

# Directors' Report

Dear Member,

The Directors are pleased to present to you the 35th Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2021.

## Financial performance

A summary of the Company's financial performance in 2021:

(Rupees in crore)

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Total income	2,377.71	2,064.98	1,385.19	992.73
Profit before interest, depreciation, exceptional items and taxes	687.53	593.79	564.71	290.95
Finance cost	8.93	14.39	5.67	6.94
Deducting depreciation of	105.98	121.11	52.89	65.68
Exceptional Item	45.82	-	45.82	-
Profit before tax	618.44	458.29	551.97	218.33
Deducting taxes of	152.63	103.56	74.95	51.61
Profit after tax	465.81	354.73	477.02	166.72
Other comprehensive income	32.03	(8.85)	30.29	(28.91)
Total other comprehensive income	497.84	345.88	507.31	137.81
Appropriations				
Final dividend	160.52**	101.75*	160.52**	101.75*
Interim dividend	174.74	137.81	174.74	137.81

\*\*Final dividend (including special dividend of Rs. 7) for 2021: Rs 22 per equity share of Re 1 each

\*Final dividend for 2020: Rs 14 per equity share of Re 1 each

The financial statements for year ended December 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, ('Act') and other relevant provisions of the Act.

There are no material departures from the prescribed norms stipulated by the accounting standards in preparation of the annual accounts. Accounting policies have been consistently applied, except where a newly issued accounting standard, if initially adopted, or a revision to an existing accounting standard, required a change in the accounting policy hitherto in use.

The Management evaluates all recently issued or revised accounting standards on an ongoing basis.

The Company discloses consolidated and standalone financial results on a quarterly basis, which are subject to limited review, and publishes consolidated and standalone audited financial results annually.

### a) Consolidated operations

Revenue from the Company's consolidated operations for 2021 was Rs 2,377.71 crore, 15.1% higher as against Rs 2,064.98 crore in the previous financial year. Overall expenses were Rs 1,805.09 crore as against Rs 1,606.69 crore in the previous financial year. Profit before tax was Rs 618.44 crore as against Rs 458.29 crore in the previous financial year. Profit after tax was Rs 465.81 crore as against Rs 354.73 crore in the previous financial year.

### b) Standalone operations

Revenue from the Company's standalone operations for 2021 was Rs 1,385.19 crore compared with Rs 992.73 crore in the previous financial year. Overall expenses were Rs 879.04 crore as against Rs 774.40 crore in the previous financial year. Profit before tax was Rs 551.97 crore as against Rs 218.33 crore in the previous financial year. Profit after tax was Rs 477.02 crore as against Rs 166.72 crore in the previous financial year.

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

## Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 22, 2022, payment of final dividend of Rs 22 (including a special dividend of Rs 7) per equity share of face value of Re 1 each for the financial year under review. During the year, the Company paid three interim dividends – first interim dividend of Rs 7, second interim dividend of Rs 8 and third interim dividend of Rs 9 per equity share. Hence, total dividend will be Rs 46 per share in 2021 vis-à-vis total dividend of Rs 33 per share in the previous financial year.

The trend in share capital during the year was:

Particulars	No. of shares allotted	Cumulative outstanding capital (no. of shares with face value of Re 1 each)
Capital at the beginning of the year, i.e., January 1, 2021	-	7,25,93,290
Allotment of shares to employees on February 11, 2021	88,125	7,26,81,415
Allotment of shares to employees on April 19, 2021	64,030	7,27,45,445
Allotment of shares to employees on July 20, 2021	45,607	7,27,91,052
Allotment of shares to employees on September 21, 2021	27,077	7,28,18,129
Allotment of shares to employees on November 10, 2021	50,317	7,28,68,446
Capital at the end of the year, i.e., as on December 31, 2021	-	7,28,68,446

## Segment-wise results

The Company has identified three business segments, in line with the Indian Accounting Standard on Operating Segment (Ind AS-108), comprising: (i) Ratings, (ii) Research and (iii) Advisory. The audited financial results of these segments are provided as part of the financial statements.

## Review of operations

### A. Ratings

#### Highlights

- Announced over 1000 new ratings in 2021; total ratings outstanding were ~7,000
- Leading position in the corporate bond market, backed by preference for quality ratings among investors as well as issuers
- Launched a series of thought leadership initiatives during the year, which were extensively covered by the media and well-appreciated by stakeholders

#### Business environment

The ratings industry continued to face a challenging business environment in 2021, with fewer issuances in the bond market and muted bank credit growth in the manufacturing and service industries.

The issuances in the corporate bond market declined over 20% in 2021 due to tepid investor interest and a rising interest rate environment for most of the year.

Bank credit growth to the industry and services segment was affected by the second COVID wave, even as emergency credit lines were proactively made available and fairly widely availed, especially by small and medium-sized enterprises.

## Increase in issued, subscribed and paid-up equity share capital

During the financial year, the Company issued and allotted 2,75,156 equity shares to eligible employees on exercise of options granted under the employee stock option plan of the Company. Hence, at the end of the year, CRISIL's issued, subscribed and paid-up capital was 7,28,68,446 equity shares of Re 1 each.

Bank credit growth picked up in the second half in line with the sharp rebound in economic activity across industries. There was strong uptick in the bank credit growth for the MSME and the services segment though the pick-up in the large corporate segment was muted.

In addition, the number of companies opting for bank loan ratings (BLR), across credit rating agencies, continued to decline in 2021 on account of increased minimum exposure threshold by a few large banks for seeking BLRs.

However, securitisation volume picked up in 2021 as compared to the previous year, though on a smaller base, with the normalisation of the collections across asset classes for non-bank finance companies (NBFCs), the largest issuers of securitised paper.

On the regulatory front, SEBI announced certain changes to bring more standardisation across CRAs, in terms of approach to provisional ratings, as well as rating scales / definitions. SEBI brought in standardisation in the Expected Loss (EL) rating scale. It also required CRAs to standardise other rating scales in line with the scales to be stipulated by respective financial regulators.

In addition, RBI mandated CRAs to disclose bank-wise details of rated loan facilities in rating rationales. This is expected to facilitate banks easy access to ratings of their loan facilities and compute regulatory capital requirement based on their individual exposure.

#### Operations

CRISIL Ratings maintained its market leading position in 2021, driven by new client acquisitions and healthy traction in rating of resolution plans of stressed assets. New client acquisitions and preference for our ratings for new bond and BLR issuances strengthened our market leadership. CRISIL Ratings undertook over 1000 new BLR assessments during the year. With this, CRISIL has assigned ratings to more than

35,000 large and mid-sized corporates till date.

Focus on high-growth segments and existing relationships consolidated our share in the bond market. We also onboarded over 150 new large corporate clients. We continue to be a leading credit rating agency in the BLR space.

CRISIL Ratings maintained its multifaceted approach towards stakeholder relationship management. In addition to consistent engagement with issuers, we expanded our structured engagements with investors. We extensively engaged with the senior management of investors and issuers, sharing economy and sectoral insights and leveraged the 'Ratings Analytica' platform to deliver our 'thought leadership' reports and publications digitally.

As part of ongoing process improvement initiatives, we launched a new technology-based workflow platform for Ratings operations. The new platform is a significant improvement over our earlier workflow system, which had served us well over the past 10 years.

CRISIL Ratings also hosted the 6th edition of the Bond Market Seminar. The theme of the seminar was 'Bonds that build a nation'. Shri Ajay Tyagi, Chairman, SEBI, delivered the keynote address and also unveiled the 'CRISIL Yearbook on The Indian Debt Market 2021'. The seminar was attended by nearly 700 investors, issuers and regulators.

Other noteworthy franchise activities in the year included webinars on macroeconomy, non-banking finance companies, steel, real estate, renewables energy, power, telecom, fast-moving consumer goods, oil, hospitality, and airport sectors.

We strengthened our market presence by engaging in panel discussions and speaking at various conferences.

GAC enhanced its support to S&P Global Ratings on surveillance and ESG activities, and digitisation, simplification and standardisation of content in the data and analytical domains. GAC also continued to partner in market-outreach efforts and content creation for publications.

With the increasing focus on digitisation of content and analytics, and business process optimisation and transformation, GAC stepped up its efforts to adopt new data science techniques and tools and implemented the agile model for key programmes. With focus on bolstering the first line of defence, several initiatives have been taken to strengthen the internal controls framework. Continued application of lean management tools, work standardisation and process modernisation initiatives facilitated consistent support across diverse geographies and asset classes.

## B.1. India Research

### Highlights

- Launched CRISIL ESG Gauge—an assessment of Indian companies based on a proprietary ESG framework
- The Industry Research vertical launched comprehensive sectoral reports and databases targeted at corporate clients
- The Funds & Fixed Income Research business maintained a dominant position, driven by momentum in benchmarking and grading services for AIFs, and

valuations for fixed income and structured products. We also launched nine new indices in 2021, taking the total to 107

### Business environment

After 2020 turned out to be one of the most eventful years in recent history with changing market trends and business dynamics due to the pandemic, 2021 was all about staging resilient recovery. While the pandemic-induced disruptions initially impacted some business segments, we astutely remodeled our strategy to address the dynamic operating environment with speed and agility.

We maintained our dominant position in the majority of the business segments.

Agility and innovation inform all our efforts to provide relevant products in tune with evolving market needs and maintain our leadership position. The launch of the CRISIL ESG Gauge is a case in point, given companies' increasing focus on sustainability due to the rise of ESG-oriented investing.

Our Learning Solutions business continued to face multiple headwinds during the year. Physical classroom training was on hold amid the threat of new Covid-19 variants. Client learning and development teams increasingly focused on internal training or used freelancers for both e-learning and instructor-led training sessions. We remained focused on virtual training, as it enables a wider reach than traditional classroom training. We launched CRISIL Wealth Manager Certification in association with NISM during the year, which saw good retail participation and emerging interest from corporate clients.

### Operations

As we continued to work remotely given the surge in Covid-19 cases during the second wave, the safety and health of our team members were of paramount importance. Even in these trying times, we ensured seamless operations and timely deliveries, while maintaining high-quality standards.

We proactively responded to our clients' need for deeper insights and forecasts given the rapidly changing prospects for the economy and key sectors, by conducting more than 100 knowledge-sharing sessions. We shared insights on sectors, financial markets, corporate earnings, capital investments, policy changes, and the Indian and global economy. Complementing these were a series of webinars and articles in various media that allowed us to reach out to a larger set of clients.

Increase in demand for analytics platforms with capabilities to provide data feeds, alternative data, automated delivery and wealth management research augured well for our data and analytics solution offerings.

Quantix, a strategic initiative in the data and analytics space, improved its value proposition by enhancing data coverage and strengthening the power of analytics on top of the largest company database in the country. User-customisable company information reports were launched on the platform, covering financial and non-financial data as well as models and outlooks.

The SME Solutions business recovered strongly during the year with the addition of high-value mandates from

corporates. Extensive client outreach across business verticals has resulted in a strong pipeline for the year to come. The business is continuously working on aligning offerings as per market requirements and engaging with clients for deepening existing relationships.

## B.2. Global Research & Risk Solutions (GR&RS)

### Highlights

- Capitalised on digitisation- and regulation-driven demand for services
- Added 31 new logos and deepened our service base among existing clients
- Signed a large mandate in regulatory reporting, product control, automation, and digital transformation space; successfully renewed large multi-year contracts with global investment banks in the risk space
- Established data and analytics, and sustainable finance practices as future growth engines
- Enhanced the brand — GR&RS featured in a press release by UK Export Finance as an independent consultant for assessing the clean growth plan of a UK-based energy company

### Business environment

Market-led factors, along with regulatory push, are driving the transformation agenda across financial institutions. With increased competition from financial technology (fintech) firms, banks are looking at digitalising parts of their credit risk workflow to optimise the cost of compliance. Banks are also setting up data architecture to seamlessly access data to improve day-to-day monitoring, portfolio analytics, regulatory reporting, and implementation of the digitisation agenda. Further, regulators are increasingly monitoring and challenging the risk management practices of financial institutions, thereby forcing them to strengthen their current practices.

The market and regulators remain active across activities associated with risk management, particularly emerging risk types such as climate and cyber risks. The European Central Bank and the European Commission recently published their strategy on climate change-related actions and sustainable finance, respectively. The spotlight is also increasing on cybersecurity, particularly in the US where regulators — the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation — have sought stringent measures. Digital transformation is another emerging area of focus globally to effectively manage increasing risk types, further accelerated by the pandemic.

Both sell- and buy-side firms continue to deepen their relationship with clients by ensuring high-quality research support and simultaneously penetrating new areas such as data analytics including alternative data, sustainability, etc. Regulatory requirements on clients to comply with ESG reporting requirements under the Sustainable Finance Disclosure Regulation, is also a significant driver for our offerings.

The Non-Financial Risk space has seen increasing traction

globally in the areas of financial crime compliance, policy simplification, regulatory compliance and remediation, business process transformation, and third-party risk management.

### Operations

GR&RS has yet again emerged as the partner of choice for clients by winning several requests for proposals (RFPs) across new work streams and strategic accounts. The division has signed a large mandate in regulatory reporting, product control, automation, and digital transformation; and secured another significant win in the space of credit analysis in the alternative investment management space. We have also successfully renewed large multi-year contracts, reflecting clients' deep conviction in our research and delivery capabilities.

The risk business continued its winning streak by closing several winning proposals and RFPs. It added one of the leading buy-side firms as a new logo in the US for an engagement in the data-engineering domain.

The Fundamental Research team has seen increasing traction for ESG and data analytics (DA) in both buy and sell side. We have leveraged ESG to add new logos as well as expand current engagements. Automated solutions and data management continue to be the focus areas within DA, underpinned by clients' agenda to increase customer connect and achieve cost efficiency in non-research areas.

The Integrated Credit Risk team's emphasis continues to be across the three lines of defence — front office, middle office/credit risk management, and risk oversight. The team has won a new deal in Asia on a fund monitoring solution and the first climate risk RFP for assessing the credibility of climate transition plans of several entities.

The Non-Financial Risk domain has seen increasing traction globally in the areas of financial crime compliance, policy simplification, regulatory compliance and remediation, business process transformation, and third-party risk management. Integrated service offerings would continue to be the focus area for us in this space.

GR&RS also featured in a press release for acting as an independent consultant to assess the clean growth plan of a UK-based energy company for a UK-based export credit guarantee agency.

On the talent front, the business continues to invest in upskilling through customised programmes focusing on functional areas such as risk, technology and analytics. A recent executive programme to help business leaders drive client engagement and growth through consultative and targeted selling, has started showing results.

## B.3. Global Benchmarking Analytics

### Highlights

- Continued to integrate our distribution and relationship manager coverage models across our global banking clients to improve service quality
- Combined Coalition and Greenwich data sets in corporate and investment banking (CIB) to create new insights for clients

- Strengthened partnerships with Oliver Wyman, S&P Global and IHS Markit
- Extended outreach by presenting views to 100+ executive committees at banks and meeting with all the heads of global markets, investment banking and transaction banking divisions across all large banks
- Referenced in over 300 articles across more than 50 global publications and in over 100 investor relations presentations made by leading global banks

### Business environment

Calendar 2021 was marked by post-pandemic normalisation of activities for global investment banks. Re-opening of economies, investor demand and central bank activity drove a sizeable boom in the investment banking division (IBD) and equity (EQ)-related products (excluding the Archegos loss).

Fixed income, currencies and commodities (FICC) remained vibrant after registering record revenue in 2020. This, and EQ/IBD growth, continued into the third quarter of fiscal 2021 and in parts of the last quarter.

The first half of the fiscal saw a consistent decrease in lending/financing-related activity due to reduction in net interest margin as interest rates were lowered. However, this normalised in the second half.

In our Voice of the Customer programme, we enhanced the timeliness and quality of our products and services. By beginning to shift to continuous data collection, we expect to be better aligned with our clients' needs and improve the value proposition of client intelligence products in FICC, EQ, forex, credit, cash management and trade services.

### Operations

In sync with our expansion initiatives, we have broadened our capabilities and reach to serve more regional client bases across the globe. With a focus on strengthening the relationship management function and deepening analytical expertise, Global Benchmarking Analytics now services 300+ clients across the financial services space.

We have completed the design of the foundational components of our future digital platform. The core capabilities are now being implemented and core business processes are in transition. The focus is on data governance, security and standardisation to provide a solid base to improve scalability and robustness across all data and analytics processes, leading to enhanced client value and experience.

The business retained the coveted SSAE16 SOC2 Type II certification, which is a testimony of the stringent controls and measures deployed for data and IP protection.

## C. Advisory

### C.1. CRISIL Infrastructure Advisory

#### Highlights

- Improved diversification through increased revenue share from international markets
- Successfully built a strong order book with several

large mandate wins across sectors

- Maintained strong senior-level connect with policy makers, multilaterals and investors
- Witnessed strong revenue growth in the energy and clean energy practice
- Reduced debtor days and improved debtor recovery of long-pending cases

### Business environment

The first half of 2021 was muted for our Infrastructure Advisory business because of the second pandemic wave that led to a slowdown in new investments in the infrastructure sector. However, the second half saw an uptick in business with many large wins both in domestic and international markets. Specifically on the international front, we saw robust growth with increased share of revenue from emerging economies such as south-east Asia and East Africa.

In the domestic market, the renewable energy sector continued to drive private sector investments. Besides, the Production-Linked Incentive (PLI) scheme is expected to provide further impetus to the private sector, to continue their capex outlay in the short to medium term. Another major government initiative was the announcement of National Monetisation Pipeline earlier in 2021. We expect this to help bring in the much-needed private capital and provide some cushion to government authorities in augmenting resources.

### Operations

CRISIL Infrastructure Advisory booked several large-value assignments, further strengthening the order book. We continued to bag prestigious mandates in the domestic market and international geographies from state and central government entities and also from multilateral institutions.

The business was associated with NITI Aayog in the preparation of the National Monetisation Pipeline, which outlines the extent of monetisation potential across various sectors and its contribution to funding the National Infrastructure Pipeline, the medium-term plan of the government for an infrastructure build-out.

## C.2. CRISIL Business Intelligence & Risk Solutions

### Highlights

- Good traction with significant wins in regulatory reporting, credit monitoring, digitisation, and automation
- Retained flagship position in the internal credit rating platform, with the implementation of a new-age risk assessment model, ICON, in India and overseas
- Continued focus on international markets with new client additions in the Middle East and US markets

### Business environment

The banking environment witnessed increasing focus on digitalisation and automation of credit processing, with regulatory focus on automation of asset classification and provisioning apart from continued traction in credit

monitoring. Our risk and business intelligence solutions – ICON, EWS, and regulatory and portfolio evaluation/monitoring – are aligned to address these requirements.

The business made good headway in the second half of the year. Clocking some significant wins from public and private institutions, it continues to build a strong pipeline.

In the overseas markets, we continue to expand our suite of offerings with innovative business analytics and digital enablement solutions implementation in the Middle East.

## Operations

This year, our ICON platform with the new-age RAM and with more modular and configurable features, was implemented successfully with banks. We continue to expand and invest in our technology capabilities on our existing Fulkrum (analytics) platform and suite of risk products. We recently launched the asset classification and provisioning solution, which has been implemented in the market. We continue to expand our product suite and modules on both ICON and Fulkrum, apart from investing to enhance technical capabilities of these platforms.

## D. Collaboration with S&P Global

The association with S&P Global helps blend local and global perspectives in shaping CRISIL's strategy and governance systems. Representatives from S&P Global bring value to the CRISIL Board through global insights on governance, risk and controls and experience in leading large businesses. CRISIL also gains opportunities to leverage the S&P Global brand through referrals and partnerships in the international market. Regular interface between the two management teams leads to knowledge sharing and cross-fertilisation of ideas. At the same time, commercial opportunities are pursued on an arm's length basis following review and recommendations by the CRISIL Audit Committee comprising mainly Independent Directors. S&P's largest collaboration with CRISIL has been in the financial services support to S&P Global Ratings and other teams that started almost two decades ago. It has been attested to by a majority vote from CRISIL's minority (non-promoter) shareholders in 2014.

## GR&RS

Ongoing collaborations include a referral agreement between S&P Global Market Intelligence (MI) and S&P Global Ratings Services (SPGRS), a joint go-to-market strategy and development of a suite of climate risk solutions for banks. GR&RS:

- Partnered with S&P for several RFPs related to climate risk framework and sustainable finance due diligence
- Entered into a multi-million-dollar partnership with Trucost on support for ESG assessments

## Global Benchmarking Analytics

Ongoing collaboration includes:

- A referral agreement with MI, where MI represents several data and analytics products targeting

community banks in the US

- Collaboration on product development on asset owner data sets, where the Money Market Directory (MMD) data is being combined with Global Benchmarking Analytics data to create new values for clients

## E. Human Resources

### Diversity and inclusion

We have not only sustained our unwavering focus on diversity and inclusion, but also enhanced rigour by adding new dimensions to this space.

For us, diversity encompasses the themes of gender, race, socio-economic backgrounds and sexual orientation. We introduced several initiatives and programmes in 2021, to build a diverse culture, such as women-focussed hiring, career development programmes, exposure and networking opportunities with successful women leaders across the industry, and policies to enhance equity for women. These have heightened employee awareness and encouraged reflection, aiding a deeper sensibility such as appreciation of different perspectives at work and cultures through learning programmes conducted by trained international facilitators, and recognising unconscious bias.

In the wake of the pandemic, we have taken initiatives such as virtual diversity fair, initiatives to support the LGBTQ community, and the celebration of Pride Month. Women comprise 37% of our workforce, 30% of our managerial positions and 38% of the Board.

Our Women's Leadership Development Programme, aimed at imparting leadership skills to mid-career women leaders, has been well-appreciated by our leaders and participants.

As a testimony of these efforts, CRISIL has featured in the list of 100 Best Companies for Women in India, compiled by Working Mother Media and Avtar Group, for six times in a row. We were also identified as the Best Employer for Women by Assocham twice in a row.

### Employee well-being

The health and safety of our employees retained primacy throughout the pandemic. For majority of the year, work from home arrangements continued across businesses and locations. The pandemic has acted as a catalyst to enhance our interventions to improve employee well-being. We conduct fortnightly sessions on diet, nutrition, exercise, meditation, self-awareness, family counselling, financial planning, volunteering, environmental awareness, and on medical topics, including women's health.

### Employee connect and engagement

Keeping employees informed, connected and engaged has always been crucial to our people strategy. We remain focused on building trust through a culture of openness, conversations and opportunities to speak up. The pandemic opened opportunities to build several digital platforms, creating multiple touch points that foster cohesion and collaboration.

We launched Yammer, our internal communication platform, empowering employees to collaborate, learn and share

experiences across geographies, working environments and tenures. We have designed connect programmes with employees on a periodic basis. These include communication on the organisation's performance, policies, and rewards and recognitions. We recognise performance through multiple platforms such as CRISIL Corporate Awards, CEO Awards, and townhalls.

We grew stronger as a team by supporting each other wholeheartedly through 2021. We announced various Covid-19 benefits, such as vaccination support, medical care through a dedicated coverage service, employee assistance programme, wellness days and financial support, among others. Moreover, many of these are analysed and monitored through granular metrics, with the insights feeding forward into strategic visioning and planning.

### Talent development

We believe in prioritising talent development for current and future needs. Hence, we promote a culture of development across levels. Employees — their talent and capabilities — are our greatest asset, our competitive advantage. In a highly competitive environment, our formidable talent pool becomes our key differentiator. We heavily invest in learning and development strategy for our talents at CRISIL. Talent development goes deeper than straightforward initiatives, where employees explore and expand their abilities.

Key objectives of our talent management programme are:

1. Creating a high-performance team
2. Employee retention
3. Re-skilling and reducing skill gaps
4. Ownership of employee careers

The 9 Box Matrix is used to identify and develop corporate talent at senior managerial levels. This approach enables proactive career development, including successor development, focused skill development and commensurate talent actions.

The performance of senior leaders is closely reviewed by senior corporate executives in the Talent Council on an annual basis. This facilitates a shared visibility of the performance, reveal the potential of senior leaders and help us make focused investments in our talent.

At CRISIL, talent development is intentional, well-planned and executed by experts aimed to ensure we remain future-ready. Some examples are the LEAD programme to develop identified successors for senior roles, the 'Manager of the Future' programme for people managers, and a host of functional and technical learning programmes. The development of ESG competencies and mandatory learning via our Learning Management System addresses the needs of all employees.

Another vital factor that drives employee growth is the Performance Management Process. CRISIL has a well-developed performance management framework, @SPIRE, which includes the concept of Behaviourally Anchored Rating Scale or BARS, for assessment of each competency across levels. This ensures each employee is evaluated fairly on the basis of their role and areas of impact. Mid-year and annual performance reviews enable conversations between managers and all employees around performance and career.

Discussions with heads and leadership teams are held at the beginning of the year to outline strategic priorities and areas of development. The subsequent goal-setting process for employees gives clarity by defining targets at various levels of performance. Specific learning interventions are curated across career stages.

Additionally, digital learning (via LinkedIn Learning) is offered to a cross-section of employees and the usage and feedback has been very positive. In fact, LinkedIn Learning India awarded CRISIL a 'Best Culture of Learning' Talent Award for sustained usage of digital learning at or above the 75th percentile against comparator companies.

### Directors

Members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment to the Company and devote adequate time to meetings and preparation. In terms of requirement of Listing Regulations, 2015, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's business for effective functioning and how the current Board of Directors is fulfilling the required skills and competences. This is detailed at length in the Corporate Governance Report.

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy, apart from other Board business. The Board exhibits strong operational oversight with regular business presentations at meetings. An annual planner of topics to be discussed at the Board meeting is pre-approved by the Directors. The Board/committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to the Directors well in advance to help them plan their schedules and ensure meaningful participation. Only in the case of special and urgent business, should the need arise, is the Board's approval taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

The agenda for the Board and committee meetings includes detailed notes on the items to be discussed to enable the Directors to take informed decisions. The Company follows a two-day schedule for its quarterly committee and Board meetings, which allows for greater discussion time for Board matters.

The Board met seven times in 2021 - on February 11, March 31, April 19, July 21, September 21, November 10 and December 13. The maximum interval between two meetings did not exceed 120 days. In view of the pandemic-related travel restrictions, all Board and committee meetings took place virtually. Measures were taken to ensure security of information and confidentiality of process, at the same time, ensuring convenience of the Board members.

The Company's Nomination and Remuneration Policy formulated under Section 178(3) of the Companies Act, 2013, covers roles, responsibilities, criteria and procedures towards key aspects of Board governance, including the size

and composition of the Board, criteria for directorship, terms and removal, succession planning, evaluation framework, and ongoing training and education of Board members. The policy lays down detailed guidelines for remuneration of the Board, Managing Director and employees, and covers fixed and variable components and long-term reward options, including ESOPs. It includes the scope and terms of reference of the Nomination and Remuneration Committee.

The Policy is available at: <https://crisil.com/en/home/investors/corporate-governance.html>. During the year, the Policy was revised to update the definition of Key Managerial Personnel to align with the definition prescribed under Companies Act, 2013.

## Directorship changes:

### MD & CEO succession

Ms Ashu Suyash decided to move on from the position of Managing Director (MD) & Chief Executive Officer (CEO) of the Company with effect from September 30, 2021, to set up her own venture. CRISIL's Directors place on record their sincere appreciation of Ms Suyash's leadership and contributions in leading CRISIL's growth and transformation agenda over the past six years, in consolidating Ratings' leadership position, growing global businesses and elevating the CRISIL brand during her tenure.

In accordance with the succession plan and after careful consideration, the Board at its meeting held on July 19, 2021, unanimously decided to appoint Mr Amish Mehta as Additional Director, and MD & CEO of the Company, effective October 1, 2021 for a tenure of five years. Mr Mehta joined CRISIL as President and Chief Financial Officer in 2014 and assumed the responsibility as Chief Operating Officer in 2017. He has over two decades of diverse experience across telecommunications, oil and gas, FMCG and business advisory services. The members of the Company have approved his appointment by way of a Special Resolution passed through postal ballot on September 23, 2021.

### Resignation

Mr M Damodaran resigned as Independent Director from the Board with effect from October 1, 2021 as his company, Excellence Enablers Private Ltd, a company active in the area of corporate governance, was set to expand its offerings, and in this process, his position as an Independent Director on the Board of CRISIL Limited could place him in a situation of potential conflict. Mr Damodaran confirmed that there were no other material reasons for his resignation.

Mr Martin Fraenkel, Non-Executive Director, resigned as Director with effect from November 29, 2021 on account of his retirement from S&P Global Inc.

Your Directors place on record their sincere appreciation for the strong support, advice and guidance provided by Mr M Damodaran and Mr Martin Fraenkel to the Company and its Management, which was immensely valuable to drive the growth and performance of the Company.

### Appointments

Ms Elizabeth Mann was appointed as Additional Director (Non-Executive) with effect from November 29, 2021. Ms

Mann is the Chief Financial Officer for S&P Global Ratings where she leads the finance and strategy organisation for Ratings and is responsible for financial and strategic planning, financial reporting, resource allocation and business development.

Mr Amar Raj Bindra was appointed as an Additional Director (Independent, Non-Executive) with effect from December 1, 2021 for a period of five years. Mr Amar Raj Bindra is a career banker and has 42 years of rich experience in the banking industry across OECD and emerging markets.

The Company received notices under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidatures of Ms Mann and Mr Bindra to the office of Directors.

### Retiring by rotation

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013, Mr Ewout Steenbergen retires by rotation and, being eligible, has sought re-appointment.

Brief profiles of Mr Ewout Steenbergen, Ms Elizabeth Mann and Mr Amar Raj Bindra have been given in the notice convening the Annual General Meeting.

### Board independence

Our definition of 'independence' of Directors is derived from Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the independence of directors during the Board evaluation process and assessing veracity of disclosures, the following Non-Executive Directors are Independent:

- a) Ms Vinita Bali
- b) Mr Girish Paranjpe
- c) Ms Shyamala Gopinath
- d) Mr Amar Raj Bindra

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are independent of the management, and are persons of high integrity, expertise and experience. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs ('IICA') and have passed the proficiency test, if applicable to them.

### Committees of the Board

The Board has five committees:

- Audit Committee
- Corporate Social Responsibility Committee
- Risk Management Committee



- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

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

### Annual evaluation by the Board

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its committees and individual Directors, including the Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting.

The parameters assessed included various aspects of the Board's functioning such as: effectiveness, meetings, quantity and timeliness of the information flow between Board members and management, Board member participation, quality and transparency of Board discussions, time devoted by the Board to strategy, performance and risk issues, Board composition and understanding of roles and responsibilities, succession and evaluation, and possession of required experience and expertise by Board members.

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

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

During 2021, the Company actioned the feedback from the Board evaluation process conducted in 2020. Growth opportunities for global businesses were regularly presented during business reviews. Subsidiary Boards were better leveraged by introducing briefing sessions by Board members of material subsidiaries at a regular frequency to the CRISIL Limited Board and rationalising oversight of CRISIL Board to key/material issues pertaining to the subsidiaries. External speakers were invited to present market trends on emerging topics such as ESG and Future of Work. Interaction between Board meetings was stepped up by introduction of monthly updates to Board members. Board topics, agenda papers and time allocation for various topics was improved to bring about better balance between presentation and deliberations time, especially in view of constraints of virtual meetings across time-zones. Planning for Board calendar 2022 has been streamlined as well.

### Compliance monitoring framework

The Company has a comprehensive framework for monitoring compliances with applicable laws and internal policies. Compliance reviews take place at multiple levels such as:

- First line of defence: Business and corporate functions ensure implementation of laws at the primary level

through checks and controls in their operational processes.

- Compliance Reporting tool: The compliances are further mapped into the Compliance Reporting tool and affirmed at regular frequency by the compliance owners, to generate Compliance Reports which are submitted to the Board on a quarterly basis.
- Compliance monitoring framework: This is periodically subject to audit by the internal auditors as per the internal audit plan.
- Adequacy of systems and processes for compliance, commensurate with the size and operations of the Company: This is also reviewed under the Secretarial audit process. The Stakeholders' Relationship Committee of the Company reviews instances of policy violations and breaches on quarterly basis.

### Risk Management Policy and internal control adequacy

The Board has adopted policies and procedures for governance and for orderly and efficient conduct of its business, including adherence to the Company's policies, safeguard of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations.

Significant audit observations and follow-up actions thereon are reported to the Audit Committee. For ensuring independence of the audits, internal auditors report directly to the Audit Committee. Both internal and statutory auditors have exclusive executive sessions with the Audit Committee periodically. In addition, during the year, the Management performed a review of key controls impacting financial reporting, at entity as well as operating levels, and submitted its report to the Audit Committee and the Board. Despite travel restrictions during 2021, internal audit teams performed reviews and audit procedures comprehensively using remote working tools and the Company was successful in significantly completing planned internal audits.

The Company has a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Mitigation plans for key risks identified by the businesses and functions are implemented and reviewed periodically. CRISIL has adopted a balanced approach to risk management with an endeavour to mitigate risks to an acceptable level within its tolerances and protecting CRISIL's reputation and brand while supporting the achievement of operational and strategic goals. In addition to key strategic and operational risks, data security, cyber security, business continuity, and employee health and well-being were of primary focus during 2021. Technological applications and processes were significantly upgraded for all processes, for client and internal deliverables to be executed in a timely and secure manner during the pandemic. Additional measures were taken on information security for remote working, especially in areas of remote access to databases, processing operations and virtual meetings. Heightened filtering and monitoring of phishing mails and advanced security controls were deployed for vulnerability detection and mitigating risk of attacks. Trainings were conducted for all employees with

a specific focus on cyber security, phishing risk awareness while working from homes and compliance. Additionally, the Company continued monitoring top risks on its risk register, which are discussed in greater detail in the Management Discussion and Analysis Report.

Key highlights of risk management activities in 2021 included introduction of 'in-business controls' for enhanced risk monitoring, multiple initiatives focused on data and cyber security, data privacy, deep dive reviews of key risk themes and a cyber-incident desktop simulation exercise.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, and external consultants, and reviews performed by Management and relevant Board committees, including Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls with reference to financial statements were adequate and effective during the financial year 2021.

### Directors' responsibility statement

The Directors hereby confirm that:

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

### Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo

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

However, we endeavour to support the environment by adopting environment-friendly practices in our office

premises and have rolled out a policy that aims at improving environmental performance of CRISIL. Our efforts in this direction centre around making efficient use of natural resources, elimination of waste and promoting recycling of resources.

Initiatives taken in the area of environment protection during 2021 are mentioned in the CRISIL ESG Report 2021.

### Corporate social responsibility

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The role of the Committee is to review the CSR Policy, approve activities to be undertaken by the Company towards CSR, and monitor implementation of projects and activities undertaken by the Company towards CSR.

The CSR Policy of the Company is available at <https://crisil.com/en/home/investors/corporate-governance.html>, and further details about the initiatives taken by the Company on CSR during the year under review have been appended as **Annexure I** to this Report. During the year, the scope of the Policy was broadened by inclusion of activities relating to providing support for short-term causes/initiatives covered under the Schedule VII to the Companies Act, 2013 upto a specified limit.

Further, in terms of the amended CSR Rules, the Chief Financial Officer has certified that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for financial year 2021.

### Vigil mechanism

The Company has established a vigil mechanism for Directors and employees to report genuine concerns, details of which have been given in the Corporate Governance Report annexed to the Annual Report.

### Significant developments

***Scheme of amalgamation between CRISIL Limited ('Transferee Company') and its wholly owned subsidiary companies, CRISIL Risk and Infrastructure Solutions Limited and Pragmatix Services India Private Limited ('Transferor Companies') in terms of Section 230 to 232 of the Companies Act, 2013***

CRISIL Risk and Infrastructure Solutions Limited, a wholly-owned subsidiary of the Company, presently provides services relating to infrastructure advisory and development solutions supporting risk management processes for clients. Pragmatix Services India Private Limited, another wholly owned subsidiary, was acquired in November 2018 to complement the CRISIL Risk Solutions business. It continued to be a wholly owned subsidiary of CRISIL Limited post the acquisition.

In order to rationalise the Company's entity structure, bring in operational synergies and benefits, and achieve administrative efficiencies, the Board of Directors on December 13, 2021 approved the scheme of amalgamation for merger of CRISIL Risk and Infrastructure Solutions Limited and Pragmatix Services India Private Limited into the Company under sections 230 to 232 of the Companies Act, 2013. The Scheme is pending for approval before the

National Company Law Tribunal (NCLT) and other relevant regulatory authorities. The Appointed date of the Scheme is April 1, 2022 or such other date as the NCLT may direct.

### **Closure of Greenwich Associates UK (Holdings) Limited**

The Company had reported the closure of our UK-based non-operating wholly-owned subsidiary, Greenwich Associates UK (Holdings) Limited in December 2020, in the Directors' Report for the previous year. Greenwich Associates UK (Holdings) Limited was closed post receiving the requisite approval of the competent authorities. As a result, it has ceased to be a subsidiary of CRISIL Limited.

### **Sale of non-core assets**

During the year, the Company sold its property, CRISIL House, situated at Andheri Kurla Road, Chakala, Andheri East, Mumbai 400093 for a sale consideration amounting to Rs 49 crore.

### **Subsidiaries**

As on December 31, 2021, the Company had three Indian and thirteen overseas wholly owned subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, CRISIL has prepared a consolidated financial statement of the Company and all its subsidiaries, which is a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiaries and highlights of performance of subsidiaries is included in the Annual Report.

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

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements, has been placed on the website, [www.crisil.com](http://www.crisil.com). Further, as per the fourth proviso of the said section, accounts of all subsidiaries as on December 31, 2021, have also been placed on the website [www.crisil.com](http://www.crisil.com). Shareholders interested in obtaining a copy of the accounts of the subsidiaries may write to the Company Secretary at the Company's registered office or email on [investors@crisil.com](mailto:investors@crisil.com).

The Company has obtained a certificate from the statutory auditors, certifying that the Company is in compliance with FEMA Regulations with respect to downstream investments.

### **Particulars of contracts or arrangements with related parties referred to in Section 188(1)**

A significant quantum of related party transactions undertaken by the Company is with its subsidiaries engaged in product delivery of CRISIL's businesses and business development activities. The Company has also been providing analytical support to S&P Global entities as a part of a Master Services Agreement, which was approved by a majority vote from CRISIL's minority shareholders, without participation of S&P, through a resolution passed by postal ballot on December 15, 2014.

The Audit Committee pre-approves all related party transactions. The details of such transactions undertaken

during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

All contracts/ arrangements/ transactions with related parties that were executed in 2021 were in the ordinary course of business and at an arm's length. During the year, there were no related party transactions that were materially significant and that could have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. The particulars of material contracts or arrangements with related parties referred to in Section 188(1) are given in a prescribed Form AOC-2 as **Annexure II**.

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

### **Particulars of loans, guarantees or investments under Section 186**

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

### **Auditors**

M/s. Walker Chandio & Co LLP (an affiliate of Grant Thornton network) is the statutory auditor of the Company.

Shareholders of the Company had approved the appointment of M/s Walker Chandio & Co LLP as the statutory auditor of the Company for five years, i.e., from the conclusion of the 30th Annual General Meeting held on April 20, 2017, until the conclusion of the 35th Annual General Meeting. The auditors are eligible for a second term of five years.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014. The Board is of the opinion that continuation of M/s. Walker Chandio & Co LLP, Chartered Accountants as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the 40th Annual General Meeting, at such remuneration mutually agreed and approved by the Board and the Audit Committee of the Company.

### **Comments on auditors' report**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Walker Chandio & Co LLP, Statutory Auditors, in their audit report. The Statutory Auditor did not report any incident of fraud to the Audit Committee of the Company in the year under review.

### Secretarial audit report

The Board has appointed M/s Makarand M. Joshi & Co., Practising Company Secretaries, to conduct the secretarial audit, and their report is appended as **Annexure III**. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Makarand M. Joshi & Co., Practising Company Secretaries, in their secretarial audit report.

CRISIL Ratings Limited, a material subsidiary of the Company, undertakes Secretarial Audit every year under Section 204 of the Companies Act, 2013. The Secretarial Audit of CRISIL Ratings Limited for the financial year 2021 was carried out pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit was conducted by M/s. MMJB & Associates LLP, Practising Company Secretaries, and their report did not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report of CRISIL Ratings Limited forms part of the Annual Report as per requirements of the Listing Regulations.

### Management Discussion and Analysis Report

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

### Corporate governance

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

### Particulars of remuneration

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

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the registered office of the Company during working hours for a period of 21 days before the Annual General Meeting and will be made available to any shareholder on request. The information is also available on the Company's website.

### Employee Stock Option Schemes

The Company has three Employee Stock Option Schemes. Employee Stock Option Scheme – 2011 (ESOS 2011) was approved by shareholders vide a special resolution passed through postal ballot on February 4, 2011. Employee Stock Option Scheme – 2012 (ESOS 2012) was approved by shareholders vide a special resolution passed through postal ballot on April 10, 2012. Employee Stock Option Scheme – 2014 (ESOS 2014) was approved by shareholders vide a special resolution passed through postal ballot on April 3, 2014, and amended by a special resolution of shareholders at the 30th Annual General Meeting held on April 20, 2017.

During 2021, there were no material changes in the Employee Stock Option Schemes of the Company. However, the Board of Directors of the Company at its meeting held on February 15, 2022, had approved certain amendments to the Employee Stock Option Schemes of the Company to bring these schemes in line with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The schemes are in compliance with SEBI regulations. As per Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, the details of the ESOS are uploaded on the Company's website <https://www.crisil.com/en/home/investors/financial-information/annual-report.html>.

The Company has received a certificate from M/s Makarand M. Joshi & Co., Practising Company Secretaries that ESOS 2011, ESOS 2012 and ESOS 2014 have been implemented in accordance with SEBI regulations and the resolution passed by members in their general meeting. The certificate will be placed at the ensuing Annual General Meeting for inspection by members.

### Annual Return

The complete Annual Return (Form MGT-7) is available on the Company's website: <https://www.crisil.com/en/home/investors/financial-information/annual-report.html>.

### Financial year

The Company follows the calendar year as the financial year in terms of a special approval obtained from the Company Law Board in 2015.

### CEO and CFO certification

A certificate from Mr Amish Mehta, MD & CEO, and Mr Sanjay Chakravarti, Chief Financial Officer, pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on February 15, 2022.

### Statutory disclosures

Directors state there being no transactions with respect to the following items during the financial year under review, no disclosure or reporting is required with respect to the same:

1. Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014
2. Issue of equity shares with differential rights as to dividend, voting or otherwise
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries
4. Significant or material orders passed by the regulators or courts or tribunals, which impact the going concern status and the Company's operations in future
5. Buyback of shares
6. Material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report, unless otherwise stated in the report

7. Maintenance of cost records as per sub-section (1) of Section 148 of the Companies Act, 2013
8. Application or proceedings made under the Indian Bankruptcy Code, 2016

### Acknowledgements

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

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

**John L Berisford**  
Chairman  
(DIN: 07554902)

Mumbai, February 15, 2022

# Annexure I to the Directors' Report

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

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The CSR Policy lays down the following activities to be carried out by the Company:

- Strengthen the financial capabilities of socially and economically underprivileged communities
- Conservation of the environment by focusing on relevant programmes in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives
- Employee participation in financial literacy /promoting education and environment conservation as well as allowing employees to undertake projects of their choice, with small budget allocations reviewed by a Management Committee, provided that the projects were also covered under the Schedule VII to the Companies Act, 2013, as amended, from time to time
- Contribute to, undertake or support any other short-term causes/initiatives (up to two years) covered under the Schedule VII to the Companies Act, 2013 up to an allocation not exceeding 10% of the CSR budget in any given financial year. The contribution may be made directly or indirectly, through various agencies, whether government or semi-government or private organisations like Non-government organisations. The CSR Committee may under special circumstances with reasonable justification, enhance the allocation for such short-term causes/initiatives to meet pertinent community needs

The following projects have been undertaken by the Company in 2021:

Mein Pragati (Assam) – Phase III Expansion/Exit, Livelihoods (in Assam), Centre for Financial Literacy (CFL) Pilot Project Extension, GramShakti – Phase I, CRISIL Re (Environment) and Covid-19 Relief

The CSR Policy is available on the Company's website, <https://www.crisil.com/en/home/investors/corporate-governance.html>

**2. The Composition of the CSR Committee:** Ms Vinita Bali (Chairperson), Mr Girish Paranjpe and Mr Amish Mehta

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company**

- Composition of CSR Committee : <https://www.crisil.com/en/home/about-us/board-committees.html>
- CSR policy: <https://www.crisil.com/en/home/investors/corporate-governance.html>
- CSR projects approved by the Board: <https://www.crisil.com/en/home/crisil-foundation/about-us.html>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable**

Independent impact assessments of the following CSR projects were carried out in 2021:

- GramShakti - Phase I conducted by KPMG Advisory Services Pvt. Ltd.
- CRISIL Re (Environment) conducted by Centre for Environmental Research and Education (CERE)

These reports are available on the Company's website: <https://www.crisil.com/en/home/crisil-foundation/publications.html>

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable****

Sl. no.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
		Not Applicable	

6. Average net profit of the company as per section 135(5): **Rs 318.29 crore**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs 6.37 crore**  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**  
 (c) Amount required to be set off for the financial year, if any: **NA**  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): **Rs 6.37 crore**
8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the fiscal (Rs)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
6.45 cr	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. no	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	State	District	Project duration	Amount allocated for the project (Rs crore)	Amount spent in the current fiscal (Rs crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs crore)	Mode of implementation - Direct (Yes/No)	Name	Mode of implementation - Through implementing agency
1.	Mein Pragati (Assam) – Phase III Expansion/Exit	Promoting gender equality, empowering women	No	Assam	Kamrup, Morigaon, Nalbari, Barpeta, Goalpara, Darrang, Baksa, Bongaigaon, Chirang, Dhubri, Karbi Anglong,	Jan-2021 to Dec-2023	1.55*	1.58*	Nil	No	RGVN, SeSTA	SeSTA-CSR00000087 RGVN - CSR00002390
	Livelihoods (in Assam)	Promoting gender equality, empowering women	No	Assam	Nalbari, Kamrup	Jan-2019 to Dec-2022			Nil	No	SeSTA, Grameen Sahara	SeSTA-CSR00000087 Grameen Sahara - CSR00011289

\* For both the projects – Mein Pragati (Assam) – Phase III Expansion/Exit and Livelihoods (in Assam)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. no	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (Rs crore)	Amount spent in the current fiscal (Rs crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Registration number
2	Centre for Financial Literacy (CFL) Pilot Project Extension	Promoting gender equality, empowering women	No	Maharashtra, Haryana, Rajasthan	Washim, Ratnagiri, Karnal, Panipat, Gurugram, Nuh, Durgapur	July-2019 to Nov-2021	1.48	1.49	Nil	Yes	NA	NA
3	Gram-Shakti - Phase I	Promoting gender equality, empowering women	No	Assam, Rajasthan, Maharashtra, Haryana	Kamrup, Morigaon, Nalbari, Barpeta, Goalpara, Darrang, Baksa, Bongaigaon, Chirang, Dhubri, Karbi Anglong, Dausa, Alwar, Ratnagiri, Washim, Karnal, Panipat, Gurugram, Nuh, Durgapur	June-2018 to Dec-2021	1.23	1.24	Nil	Yes	NA	NA
4	CRISIL Re (Environment)	Ensuring environmental sustainability	Yes	Maharashtra, Karnataka and West Bengal	Mumbai, Pune, Bengaluru, Kolkata	June-2020 to June-2022	0.77	0.77	Nil	No	Grow-Trees (Pangea EcoNetAssets Pvt. Ltd.), IAHV, NEWs, Nature Forever Society, Say Trees Environmental Trust	IAHV - CSR00000683 Nature Environment & Wildlife Society (NEWs) - CSR00000806 Nature Forever Society - CSR00002915 Say Trees Environmental Trust - CSR00000702
<b>TOTAL</b>							<b>5.03</b>	<b>5.08</b>	<b>Nil</b>	<b>-</b>	<b>-</b>	<b>-</b>



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl.no	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Rs crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Covid-19 Relief	Disaster management	Yes	Maharashtra, Karnataka, Andhra Pradesh, Gujrat, West Bengal	Mumbai, Pune, Bengaluru, Delhi, Hyderabad, Kolkata, Ahmedabad	0.72	No	United Way of Bengaluru (UWB), Sambhav Foundation	UWB - CSR00000324 Sambhav Foundation - CSR00000475

(d) Amount spent in administrative overheads : **Rs 0.39 crore**

(e) Amount spent on impact assessment, if applicable : **Rs 0.26 crore**

(f) Total amount spent for the fiscal (8b+8c+8d+8e) : **Rs 6.45 crore**

(g) Excess amount for set off, if any : **Nil**

Sl.no	Particular	Amount (Rs)
i.	Two percent of average net profit of the company as per section 135(5)	6.37 cr
ii.	Total amount spent for the financial year	6.45 cr
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.08 cr
iv.	Surplus arising out of the CSR projects or programmes or of the previous financial years, if any	Nil
v.	Amount available for set-off in succeeding financial year [(iii)-(iv)]	0.08 cr

9. (a) Details of unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl.no	Preceding financial year	Amount transferred to Unspent CSR Account under section 135(6) (Rs crore)	Amount spent in the reporting financial year (Rs crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs crore)
				Name of the fund	Amount (Rs crore)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. no	Project ID	Name of the project	Financial year in which the project commenced	Project duration	Total amount allocated for the project (Rs crore)	Amount spent on the project in the reporting financial year (Rs core)	Cumulative amount spent at the end of reporting financial year (Rs crore)	Status of the project - Completed / Ongoing
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For CRISIL Limited

**Amish Mehta**  
Managing Director  
& Chief Executive Officer  
(DIN: 00046254)

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

**Vinita Bali**  
Chairperson  
Corporate Social Responsibility Committee  
(DIN: 00032940)

Mumbai, February 15, 2022

# Annexure II to the Directors' Report

## Form No. AOC - 2

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

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

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

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

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

Sl. no.	Name of related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient features of contracts/arrangements/transactions, including value, if any	Justification for entering into such contracts/arrangements/transactions	Date(s) of approval by the Board /Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	S&P Global Inc (Formerly known as McGraw-Hill Financial, Inc.) and its subsidiaries (SPGI) (Fellow subsidiaries)	Global Analytical Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of around Rs. 220.18 crore in 2021	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with SPGI and its group Companies.	October 20, 2020	Nil	December 15, 2014*
2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Risk Solutions (GR&RS)	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna UK for GR&RS services which Irevna UK has recovered from external clients. The pricing is after considering appropriate remuneration to Irevna UK to meet its functional obligation Amount invoiced by CRISIL to CRISIL Irevna UK Limited is Rs. 173.77 crore in 2021.	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna UK.	October 20, 2020	Nil	Not applicable

\* CRISIL has been S&P's trusted partner and has been providing support services to S&P entities since 2003 (i.e. prior to CRISIL becoming a subsidiary of S&P). Approval for this transaction was sought through a shareholders postal ballot conducted in December 2014. This resolution was voted upon by the minority shareholders, without participation of S&P. Services provided by CRISIL are at arm's length pricing and in the ordinary course of business.

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

**John L Berisford**  
Chairman  
(DIN: 07554902)

Mumbai, February 15, 2022

# Annexure III to the Directors' Report

FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st December, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**CRISIL Limited**  
CRISIL House, Central Avenue,  
Hiranandani Business Park,  
Powai, Mumbai-400076

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2021 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (**External Commercial Borrowings are not Applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**).

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

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

**We further report** that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records including Internal audit report in pursuance thereof on test-check basis, the Company has complied with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there.

**We further report that**

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

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

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

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

**We further report** that during the audit period, the company has allotted 2,75,156 equity shares of face value of Re 1 each pursuant to Employee Stock Option Scheme.

**For Makarand M. Joshi & Co.  
Company Secretaries**

**Makarand M. Joshi  
Partner**

**FCS: F5533**

**CP: 3662**

**PR: 640/2019**

**UDIN: F005533C002596429**

**Date: 15-02-2022**

**Place: Mumbai**

# Annexure IV to the Directors' Report

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

**1. The ratio of remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year:**

Sr. no.	Name of the director	Ratio of the remuneration to the median remuneration of the employees	% increase in remuneration
a.	Mr. John L Berisford, Chairman, Non-Executive Director	NA*	NA*
b.	Mr. M Damodaran, Independent Director <sup>%</sup>	2.87	-10.50%
c.	Ms. Vinita Bali, Independent Director	3.91	22.95%
d.	Mr. Girish Paranjpe, Independent Director	3.84	19.79%
e.	Ms. Shyamala Gopinath, Independent Director <sup>#</sup>	3.41	145.77%
f.	Mr. Amar Raj Bindra, Independent Director <sup>\$</sup>	0.36	NA
g.	Mr. Ewout Steenberg, Non-Executive Director	NA*	NA*
h.	Mr. Martin Fraenkel, Non-Executive Director <sup>@</sup>	NA*	NA*
i.	Ms. Elizabeth Mann, Non-Executive Director <sup>^</sup>	NA*	NA*
j.	Ms. Ashu Suyash, ex- MD & CEO	78.70 <sup>^^</sup>	69.45% <sup>^^</sup>
k.	Mr. Amish Mehta, MD & CEO <sup>~</sup>	10.17	NA
l.	Mr. Amish Mehta, COO (upto September 30, 2021)	NA	20.69%
m.	Mr. Sanjay Chakravarti, CFO	NA	49.42%
n.	Ms. Minal Bhosale, Company Secretary	NA	22.34%

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

% Ceased to be a Director with effect from October 1, 2021

# Remuneration not comparable since Ms. Gopinath joined the Board in July 2020 and last year's remuneration is for part of the year

\$ Appointed as an Independent Director on December 1, 2021

@ Ceased to be Non -Executive Director with effect from November 29, 2021

^ Appointed as Non-Executive Director with effect from November 29, 2021

^^ The ratio as well as remuneration is not comparable to last year since Ms. Suyash was in employment for part of the year. Further, the 2021 remuneration includes perquisite value resulting out of exercise of options at the end of tenure.

~ Appointed as Managing Director and CEO with effect from October 1, 2021. Since remuneration is for a part of the year, it is not comparable. Based on annualised remuneration the ratio will be 40.69.

**2. The % increase in median remuneration of employees in the financial year:** Median pay increased by 3.21% in 2021 compared with 2020.

**3. The number of permanent employees on the rolls of the Company:** 3973

**4. Average percentile increase already made in salaries of employees, other than the managerial personnel, in the last financial year and its comparison with the percentile increase in the managerial remuneration, and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average increase in remuneration for 2021 over 2020 was 10.07%. Overall managerial remuneration to KMPs has increased by 59.04%. During the year, on account of planned succession led changes to the position of CEO and Managing Director, associated one-time payments such as end-term benefits, perquisite charged on exercise of options have been included in the current year's managerial remuneration. Further, variable component linked to Company performance, in the form of performance bonus and one-time deferred cash awards paid out to two KMPs in the senior management levels as compared to executive and middle management levels has contributed to a higher increase. For clarity on the details of the individual compensation to Key Managerial Personnel, please refer to the Annual Return available on the website of the Company.

**5. Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes