year.

Statutory report in terms of SEBI reporting guidelines

Section A: General information about the company

1.	CIN	L67120MH1987PLC042363
2.	Name of the company	CRISIL Ltd
3.	Registered office address	CRISIL House, Central Avenue Hiranandani Business Park, Powai Mumbai 400-076
4.	Website	www.crisil.com
5.	Email ID	investors@crisil.com
6.	Financial year reported	January 1 - December 31, 2018
7.	Sectors that the company is engaged in (industrial activity code-wise)	1. Ratings: Providing credit ratings including bond ratings, bank loan ratings, SME ratings, other grading services NIC code: 66190 2. Research: Research services include Global Research & Analytics activities divided into financial research, risk & analytics and corporate research and India research activities comprising economy & industry research, funds & fixed income research and equity & company research NIC code: 66190 (includes CRISIL's standalone operations only)
8.	List three key products / services that the company manufactures / provides (as in balance sheet)	Same as 7 above
9.	Total number of locations where the business activity is undertaken by the company	
	i. Number of international locations	Refer to page titled 'Office locations' in the annual report (includes subsidiary operations)
	ii. Number of national locations	Refer to page titled 'Office locations' in the annual report
10.	Markets served by the company – Local/state/national/international	All

Section B: Financial details of the company

CRISIL - Standalone

1.	Paid-up capital	Rs 7.21 crore
2.	Total turnover	Rs 1,181.99 crore
3.	Total profit after taxes	Rs 277.53 crore
4.	Total spending on CSR as a percentage of profit after tax (%)	Refer to Annexure I of the Directors' Report
5.	List of activities in which expenditure in 4 above has been incurred	Refer to Annexure I of the Directors' Report

Section C: Other details

1.	Does the company have subsidiary company/ companies?	Yes. Refer to Annexure V of the Directors' Report
2.	Do the subsidiary company/ companies participate in the Business Responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. Refer to various sections of the Business Responsibility Report
3.	Do any other entity/entities (e.g., suppliers, distributors, etc.) that the company does business with, participate in the BR initiatives of the company?	Less than 30%. Refer to sections on 'Sustainable supply chain' and 'Human rights' of the Business Responsibility Report

Section D: BR information
1. BR governance

- a) Details of the director responsible for implementation of the BR policy/policies and details of BR Head

Name: Ms Ashu Suyash

DIN: 00494515

Designation: Managing Director & CEO

Telephone: +91 22 3342 3000

Email Id: investors@crisil.com

- b) Indicate the frequency at which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the company (within 3 months, 3-6 months, or annually): Annually
- c) Does the company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published? No separate report is published.

2. Principle-wise BR policy compliance
Principle index

P1 Businesses should conduct and govern themselves with ethics, transparency and accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the board? If yes, has it been signed by managing director /owner/ CEO/ appropriate board director?	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law
Does the company have a specified committee of the board/ director/official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Indicate the link for the policy to be viewed online	Whistle blower, information disclosure policies on www.crisil.com and rest on company intranet	Internal strategy and planning documents	Available on company intranet	Available on company intranet; CSR policy on www.crisil.com	Available on www.crisil.com	Available on company intranet	Available on company intranet	CSR policy on www.crisil.com	Internal customer survey documents
Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have a grievance redressal mechanism to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

3. If answer to s. no. 1 against any principle is 'no', please explain why – Not applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The company has not understood the principles									
2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The company does not have financial or manpower resources available for the task									
4. It is planned to be done within the next six months									
5. It is planned to be done within the next one year									
6. Any other reason (please specify)									

Section E: Principle-wise performance

Principle	Reported in
Principle No. 1: Businesses should conduct and govern themselves with ethics, transparency and accountability	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the group/joint ventures/suppliers/contractors/NGOs /others?	Section titled 'Ethics, transparency and accountability' in the Business Responsibility Report
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so	

Principle No. 6: Businesses should respect, protect and make efforts to restore the environment

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| <ol style="list-style-type: none"> 1. Does the policy related to Principle 6 cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others? 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change and global warming? If yes, please give hyperlink for webpage etc. 3. Does the company identify and assess potential environmental risks? 4. Does the company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? 5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for webpage etc. 6. Are the emissions/waste generated by the company within the permissible limits stipulated by the Central Pollution Control Board/state pollution control board for the financial year being reported? 7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year | <p>Section titled 'Environment' in the Business Responsibility Report</p> |
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Principle No. 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Is your company a member of any trade and chamber association? 2. If yes, name the major ones that your business deals with 3. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others) | <p>Section titled 'Public policy advocacy' in the Business Responsibility Report</p> |
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Principle No. 8: Businesses should support inclusive growth and equitable development

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Does the company have specified programmes/initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof 2. Are the programmes / projects undertaken through the in-house team? 3. Have you done any impact assessment of your initiative? 4. What is your company's direct contribution to community development projects? Amount in Rs and the details of the projects undertaken 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain in 50 words, or so | <p>Section titled 'Inclusive growth' in the Business Responsibility Report</p> |
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Principle No. 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Remarks (additional information) 3. Has any case been filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so 4. Did your company carry out any consumer survey/ consumer satisfaction survey? | <p>Section titled 'Customer value' in the Business Responsibility Report</p> |
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THE MODERN SLAVERY ACT 2015 (the “Act”) STATEMENT

This statement is published by CRISIL Limited (“CRISIL”) about and to enable those of its subsidiaries which are subject to the Act including in particular CRISIL Irevna UK Limited and Coalition UK Limited (“CRISIL Subsidiaries”). CRISIL and CRISIL Subsidiaries together are (“CRISIL Entities”).

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery signify some of the severest forms of human rights abuse. We are committed to improving our practices to combat slavery and human trafficking.

Organisation's structure

We are a provider of ratings, research, and risk and policy advisory services in the knowledge process and business process outsourcing sector. Our ultimate parent company is S&P Global Inc. CRISIL Limited has its registered office in Mumbai, India. We have approximately 4000 employees worldwide and operate in India, China, Singapore, England, Poland, Argentina and the United States of America.

Our global annual turnover is in excess of £36 million.

Our supply chains

Our supply chains include consultants, advisors, IT (hardware and software) and other office equipment supplier, professional services from our lawyers, accountants and other advisers, security, catering, office cleaning and other office facilities services, staffing companies etc

We require all of our suppliers to conduct business in a lawful and ethical manner as part of our supplier on-boarding process and in accepting our trading terms and conditions.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Modern Slavery Act 2015 Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to.

- Identify and assess potential risk areas in our supply chains
- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Monitor potential risk areas in our supply chains
- Protect whistle blowers
- Where possible we build long standing relationships with local suppliers and make clear our expectations of business behaviour

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values and ethics

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.

Our effectiveness in combating slavery and human trafficking

The Act is relatively new legislation and few companies including CRISIL Entities have any experience of seeking out let alone detecting slavery or trafficking among their own staff or among those of their suppliers. To date CRISIL Entities are yet to detect or suspect that any CRISIL Entities or their suppliers employ persons who may be enslaved or trafficked, and so key performance indicators can only be set in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises during 2016 are collated and analysed.

This statement is made pursuant to section 54(1) of the Modern Slavery Act, 2015, and constitutes our slavery and human trafficking statement.