

## NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting (“AGM”) of the members of CRISIL Ratings Limited (“the Company”) will be held on Friday, April 14, 2023 at 1.50 PM IST at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 to transact the following business:

### **Ordinary Business:**

#### **1. Adoption of Financial Statements**

To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2022, together with the Report of the Board of Directors and Auditors thereon.

#### **2. Re-appointment of Ms. Holly Kulka**

To appoint director in place of Ms. Holly Kulka (Director Identification Number 08812990), who retires by rotation and, being eligible, seeks re-appointment.

#### **3. Declaration of Dividend**

To confirm the declaration and payment of four interim dividends aggregating Rs. 162 crore for the year ended December 31, 2022.

By order of the Board,  
For CRISIL Ratings Limited

Sd/-  
Minal Bhosale  
Company Secretary  
(ACS 12999)

Mumbai, February 14, 2023

## **NOTES:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting.**

**Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**

## **VOTING INSTRUCTIONS**

1. All members shall convey their votes by show of hands to the aforesaid resolutions as and when they are taken up at the Annual General Meeting

## **GENERAL INSTRUCTIONS**

2. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
3. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the Meeting.
4. Pursuant to Secretarial Standard-2, the following information is furnished about the Directors proposed to be appointed / re-appointed:

## **Brief Profile of Directors**

### **1. Ms. Holly Kulka**

Ms. Holly Kulka is Global Chief Risk and Compliance Officer for S&P Global Ratings. Based in New York, she leads our globally integrated risk and compliance teams, including the criteria and model validation groups. Ms Kulka's group works with senior leadership to ensure compliance with all relevant laws and regulations, as well as with internal policies and industry best practices. She is a member of S&P Global Ratings' Executive Committee.

Previously, Ms. Kulka served as Executive Vice President, Deputy General Counsel for Intercontinental Exchange Inc., which acquired NYSE Euronext. As a member of the executive leadership team, she was responsible for regulatory strategy, litigation, investigations, antitrust, insurance, privacy and human resource legal matters. Before that, she was a partner at the law firm of Heller Ehrman LLP, representing and advising companies and individuals in state and federal commercial and regulatory investigations, corporate governance questions and litigations through trial. Earlier in her career, Ms. Kulka was a federal prosecutor.

Ms. Kulka holds a J.D. from the University of Chicago Law School and a B.A. from Williams College. She is admitted to the bars in New York, New Jersey, California and Washington, D.C.

Ms. Kulka is a member of the Nomination & Remuneration Committee of the Company and the Ratings Sub-Committee of the Board. She is not a director of any other Indian company.

She does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. Ms. Kulka will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/Chairman or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board.

Ms. Holly Kulka attended the meeting of Board of Directors held on February 11, 2022, April 19, 2022, July 19, 2022, October 19, 2022 and October 20, 2022.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms. Holly Kulka, is in any way, interested or concerned in this Resolution.

By order of the Board,  
For CRISIL Ratings Limited

Sd/-  
Minal Bhosale  
Company Secretary  
(ACS 12999)

Mumbai, February 14, 2023

# FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



# Annual Return (other than OPCs and Small Companies)

Form language  English  Hindi

Refer the instruction kit for filing the form.

## I. REGISTRATION AND OTHER DETAILS

- (i) \* Corporate Identification Number (CIN) of the company
- Global Location Number (GLN) of the company
- \* Permanent Account Number (PAN) of the company
- (ii) (a) Name of the company
- (b) Registered office address
- CRISIL HOUSE, CENTRAL AVENUE  
HIRANANDANI BUSINESS PARK, POWAI  
MUMBAI  
Mumbai City  
Maharashtra  
400076
- (c) \*e-mail ID of the company
- (d) \*Telephone number with STD code
- (e) Website
- (iii) Date of Incorporation
- (iv)
- | Type of the Company | Category of the Company   | Sub-category of the Company   |
|---------------------|---------------------------|-------------------------------|
| Public Company      | Company limited by shares | Indian Non-Government company |
- (v) Whether company is having share capital  Yes  No
- (vi) \*Whether shares listed on recognized Stock Exchange(s)  Yes  No

(b) CIN of the Registrar and Transfer Agent

Name of the Registrar and Transfer Agent

Registered office address of the Registrar and Transfer Agents

(vii) \*Financial year From date  (DD/MM/YYYY) To date  (DD/MM/YYYY)

(viii) \*Whether Annual general meeting (AGM) held  Yes  No

(a) If yes, date of AGM

(b) Due date of AGM

(c) Whether any extension for AGM granted  Yes  No

(f) Specify the reasons for not holding the same

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

\*Number of business activities

S.No	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	K	Financial and insurance Service	K8	Other financial activities	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

\*No. of Companies for which information is to be given

S.No	Name of the company	CIN / FCRN	Holding/ Subsidiary/Associate/ Joint Venture	% of shares held
1	CRISIL LIMITED	L67120MH1987PLC042363	Holding	100

## IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

**(i) \*SHARE CAPITAL****(a) Equity share capital**

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Total number of equity shares	300,000,000	261,000,000	261,000,000	261,000,000
Total amount of equity shares (in Rupees)	300,000,000	261,000,000	261,000,000	261,000,000

Number of classes

1

Class of Shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Equity Shares				
Number of equity shares	300,000,000	261,000,000	261,000,000	261,000,000
Nominal value per share (in rupees)	1	1	1	1
Total amount of equity shares (in rupees)	300,000,000	261,000,000	261,000,000	261,000,000

**(b) Preference share capital**

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid-up capital
Total number of preference shares	0	0	0	0
Total amount of preference shares (in rupees)	0	0	0	0

Number of classes

0

Class of shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Number of preference shares				
Nominal value per share (in rupees)				
Total amount of preference shares (in rupees)				

**(c) Unclassified share capital**

Particulars	Authorised Capital
Total amount of unclassified shares	0

**(d) Break-up of paid-up share capital**

Class of shares	Number of shares			Total nominal amount	Total Paid-up amount	Total premium
	Physical	DEMAT	Total			
<b>Equity shares</b>						
<b>At the beginning of the year</b>	261,000,000	0	261000000	261,000,000	261,000,000	

<b>Increase during the year</b>	0	0	0	0	0	0
i. Public Issues	0	0	0	0	0	0
ii. Rights issue	0	0	0	0	0	0
iii. Bonus issue	0	0	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0	0	0
v. ESOPs	0	0	0	0	0	0
vi. Sweat equity shares allotted	0	0	0	0	0	0
vii. Conversion of Preference share	0	0	0	0	0	0
viii. Conversion of Debentures	0	0	0	0	0	0
ix. GDRs/ADRs	0	0	0	0	0	0
x. Others, specify <input type="text"/>						
<b>Decrease during the year</b>	0	0	0	0	0	0
i. Buy-back of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify <input type="text"/>						
<b>At the end of the year</b>	261,000,000	0	261000000	261,000,000	261,000,000	
<b>Preference shares</b>						
<b>At the beginning of the year</b>	0	0	0	0	0	
<b>Increase during the year</b>	0	0	0	0	0	0
i. Issues of shares	0	0	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0	0	0
iii. Others, specify <input type="text"/>						
<b>Decrease during the year</b>	0	0	0	0	0	0
i. Redemption of shares	0	0	0	0	0	0

ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify						
<b>At the end of the year</b>	0	0	0	0	0	

ISIN of the equity shares of the company

(ii) Details of stock split/consolidation during the year (for each class of shares)

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / Consolidation	Number of shares			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) \*

Nil

[Details being provided in a CD/Digital Media]

Yes  No  Not Applicable

Separate sheet attached for details of transfers

Yes  No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of the previous annual general meeting	<input type="text" value="19/04/2022"/>		
Date of registration of transfer (Date Month Year)	<input type="text" value="19/07/2022"/>		
Type of transfer	<input type="text" value="Equity Shares"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock	
Number of Shares/ Debentures/ Units Transferred	<input type="text" value="10"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text" value="1"/>



Ledger Folio of Transferor		04	
Transferor's Name	Viswanathan		Venkatesh
	Surname	middle name	first name
Ledger Folio of Transferee		08	
Transferee's Name	Vengurlekar		Maya
	Surname	middle name	first name

Date of registration of transfer (Date Month Year)			
Type of transfer		1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock	
Number of Shares/ Debentures/ Units Transferred		Amount per Share/ Debenture/Unit (in Rs.)	
Ledger Folio of Transferor			
Transferor's Name			
	Surname	middle name	first name
Ledger Folio of Transferee			
Transferee's Name			
	Surname	middle name	first name

**(iv) \* Debentures (Outstanding as at the end of financial year)**

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures	0	0	0
Partly convertible debentures	0	0	0
Fully convertible debentures	0	0	0

Particulars	Number of units	Nominal value per unit	Total value
<b>Total</b>			0

**Details of debentures**

Class of debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
<b>Non-convertible debentures</b>	0	0	0	0
<b>Partly convertible debentures</b>	0	0	0	0
<b>Fully convertible debentures</b>	0	0	0	0

**(v) Securities (other than shares and debentures)**

0

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
<b>Total</b>					

**V. \*Turnover and net worth of the company (as defined in the Companies Act, 2013)**

**(i) Turnover**

4,229,000,000

**(ii) Net worth of the Company**

723,231,000

**VI. (a) \*SHARE HOLDING PATTERN - Promoters**

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	0	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	

3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	260,999,940	100	0	
10.	Others	0	0	0	
	<b>Total</b>	260,999,940	100	0	0

**Total number of shareholders (promoters)**

1

**(b) \*SHARE HOLDING PATTERN - Public/Other than promoters**

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	60	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	

8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	
	<b>Total</b>	60	0	0	0

**Total number of shareholders (other than promoters)**

6

**Total number of shareholders (Promoters+Public/  
Other than promoters)**

7

**VII. \*NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS  
(Details, Promoters, Members (other than promoters), Debenture holders)**

Details	At the beginning of the year	At the end of the year
Promoters	1	1
Members (other than promoters)	6	6
Debenture holders	0	0

**VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(A) \*Composition of Board of Directors**

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive
<b>A. Promoter</b>	0	0	0	0	0	0
<b>B. Non-Promoter</b>	1	5	1	5	0	0
(i) Non-Independent	1	2	1	2	0	0
(ii) Independent	0	3	0	3	0	0
<b>C. Nominee Directors representing</b>	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0

(v) Others	0	0	0	0	0	0
Total	1	5	1	5	0	0

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

7

**(B) (i) \*Details of directors and Key managerial personnel as on the closure of financial year**

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
MR. MBN RAO	00287260	Director	0	
MS. HOLLY KULKA	08812990	Director	0	
MR. DIWAKAR GUPTA	01274552	Director	0	
MR. JAMES WIEMKEN	08888361	Director	0	
MS. SHYAMALA GOPINATH	02362921	Director	0	
MR. GURPREET SINGH	08740541	Managing Director	0	
MR. HIRESH DHAKAN	AMCPD9166G	Company Secretary	10	31/01/2023

**(ii) Particulars of change in director(s) and Key managerial personnel during the year**

1

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
MR. VENKATESH VISWANATHAN	ABRPV7346J	CFO	06/08/2022	Cessation

**IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS**

**A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS**

Number of meetings held

1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding
Annual General Meeting	19/04/2022	7	5	99.99

**B. BOARD MEETINGS**

\*Number of meetings held

5

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	11/02/2022	6	6	100
2	19/04/2022	6	6	100
3	19/07/2022	6	6	100
4	19/10/2022	6	6	100
5	20/10/2022	6	5	83.33

### C. COMMITTEE MEETINGS

Number of meetings held

8

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of the meeting	Attendance	
				Number of members attended	% of attendance
1	CORPORATE	11/02/2022	3	3	100
2	CORPORATE	18/07/2022	3	3	100
3	NOMINATION	10/02/2022	3	3	100
4	NOMINATION	18/07/2022	3	3	100
5	RATINGS SUE	10/02/2022	4	4	100
6	RATINGS SUE	19/04/2022	4	4	100
7	RATINGS SUE	18/07/2022	4	4	100
8	RATINGS SUE	19/10/2022	4	4	100

### D. \*ATTENDANCE OF DIRECTORS

S. No.	Name of the director	Board Meetings			Committee Meetings			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
1	MR. MBN RAO	5	5	100	8	8	100	
2	MS. HOLLY K	5	5	100	6	6	100	
3	MR. DIWAKAR	5	5	100	8	8	100	

4	MR. JAMES V	5	5	100	4	4	100	
5	MS. SHYAMA	5	4	80	0	0	0	
6	MR.GURPREET	5	5	100	2	2	100	

**X. \*REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

1

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	Gurpreet Chhatwal	Managing Director	34,540,822	17,267,018	0	723,198	52,531,038
	Total		34,540,822	17,267,018	0	723,198	52,531,038

Number of CEO, CFO and Company secretary whose remuneration details to be entered

2

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	Venkatesh Viswana	Chief Financial Officer	0	0	0	0	0
2	Hiresh Dhakan	Company Secretary	0	0	0	0	0
	Total		0	0	0	0	0

Number of other directors whose remuneration details to be entered

5

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	MBN Rao	Independent Director	0	2,750,000	0	890,000	3,640,000
2	Diwakar Gupta	Independent Director	0	2,750,000	0	920,000	3,670,000
3	Shyamala Gopinath	Independent Director	0	2,750,000	0	360,000	3,110,000
4	Holly Kulka	Non-Executive Director	0	0	0	0	0
5	James Wiemken	Non-Executive Director	0	0	0	0	0
	Total		0	8,250,000	0	2,170,000	10,420,000

**XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES**

\* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year  Yes  No

B. If No, give reasons/observations

**XII. PENALTY AND PUNISHMENT - DETAILS THEREOF**

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS  Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which penalised / punished	Details of penalty/ punishment	Details of appeal (if any) including present status

(B) DETAILS OF COMPOUNDING OF OFFENCES  Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which offence committed	Particulars of offence	Amount of compounding (in Rupees)

**XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment**

Yes  No

**XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES**

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

ASHITA KAUL

Whether associate or fellow

Associate  Fellow

Certificate of practice number

6529

**I/We certify that:**

(a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.

(b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.



### Declaration

I am Authorised by the Board of Directors of the company vide resolution no. ...  dated

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
2. All the required attachments have been completely and legibly attached to this form.

**Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.**

#### To be digitally signed by

Director

DIN of the director

To be digitally signed by

- Company Secretary  
 Company secretary in practice

Membership number

Certificate of practice number

#### Attachments

1. List of share holders, debenture holders
2. Approval letter for extension of AGM;
3. Copy of MGT-8;
4. Optional Attachment(s), if any

#### List of attachments

**This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company**

**CRISIL RATINGS LIMITED****List of shareholders as on December 31, 2022**

<b>Sr. No</b>	<b>Name of Shareholder</b>	<b>No. of equity shares held (face value Re 1 each)</b>
1.	CRISIL Limited	26,09,99,940
2.	Amish Mehta (as a nominee of CRISIL Limited)	10
3.	Sanjay Chakravarti (as a nominee of CRISIL Limited)	10
4.	Anupam Kaura (as a nominee of CRISIL Limited)	10
5.	Maya Vengurlekar (as a nominee of CRISIL Limited)	10
6.	Minal Bhosale (as a nominee of CRISIL Limited)	10
7.	Hiresh Dhakan (as a nominee of CRISIL Limited)	10
<b>TOTAL</b>		<b>26,10,00,000</b>

**CRISIL Ratings Limited**A subsidiary of CRISIL Limited, an S&P Global Company  
Corporate Identity Number: U67100MH2019PLC326247

# **CRISIL Ratings Limited**

Financial Statements for the year ended December 31, 2022

## **Independent Auditor's Report**

### **To the Members of CRISIL Ratings Limited**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

1. We have audited the accompanying financial statements of CRISIL Ratings Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

##### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Information other than the Financial Statements and Auditor's Report thereon**

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 December 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 31(A) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2022;

- ii. the Company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2022;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 December 2022;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, on the date of this audit report, as disclosed in note 42(ix) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, on the date of this audit report as disclosed in note 42(ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year ended 31 December 2022 is in compliance with section 123 of the Act.

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

**UDIN: 23105117BGRNKW1471**

Place: Mumbai  
Date: 14 February 2023

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of CRISIL Ratings Limited on the financial statements for the year ended 31 December 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)

(a) The Company has provided loans to employees during the year as per details given below:

<b>Particulars</b>	<b>Loans (₹ in lakhs)</b>
Aggregate amount of granted to the employees (others) during the year:	83.12
Balance outstanding as at balance sheet date in respect of above cases:	40.29

(b) The Company has not made any investment, provided any guarantee, given any security or given any advance in the nature of loan during the year. However, the Company has granted loans to employees which, in our opinion, and according to the information and explanations provided to us, prima facie are not prejudicial to the interest of the Company.

(c) In respect of loans granted to employees by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal are regular. These loans are interest free and hence reporting around timely repayment of interest is not applicable.

(d) There is no overdue amount in respect of loans granted to employees.



**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of CRISIL Ratings Limited on the financial statements for the year ended 31 December 2022**

- (e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, the Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Gross amount (₹ lakhs)</b>	<b>Amount paid under protest (₹ lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	936.38	-	2019-20	CIT Appeals
Income Tax Act, 1961	Income Tax	2,824.38	-	2020-21	CIT Appeals

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of CRISIL Ratings Limited on the financial statements for the year ended 31 December 2022**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any core investment company (CIC).
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of CRISIL Ratings Limited on the financial statements for the year ended 31 December 2022**

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

**UDIN: 23105117BGRNKW1471**

Place: Mumbai  
Date: 14 February 2023

**Annexure II to Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of CRISIL Ratings Limited ('the Company') as at and for the year ended 31 December 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Annexure II to the Independent Auditor's Report of even date to the members of CRISIL Ratings Limited on the financial statements for the year ended 31 December 2022**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

**UDIN: 23105117BGRNKW1471**

Place: Mumbai  
Date: 14 February 2023

**CRISIL Ratings Limited**  
**Balance Sheet as at December 31, 2022**

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2022	As at December 31, 2021
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	293.29	293.10
(b) Intangible assets	4	107.16	213.16
(c) Intangible assets under development	5	133.05	-
(d) Deferred tax assets (net)	7	1,119.68	959.21
(e) Tax assets (net)	8	2,753.12	1,087.87
<b>2. Current assets</b>			
(a) Financial assets			
i. Investments	9	16,335.75	14,648.22
ii. Trade receivables	10	1,720.62	2,155.69
iii. Cash and cash equivalents	11	553.77	522.40
iv. Loans	12	40.29	41.70
v. Others financial assets	13	67.10	520.10
(b) Other current assets	14	353.61	149.59
<b>TOTAL ASSETS</b>		<b>23,477.44</b>	<b>20,591.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	15	2,610.00	2,610.00
(b) Other equity	16	4,622.31	4,339.38
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Other financial liabilities	17	540.19	396.34
(b) Provisions	18	396.24	229.26
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Trade payables	19		
- total outstanding dues of micro enterprises and small enterprises; and		24.31	30.87
- total outstanding dues of creditors other than micro enterprises and small enterprises		824.26	866.71
ii. Other financial liabilities	20	3,050.14	1,981.10
(b) Other current liabilities	21	10,231.07	8,917.50
(c) Provisions	22	1,178.92	1,219.88
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,477.44</b>	<b>20,591.04</b>
Summary of significant accounting policies	2		

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

This is the Balance Sheet referred to in our audit report of even date.

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

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

Sd/-  
**Gurpreet Singh Chhatwal**  
Managing Director  
[DIN: 08740541]  
Place: Mumbai

Sd/-  
**Holly Kay Kulka**  
Director  
[DIN: 08812990]  
Place: New York

Sd/-  
**Jogesh Jain**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Minal Bhosale**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: February 14, 2023

Date: February 14, 2023

CRISIL Ratings Limited  
Statement of Profit and Loss for the year ended December 31, 2022

(Rupees in lakhs)

Particulars	Notes	Year ended December 31, 2022	Year ended December 31, 2021
<b>Income</b>			
Revenue from operations	23	42,290.00	37,413.34
Other income	24	631.03	754.94
<b>Total Income</b>		<b>42,921.03</b>	<b>38,168.28</b>
<b>Expenses</b>			
Employee benefits expense	25	12,207.72	10,456.22
Depreciation and amortization	26	255.18	205.48
Other expenses	27	8,114.73	7,069.23
<b>Total Expenses</b>		<b>20,577.63</b>	<b>17,730.93</b>
<b>Profit before tax</b>		<b>22,343.40</b>	<b>20,437.35</b>
<b>Tax charge/ (credit)</b>			
Current tax	6	6,001.90	4,725.54
Deferred tax		(155.68)	374.16
<b>Total tax expense</b>		<b>5,846.22</b>	<b>5,099.70</b>
<b>Profit after tax for the year</b>		<b>16,497.18</b>	<b>15,337.65</b>
<b>Other comprehensive (income) / expense (OCI)</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		19.04	(99.92)
Tax effect on above		(4.79)	25.41
<b>Total other comprehensive loss / (income) net of tax for the year</b>		<b>14.25</b>	<b>(74.51)</b>
<b>Total comprehensive income comprising profit and other comprehensive income for the year</b>		<b>16,482.93</b>	<b>15,412.16</b>
<b>Earnings per share : Nominal value of Rupee 1 per share</b>	28		
Basic		6.32	5.88
Diluted		6.32	5.88

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

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

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

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

Sd/-  
**Gurpreet Singh Chhatwal**  
Managing Director  
[DIN: 08740541]  
Place: Mumbai

Sd/-  
**Holly Kay Kulka**  
Director  
[DIN: 08812990]  
Place: New York

Sd/-  
**Jogesh Jain**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Minal Bhosale**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: February 14, 2023

Date: February 14, 2023

CRISIL Ratings Limited  
Statement of cash flow for the year ended December 31, 2022

(Rupees in lakhs)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
<b>A. Cash flow from operating activities :</b>		
Profit before tax	22,343.40	20,437.35
<b>Adjustments for :</b>		
Depreciation and amortization	255.18	205.48
Profit on sale of property, plant and equipment	(17.24)	(12.29)
Excess provision written back	-	(152.00)
Provision for doubtful deposits	-	2.75
Provision for doubtful debts / bad debts	22.80	22.99
Fair valuation of current investments	(373.18)	(108.61)
Profit on sale of current investments	(238.23)	(466.16)
Interest income	(0.75)	(1.16)
<b>Operating profit before working capital changes</b>	<b>21,991.98</b>	<b>19,928.35</b>
<b>Movements in working capital</b>		
- (Increase)/decrease in trade receivables	412.27	1,180.01
- (Increase)/decrease in loans	1.41	(9.78)
- (Increase)/decrease in other current financial assets	453.02	26,929.06
- (Increase)/decrease in other current assets	(204.02)	(356.93)
- Increase/(decrease) in trade payables	(49.01)	528.26
- Increase/(decrease) in provisions	106.98	91.92
- Increase/(decrease) in other current financial liabilities	1,069.03	(115.35)
- Increase/(decrease) in other current liabilities	1,313.57	837.93
- Increase/(decrease) in other non current liabilities	143.86	233.33
<b>Cash generated from operations</b>	<b>25,239.09</b>	<b>49,246.80</b>
- Taxes paid (net)	(7,667.15)	(5,911.35)
<b>Net cash generated from operating activities - (A)</b>	<b>17,571.94</b>	<b>43,335.45</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment and intangible assets including movement of intangible assets under development	(282.54)	(236.14)
Proceeds from sale of property, plant and equipment and intangible assets	17.36	40.76
Payment towards purchase of Ratings business from CRISIL Limited	-	(5,170.00)
Interest income received	0.73	1.14
Investment in mutual fund (net)	(1,076.12)	(12,797.49)
<b>Net cash used in investing activities - (B)</b>	<b>(1,340.57)</b>	<b>(18,161.73)</b>
<b>C. Cash flow from financing activities :</b>		
Dividend paid	(16,200.00)	(24,700.00)
<b>Net cash used in financing activities - (C)</b>	<b>(16,200.00)</b>	<b>(24,700.00)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>31.37</b>	<b>473.72</b>



**CRISIL Ratings Limited**  
**Statement of cash flow for the year ended December 31, 2022**

**(Rupees in lakhs)**

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Cash and cash equivalents - opening balance	522.40	48.68
Add : Exchange difference on translation of foreign currency cash and cash equivalents		
Cash and cash equivalents - closing balance	553.77	522.40
Net increase in cash and cash equivalents	<b>31.37</b>	<b>473.72</b>
Components of cash and cash equivalents		
Balance with bank in current account	203.77	237.40
Deposits with original maturity of less than three months	350.00	285.00
<b>Total</b>	<b>553.77</b>	<b>522.40</b>

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

This is the Statement of cash flow referred to in our audit report of even date.

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

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

Sd/-  
**Gurpreet Singh Chhatwal**  
Managing Director  
[DIN: 08740541]  
Place: Mumbai

Sd/-  
**Holly Kay Kulka**  
Director  
[DIN: 08812990]  
Place: New York

Sd/-  
**Jogesh Jain**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Minal Bhosale**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: February 14, 2023

Date: February 14, 2023

**CRISIL Ratings Limited**  
**Statement of Changes in Equity for the year ended December 31, 2022**

**Equity share capital (Refer note 15)**

<b>Particulars</b>	<b>Number of shares</b>	<b>Rupees in lakhs</b>
As at 01 January 2021	261,000,000	2,610.00
Movement during the year	-	-
<b>As at 31 December 2021</b>	<b>261,000,000</b>	<b>2,610.00</b>
Movement during the year	-	-
<b>As at 31 December 2022</b>	<b>261,000,000</b>	<b>2,610.00</b>

<b>Particulars</b>	<b>(Rupees in lakhs)</b>	
	<b>Reserves &amp; Surplus</b>	<b>Total</b>
	<b>Retained earnings</b>	
<b>Balance as at January 1, 2021</b>	13,627.22	13,627.22
Profit for the year	15,337.65	15,337.65
Dividend paid (Refer note 40)	(24,700.00)	(24,700.00)
Other comprehensive income	74.51	74.51
<b>Balance as at January 1, 2022</b>	<b>4,339.38</b>	<b>4,339.38</b>
Profit for the year	16,497.18	16,497.18
Dividend paid (Refer note 40)	(16,200.00)	(16,200.00)
Other comprehensive income	(14.25)	(14.25)
<b>Balance as at December 31, 2022</b>	<b>4,622.31</b>	<b>4,622.31</b>

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

This is the Statement of Changes in Equity referred to in our audit report of even date.

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

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

Sd/-  
**Gurpreet Singh Chhatwal**  
Managing Director  
[DIN: 08740541]  
Place: Mumbai

Sd/-  
**Holly Kay Kulka**  
Director  
[DIN: 08812990]  
Place: New York

Sd/-  
**Jogesh Jain**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Minal Bhosale**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: February 14, 2023

Date: February 14, 2023

1 **Corporate information**

CRISIL Ratings Limited ("the Company") [CIN : U67100MH2019PLC326247] is providing ratings services and serve lenders, investors, issuers, market intermediaries and regulators by covering manufacturing companies, banks, NBFCs, PSUs, financial institutions, state governments, urban local bodies, and mutual funds. Issuers and borrowers leverage our ratings for enhancing their access to funding, widening range of funding alternatives, and optimising cost of funds

The Company is a public limited company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076.

CRISIL Limited, the holding company, owns directly 100% as on December 31, 2022 of the Company's equity share capital. (Refer note 15)

2 **Summary of significant accounting policies**

2.1 **Statement of compliance**

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

**Functional and presentation currency**

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

2.2 **Basis of preparation**

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

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

2.3 **Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the period presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are also disclosed in the notes to the financial statements.

**Estimates and assumptions are required in particular for:**

• **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

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

• **Revenue Recognition**

Revenue from rendering of services is recognised when the obligation to render services based on agreements/arrangements with the customers are satisfied and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of delivery or as per contract terms. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, etc.

• **Recognition and measurement of defined benefit obligations**

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

• **Valuation of taxes on income**

Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.16.

• **Provisions**

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

2.4 **Property, plant and equipment (PPE)**

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

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

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

2.5 **Intangibles**

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

2.6 **Depreciation / amortization**

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

<b>Assets</b>	<b>Estimated Useful life</b>
Furniture and fixtures	10 years
Office equipments	3 to 10 years
Vehicles	3 years
Computers	3 years
Software	1 to 3 years

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

2.7 **Impairment**

**a) Impairment of non-financial assets**

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

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

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

#### **b) Impairment of financial assets**

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

- i) Financial assets that are measured at amortized cost e.g., loans, deposits, and bank balance.
- ii) Trade receivables.

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

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

## 2.8 **Leases**

The Company's lease assets consists of office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

#### **Where the Company is a lessee**

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

At the date of commencement of the lease, the Company recognises a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments based on an index or rate, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability and right of use assets have been presented separately in the Balance Sheet and lease payments are classified as cash used in financing activities in the statement of cash flows.

**Company as a lessor**

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance lease. All other leases are classified as operating lease.

**2.9 Share capital**

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

**2.10 Fair value of financial instruments**

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

**2.11 Financial Instruments****Initial recognition and measurement**

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

**Subsequent measurement****Non-derivative financial instruments****(i) Financial assets carried at amortized cost**

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

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

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

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

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

**(iv) Financial liabilities**

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

**Derecognition of financial instruments**

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

**2.12 Provision, contingent liabilities and contingent assets:**

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

Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefits is probable.

**2.13 Cash and cash equivalents**

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

2.14 **Revenue recognition**

**Income from operations**

Income from operations comprises income from initial rating and surveillance services.

- Revenue from Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue rateably over the estimated surveillance periods.
- Surveillance fee are accounted on a time proportion basis and revenue is straight lined over the period of performance.

Accrued revenue are classified as Unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ('contract liability') is recognised when there are billings in excess of revenues.

Invoices are payable within contractually agreed credit period. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

**Interest income**

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

**Profit/(loss) on sale of current investment**

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

2.15 **Retirement and other employee benefits**

**Short term employee benefits**

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

**Defined benefit plans**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

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

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

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

**Defined contribution plans**

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

2.16 **Taxes on Income**

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates items recognized directly in equity or in OCI.

**Current tax**

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

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

- a) has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred tax**

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

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

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

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.17 **Segment reporting policies**

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

2.18 **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, employee stock option scheme, etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.19 **Cash flow statement**

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

2.20 **Recent accounting pronouncements**

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective April 1, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on the financial statements.



CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

3. Property, plant and equipment

(Rupees in lakhs)									
For the year ended December 31, 2022									
Particulars	Carrying value				Accumulated depreciation				Net block
	As at January 1, 2022	Additions	Deductions	As at December 31, 2022	As at January 1, 2022	For the year	Deductions	As at December 31, 2022	As at December 31, 2022
<b>Tangible assets</b>									
Furniture & fixtures	8.21	-	0.16	8.05	7.89	0.17	0.16	7.90	0.15
Office equipments	47.34	0.62	1.92	46.04	40.94	2.80	1.80	41.94	4.10
Computers	578.68	87.34	132.09	533.93	321.17	131.61	132.09	320.69	213.24
Vehicles	64.55	61.53	10.40	115.68	35.68	14.60	10.40	39.88	75.80
<b>Total tangible assets</b>	<b>698.78</b>	<b>149.49</b>	<b>144.57</b>	<b>703.70</b>	<b>405.68</b>	<b>149.18</b>	<b>144.45</b>	<b>410.41</b>	<b>293.29</b>

(Rupees in lakhs)									
For the year ended December 31, 2021									
Particulars	Carrying value				Accumulated depreciation				Net block
	As at January 1, 2021	Additions	Deductions	As at December 31, 2021	As at January 1, 2021	For the year	Deductions	As at December 31, 2021	As at December 31, 2021
<b>Tangible assets</b>									
Furniture & fixtures	8.41	-	0.20	8.21	7.80	0.29	0.20	7.89	0.32
Office equipments	46.24	4.86	3.76	47.34	41.71	2.99	3.76	40.94	6.40
Computers	444.32	198.87	64.51	578.68	300.54	84.51	63.88	321.17	257.51
Vehicles	89.54	32.41	57.40	64.55	52.38	12.86	29.56	35.68	28.87
<b>Total tangible assets</b>	<b>588.51</b>	<b>236.14</b>	<b>125.87</b>	<b>698.78</b>	<b>402.43</b>	<b>100.65</b>	<b>97.40</b>	<b>405.68</b>	<b>293.10</b>

4. Intangible assets

(Rupees in lakhs)									
For the year ended December 31, 2022									
Particulars	Carrying value				Accumulated amortization				Net block
	As at January 1, 2022	Additions	Deductions	As at December 31, 2022	As at January 1, 2022	For the year	Deductions	As at December 31, 2022	As at December 31, 2022
Software	327.69	-	-	327.69	114.53	106.00	-	220.53	107.16
<b>Total intangible assets</b>	<b>327.69</b>	<b>-</b>	<b>-</b>	<b>327.69</b>	<b>114.53</b>	<b>106.00</b>	<b>-</b>	<b>220.53</b>	<b>107.16</b>

(Rupees in lakhs)									
For the year ended December 31, 2021									
Particulars	Carrying value				Accumulated amortization				Net block
	As at January 1, 2021	Additions	Deductions	As at December 31, 2021	As at January 1, 2021	For the year	Deductions	As at December 31, 2021	As at December 31, 2021
Software	9.70	317.99	-	327.69	9.70	104.83	-	114.53	213.16
<b>Total intangible assets</b>	<b>9.70</b>	<b>317.99</b>	<b>-</b>	<b>327.69</b>	<b>9.70</b>	<b>104.83</b>	<b>-</b>	<b>114.53</b>	<b>213.16</b>

**CRISIL Ratings Limited****Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022****5. Intangible assets under development****(Rupees in lakhs)**

<b>Particulars</b>	<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
Mobile Application Software Enhancement Project	133.05	-
<b>Total</b>	<b>133.05</b>	<b>-</b>

**5.1 Movement of intangible assets under development**

<b>Particulars</b>	<b>Amount</b>
Balance as at 01 January 2021	-
Add : Additions during the year	-
<b>Balance as at 31 December 2021</b>	<b>-</b>
Add : Additions during the year	133.05
<b>Balance as at 31 December 2022</b>	<b>133.05</b>

The above addition comprises of consultant fees and salaries paid to in-house Information Technology team for enhancement of the features of mobile application software.

**5.2 Ageing****Ageing as at December 31, 2022 :****(Rupees in lakhs)**

<b>Particulars</b>	<b>Amount in intangible assets under development for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	133.05	-	-	-	<b>133.05</b>
Projects temporarily suspended	-	-	-	-	-

**Ageing as at December 31, 2021 :****(Rupees in lakhs)**

<b>Particulars</b>	<b>Amount in intangible assets under development for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Project in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**5.3.** As at December 31, 2022 and December 31, 2021 there was no project the completion of which was overdue or exceeded cost compared to original plan.

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

(Rupees in lakhs)		
6. Income tax	Year ended December 31, 2022	Year ended December 31, 2021
Current tax	6,001.90	4,725.54
Deferred tax	(155.68)	374.16
<b>Total income tax expense recognised</b>	<b>5,846.22</b>	<b>5,099.70</b>

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

(Rupees in lakhs)		
Particulars	Year ended December 31,	Year ended December 31,
Profit before tax	22,343.40	20,437.35
Enacted income tax rate in India	25.17%	25.17%
<b>Computed expected tax expense</b>	<b>5,623.39</b>	<b>5,143.67</b>
<b>Effect of:</b>		
Expenses that are not deductible in determining taxable profit	64.18	46.75
Tax expense / (credit) of prior years	115.60	(17.74)
Others	43.05	(72.98)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>5,846.22</b>	<b>5,099.70</b>

The applicable Indian statutory income tax rates for fiscal year ended December 31, 2022 and December 31, 2021 was 25.168%.

7. Deferred tax

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

(Rupees in lakhs)				
For the year ended December 31, 2022				
Particulars	Opening Balance as at January 1, 2022	(Loss) / gain Recognised in profit and loss	Recognised in Other Comprehensive	Closing balance as at December 31, 2022
<b>Deferred tax liability</b>				
On gains from other investments	(31.06)	(62.35)	-	(93.41)
<b>Gross deferred tax liability</b>	<b>(31.06)</b>	<b>(62.35)</b>	<b>-</b>	<b>(93.41)</b>
<b>Deferred tax asset</b>				
On property, plant and equipment	63.52	4.27	-	67.79
On provision for compensated absences	278.92	(6.54)	-	272.38
On provision for bonus, incentives and commission	247.79	164.85	-	412.64
On provision for gratuity	85.80	33.47	4.79	124.06
On provision for bad debt	57.30	(16.75)	-	40.55
On initial rating fees deferred/ Deferred Revenue	249.32	44.57	-	293.89
On disallowance under section 40(a) and others	7.62	(5.84)	-	1.78
<b>Gross deferred tax asset</b>	<b>990.27</b>	<b>218.03</b>	<b>4.79</b>	<b>1,213.09</b>
<b>Net deferred tax asset</b>	<b>959.21</b>	<b>155.68</b>	<b>4.79</b>	<b>1,119.68</b>

(Rupees in lakhs)					
For the year ended December 31, 2021					
Particulars	Opening Balance as at January 1, 2021	(Loss) / gain Recognised in profit and loss	Others	Recognised in Other Comprehensive income	Closing balance as at December 31, 2021
<b>Deferred tax liability</b>					
On gains from other investments	-	(31.06)	-	-	(31.06)
<b>Gross deferred tax liability</b>	<b>-</b>	<b>(31.06)</b>	<b>-</b>	<b>-</b>	<b>(31.06)</b>
<b>Deferred tax asset</b>					
On property, plant and equipment	28.57	34.95	-	-	63.52
On provision for compensated absences	277.73	1.19	-	-	278.92
On provision for bonus, incentives and commission	477.08	(229.29)	-	-	247.79
On provision for gratuity	89.00	22.21	-	(25.41)	85.80
On provision for bad debt	98.12	(40.82)	-	-	57.30
On initial rating fees deferred/ Deferred Revenue	381.76	(132.44)	-	-	249.32
On disallowance under section 40(a) and others	4.50	1.10	2.02	-	7.62
<b>Gross deferred tax asset</b>	<b>1,356.76</b>	<b>(343.10)</b>	<b>2.02</b>	<b>(25.41)</b>	<b>990.27</b>
<b>Net deferred tax asset</b>	<b>1,356.76</b>	<b>(374.16)</b>	<b>2.02</b>	<b>(25.41)</b>	<b>959.21</b>

7.1 Disclosure in relation to Undisclosed Income during the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

(Rupees in lakhs)

8. Tax assets (Non-current)	December 31, 2022	December 31, 2021
Advance income-tax (net of provision for taxation)	2,753.12	1,087.87
<b>Total</b>	<b>2,753.12</b>	<b>1,087.87</b>

9. Investments

A. Current investments	As at December 31, 2022		As at December 31, 2021	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
<b>Investments in mutual funds</b>				
<b>[Unquoted investments carried at fair value through profit and loss (Refer note 30)]</b>				
Sundaram Short Duration Fund - Direct - Growth	-	-	7,852,376	2,961.59
Nippon India Low Duration Fund - Direct - Growth	-	-	98,437	3,082.11
ICICI Prudential Savings Fund - Direct - Growth	-	-	703,206	3,053.03
Aditya Birla Sun Life Low Duration Fund - Direct - Growth	-	-	485,961	2,775.64
IDFC Low Duration Fund - Growth - Direct Plan	-	-	8,800,620	2,775.85
Canara Robeco Savings Fund - Direct Growth	10,497,058	3,780.09	-	-
Sundaram Corporate Bond Fund - Direct - Growth	10,542,706	3,628.06	-	-
DSP Low Duration Fund - Direct Plan - Growth	17,469,741	2,973.54	-	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	8,530,168	2,181.18	-	-
TATA Ultra Short Term Fund - Direct Plan - Growth	30,528,353	3,772.88	-	-
<b>Total</b>		<b>16,335.75</b>		<b>14,648.22</b>

B. Summary of Investments	As at December 31, 2022	As at December 31, 2021
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	16,335.75	14,648.22
Aggregate amount of impairment in value of investments	-	-

(Rupees in lakhs)

10. Trade receivables (Current)	December 31, 2022	December 31, 2021
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	1,720.62	2,155.69
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	119.42	217.16
Less: Provision for doubtful trade receivables	(119.42)	(217.16)
<b>Total</b>	<b>1,720.62</b>	<b>2,155.69</b>

10.1 The Company uses a provision matrix to determine impairment loss allowance on the portfolio trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At period end, the historical observed default rates are updated and changes in the forward looking estimates are analyzed. Specific allowance for loss is also been provided by the management based on expected recovery on individual customers.

10.2 Provision for doubtful trade receivables:

(Rupees in lakhs)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Opening balance	217.16	227.59
Add: Provision during the year (Refer note 27)	22.80	22.99
Less: Utilisation during the year	(120.54)	(33.42)
<b>Closing balance</b>	<b>119.42</b>	<b>217.16</b>

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

10.3 Ageing

Ageing for trade receivables for each of the category as at December 31, 2022

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	885.26	244.28	543.74	47.34	-	-	-	1,720.62
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	102.70	16.72	-	-	-	119.42
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>885.26</b>	<b>244.28</b>	<b>646.44</b>	<b>64.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,840.04</b>
Less: Allowance for doubtful trade receivables								(119.42)
<b>Total</b>								<b>1,720.62</b>

Ageing for trade receivables for each of the category as at December 31, 2021

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	939.75	146.25	1,019.56	50.13	-	-	-	2,155.69
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	35.76	98.54	82.86	-	-	217.16
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>939.75</b>	<b>146.25</b>	<b>1,055.32</b>	<b>148.67</b>	<b>82.86</b>	<b>-</b>	<b>-</b>	<b>2,372.85</b>
Less: Allowance for doubtful trade receivables								(217.16)
<b>Total</b>								<b>2,155.69</b>

Note : The balance lying in unbilled trade receivable as at December 31, 2021 is fully billed during the current year.

		(Rupees in lakhs)	
11. Cash and cash equivalents (Current)		As at December 31, 2022	As at December 31, 2021
<u>Balances with banks:</u>			
On current accounts		203.77	237.40
Deposits with original maturity of less than three months		350.00	285.00
<b>Total</b>		<b>553.77</b>	<b>522.40</b>

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

(Rupees in lakhs)

12. Loans (Current)	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good, unless otherwise stated		
Loans to employees	40.29	41.70
<b>Total</b>	<b>40.29</b>	<b>41.70</b>
<b>Sub-classification of loans:</b>		
Loans considered good- secured	-	-
Loans considered good- unsecured	40.29	41.70
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Less: Loss allowance	-	-
<b>Total</b>	<b>40.29</b>	<b>41.70</b>

12.1 There are no loans given to promoters, directors, Key Managerial Persons and related parties.

(Rupees in lakhs)

13. Other financial assets (Current)	December 31, 2022	December 31, 2021
Unsecured, considered good, unless otherwise stated		
Other receivables		
- Considered good (Refer note 32)	66.48	520.08
- Considered doubtful	28.44	-
Interest accrued on fixed deposits	0.04	0.02
Security deposits		
- Considered good	0.58	-
- Considered doubtful	13.23	13.23
Less: Loss allowance	(41.67)	(13.23)
<b>Total</b>	<b>67.10</b>	<b>520.10</b>
<b>Sub-classification of other financial assets:</b>		
Considered good- secured	-	-
Considered good- unsecured	67.10	520.10
Assets having significant increase in credit risk	-	-
Assets considered doubtful - credit impaired	41.67	13.23
Less: Allowance for impairment loss	(41.67)	(13.23)

(Rupees in lakhs)

14. Other current assets	As at December 31, 2022	As at December 31, 2021
Prepaid expense	80.86	78.47
Advances to suppliers and employees	272.75	71.12
<b>Total</b>	<b>353.61</b>	<b>149.59</b>

**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

(Rupees in lakhs)

15. Equity share capital	As at December 31, 2022	As at December 31, 2021
Authorised capital: 300,000,000 equity shares of Rupee 1 each (Previous year 300,000,000 of Rupee 1 each)	3,000.00	3,000.00
Issued, subscribed and paid up: 261,000,000 equity shares of Rupee 1 each fully paid up (Previous year 261,000,000 of Rupee of 1 each)	2,610.00	2,610.00
<b>Total</b>	<b>2,610.00</b>	<b>2,610.00</b>

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

*Equity shares*

Particulars	As at December 31, 2022	
	Nos.	Rupees in lakhs
Opening balance as at 01 January 2021 (face value of Rupee 1 per share)	261,000,000	2,610.00
Add : Issued during the year	-	-
<b>Outstanding balance as at 31 December 2021</b>	<b>261,000,000</b>	<b>2,610.00</b>
Add : Issued during the year	-	-
<b>Outstanding balance as at 31 December 2022</b>	<b>261,000,000</b>	<b>2,610.00</b>

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rupee 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

**(c) Shares held by holding Company**

Out of equity shares issued by the Company, shares held by its holding company are as below:

Particulars	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
	Nos.	Nos.	Rupees in lakhs	Rupees in lakhs
CRISIL Limited (Holding 100% Share in CRISIL Ratings Limited)	261,000,000	261,000,000	2,610.00	2,610.00
<b>Total</b>	<b>261,000,000</b>	<b>261,000,000</b>	<b>2,610.00</b>	<b>2,610.00</b>

**(d) Details of shareholder holding more than 5% shares in the Company**

Name of the shareholder	As at December 31, 2021		As at December 31, 2022	
	% holding in the class	Nos.	% holding in the class	Nos.
<i>Equity shares of Rupee 1 each fully paid</i> CRISIL Limited	100.00%	261,000,000	100.00%	261,000,000

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

**(e) Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at December 31, 2022 is as follows :

Promoter Name	Shares held by Promoters				% change during the year
	As at December 31, 2022		As at December 31, 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
CRISIL Limited	261,000,000	100.00%	261,000,000	100.00%	0.00%

(f) The Company has neither issued shares for consideration other than cash or bonus shares nor there has been any buy back of shares during the current year and previous year.

**(g) Capital Management**

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to its stakeholders. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

(Rupees in lakhs)		
16. Reserves and surplus	As at December 31, 2022	As at December 31, 2021
<b>Retained earnings</b>		
Opening Balance	4,339.38	13,627.22
Profit for the year	16,497.18	15,337.65
Dividend paid (Refer note 40)	(16,200.00)	(24,700.00)
Other comprehensive income	(14.25)	74.51
<b>Total</b>	<b>4,622.31</b>	<b>4,339.38</b>

**16.1 Explanation of reserves - Retained earnings**

Retained earnings represent the cumulative profits of the Company and the effects of measurements of defined benefit obligation.

(Rupees in lakhs)		
17. Other financial liabilities (Non-current)	As at December 31, 2022	As at December 31, 2021
Employee related payables	540.19	396.34
<b>Total</b>	<b>540.19</b>	<b>396.34</b>

(Rupees in lakhs)		
18. Provisions (Non-current)	As at December 31, 2022	As at December 31, 2021
For employee benefits		
Gratuity (Refer note 34)	396.24	229.26
<b>Total</b>	<b>396.24</b>	<b>229.26</b>

(Rupees in lakhs)		
19. Trade payables	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	24.31	30.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	824.26	866.71
<b>Total</b>	<b>848.57</b>	<b>897.58</b>

(Rupees in lakhs)		
19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under		
Particulars	As at December 31, 2022	As at December 31, 2021
-The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period.	24.31	30.87
-The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during accounting period.	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
-The amount of interest accrued and remaining unpaid at the end of accounting period; and	-	-
-Interest accrued and remaining unpaid as at period end	-	-
-The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.



CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

19.2 Ageing

Ageing for trade payables for each of the category as at December 31, 2022

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	24.30	0.01	-	-	-	24.31
(ii) Others	270.33	553.93	-	-	-	824.26
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>294.63</b>	<b>553.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848.57</b>

Ageing for trade payables for each of the category as at December 31, 2021

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	30.56	0.31	-	-	-	30.87
(ii) Others	253.73	612.98	-	-	-	866.71
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>284.29</b>	<b>613.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>897.58</b>

20. Other financial liabilities (Current)	(Rupees in lakhs)	
	As at December 31, 2022	As at December 31, 2021
Employee related payables	3,050.14	1,981.10
<b>Total</b>	<b>3,050.14</b>	<b>1,981.10</b>

21. Other current liabilities	(Rupees in lakhs)	
	As at December 31, 2022	As at December 31, 2021
Statutory liabilities	490.86	622.99
Unearned revenue (Refer note 21.1)	9,733.47	8,294.51
Others	6.73	-
<b>Total</b>	<b>10,231.07</b>	<b>8,917.50</b>

21.1 As at December 31, 2021, the balance in 'Unearned revenue' is fully recognised as revenue during the current year.

22. Provisions (Current)	(Rupees in lakhs)	
	As at December 31, 2022	As at December 31, 2021
Gratuity (Refer note 34)	96.66	111.64
Compensated absences (Refer note 36)	1,082.26	1,108.24
<b>Total</b>	<b>1,178.92</b>	<b>1,219.88</b>

CRISIL Ratings Limited

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022

(Rupees in lakhs)

23. Revenue from operations	Year ended December 31, 2022	Year ended December 31, 2021
Ratings services	42,290.00	37,413.34
<b>Total</b>	<b>42,290.00</b>	<b>37,413.34</b>

23.1 The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has right to consideration that corresponds directly with the value of entity's performance completed to date.

(Rupees in lakhs)

24. Other income	Year ended December 31, 2022	Year ended December 31, 2021
Interest on bank deposits	0.75	1.16
Gain from fair valuation of current investments	373.18	108.61
Profit on sale of current investments	238.23	466.16
Profit on sale of property, plant and equipment (net)	17.24	12.29
Excess provision written back	-	152.00
Miscellaneous	1.63	14.72
<b>Total</b>	<b>631.03</b>	<b>754.94</b>

(Rupees in lakhs)

25. Employee benefits expenses	Year ended December 31, 2022	Year ended December 31, 2021
Salaries, wages and bonus (Refer note 32)	11,391.32	9,828.49
Share based payment to employees (Refer note 38)	4.18	-
Contribution to provident and other funds (Refer note 35)	390.19	344.76
Contribution to gratuity fund (Refer note 34)	118.31	130.56
Staff training and welfare	303.72	152.41
<b>Total</b>	<b>12,207.72</b>	<b>10,456.22</b>

(Rupees in lakhs)

26. Depreciation and amortisation	Year ended December 31, 2022	Year ended December 31, 2021
Depreciation on tangible assets (Refer note 3)	149.18	100.65
Amortisation on intangible assets (Refer note 4)	106.00	104.83
<b>Total</b>	<b>255.18</b>	<b>205.48</b>

(Rupees in lakhs)

27. Other expenses	Year ended December 31, 2022	Year ended December 31, 2021
Repairs and maintenance		
- buildings	189.87	141.62
- others	207.48	109.50
Electricity	75.85	51.52
Communication	57.68	79.96
Insurance	25.76	21.51
Rent (Refer note 39)	655.78	794.93
Rates and taxes	12.21	2.33
Printing and stationery	10.78	6.66
Conveyance and travelling	321.51	20.53
Data subscription	1.86	1.15
Remuneration to non-whole time directors (Refer note 32)	104.20	97.50
Business promotion and advertisement	27.90	-
Professional fees (Refer note 32)	739.76	867.20
Associate service fee	1,373.20	1,157.68
Software purchase	166.61	171.93
Software maintenance	96.59	81.96
Donation	0.01	0.76
Corporate Social Responsibility (Refer note 43)	255.00	183.00
Provision for doubtful trade receivables (Refer note 10.2)	22.80	22.99
Provision for other financial assets (Refer note 13)	28.44	2.75
Auditors' remuneration (Refer note 37)	12.33	12.32
Recruitment	131.19	42.87
Miscellaneous	29.11	1.26
Allocation of overhead expense by holding company (Refer note 32)	3,568.81	3,197.30
<b>Total</b>	<b>8,114.73</b>	<b>7,069.23</b>

**CRISIL Ratings Limited****Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022****28 Earning Per Share**

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

Particulars	Year ended	
	December 31, 2022	December 31, 2021
Net profit after tax attributable to equity shareholders (Rupees in lakhs)	16,497.18	15,337.65
Weighted average number of equity shares outstanding during the year	261,000,000	261,000,000
Basic earnings per share (in Rupees)	6.32	5.88
Diluted earnings per share (in Rupees)	6.32	5.88

**29 Financial risk management**

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 30. The main types of risks are market risk, business, credit risk and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarized below:-

**29.1 Liquidity risk**

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

**Liquidity risk management**

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

The treasury position of the company is given below:

**Financial assets****(Rupees in lakhs)**

Particulars	As at December 31, 2022	As at December 31, 2021
Trade receivables	1,720.62	2,155.69
Cash and cash equivalents	553.77	522.40
Loans	40.29	41.70
Investments in mutual funds	16,335.75	14,648.22
Other financial assets	67.10	520.10
<b>Total</b>	<b>18,717.53</b>	<b>17,888.11</b>

**Financial liabilities****(Rupees in lakhs)**

Particulars	Within one year		After one year	
	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Trade payables	848.57	897.58	-	-
Other financial liabilities	3,050.14	1,981.10	540.19	396.34
<b>Total</b>	<b>3,898.70</b>	<b>2,878.68</b>	<b>540.19</b>	<b>396.34</b>

**29.2 Business and credit risks**

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

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks. Refer note 10.3 for trade receivable ageing.

**29.3 Market risk**

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

**Price risk**

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

The Company is exposed to price risk arising mainly from investments in mutual funds recognized at FVTPL. The details of such investment are given under note 9. If the prices had been higher/lower by 5% from the market prices existing as at the reporting date, profit would increase/decrease by Rupees 816.79 lakhs for the year ended December 31, 2022 and Rupees 732.41 lakhs for the year ended December 31, 2021.

30 **Financial Instruments**

The carrying value and fair value of financial instruments by categories as at December 31, 2022 are as follows:

(Rupees in lakhs)

Particulars	Amortized cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
<b>Assets</b>								
Investments in mutual funds	-	-	16,335.75	-	-	-	16,335.75	16,335.75
Cash and cash equivalents	553.77	-	-	-	-	-	553.77	553.77
Trade receivables	1,720.62	-	-	-	-	-	1,720.62	1,720.62
Loans	40.29	-	-	-	-	-	40.29	40.29
Other financial assets	67.10	-	-	-	-	-	67.10	67.10
<b>Total</b>	<b>2,381.78</b>	-	<b>16,335.75</b>	-	-	-	<b>18,717.53</b>	<b>18,717.53</b>
<b>Liabilities</b>								
Trade payables	848.57	-	-	-	-	-	848.57	848.57
Other financial liabilities	3,590.33	-	-	-	-	-	3,590.33	3,590.33
<b>Total</b>	<b>4,438.90</b>	-	-	-	-	-	<b>4,438.90</b>	<b>4,438.90</b>

The carrying value and fair value of financial instruments by categories as at December 31, 2021 are as follows:

(Rupees in lakhs)

Particulars	Amortized cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
<b>Assets</b>								
Investments in mutual funds	-	-	14,648.22	-	-	-	14,648.22	14,648.22
Cash and cash equivalents	522.40	-	-	-	-	-	522.40	522.40
Trade receivables	2,155.69	-	-	-	-	-	2,155.69	2,155.69
Loans	41.70	-	-	-	-	-	41.70	41.70
Other financial assets	520.10	-	-	-	-	-	520.10	520.10
<b>Total</b>	<b>3,239.89</b>	-	<b>14,648.22</b>	-	-	-	<b>17,888.11</b>	<b>17,888.11</b>
<b>Liabilities</b>								
Trade payables	897.58	-	-	-	-	-	897.58	897.58
Other financial liabilities	2,377.44	-	-	-	-	-	2,377.44	2,377.44
<b>Total</b>	<b>3,275.02</b>	-	-	-	-	-	<b>3,275.02</b>	<b>3,275.02</b>

30.1 **Fair value hierarchy**

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

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value :

(Rupees in lakhs)

Particulars	As at December 31, 2022			As at December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
A. Investments at FVTPL						
1. Mutual Funds	16,335.75	-	-	14,648.22	-	-

31 **Details of contingent liabilities and capital commitments are as under :**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2022	December 31, 2021
<b>A. Contingent liabilities</b>		
<b>Disputed income tax:</b>		
Pending before appellate authorities in respect of which the Company is in appeal	3,497.26	-
(i) Decided in Company's favour by appellate authorities and department is in further appeal	-	-
The Company periodically receives notice and inquires from income tax authorities related to the Company's operations in the jurisdiction of operation in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.		
<b>B. Capital commitment</b>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	20.68	-
<b>Total</b>	<b>3,517.94</b>	<b>-</b>

**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

**32 Related party transactions**

Related party disclosures as required under Indian Accounting standard 24, "Related party disclosure" are given below

<b>Parties</b>	<b>Relationship</b>
<b>Related parties where control exists</b>	
CRISIL Limited	Holding Company
CRISIL Foundation	Trust of Holding Company
<b>Key Managerial Personnel</b>	
M.B.N. Rao	Independent Director
Shyamala Gopinath	Independent Director (with effect from January 22, 2021)
Diwakar Gupta	Independent Director
Holly Kay Kulka	Non-Executive Director
James Michael Wiemken	Non-Executive Director
Gurpreet Singh Chhatwal	Managing Director
Venkatesh Viswanathan	Chief Financial Officer (from April 29, 2020 to August 6, 2022)
Jogesh Jain	Chief Financial Officer (effective from 19 January, 2023)
Hireesh Dhakan	Company Secretary (from 29 April, 2020 to 31 January, 2023)
Minal Bhosale	Company Secretary (effective from 14 February, 2023)

Transactions with related parties

Name of the related party	Nature of transaction / outstanding balances	(Rupees in lakhs)	
		December 2022	December 2021
CRISIL Limited	Reimbursement of expenses	1,711.67	2,436.79
	Reimbursement of expenses paid (ESOP)	4.18	(7.93)
	Share of overhead expense	3,568.81	3,197.30
	Professional fee paid	118.00	118.00
	Professional services	188.47	190.24
	Transfer of funds from CRISIL Limited	2,786.07	9,918.23
	Transfer of funds to CRISIL Limited	129.92	-
	Transfer of employee related liability	78.48	165.65
	Purchase consideration for transfer of business	-	4.54
	Dividend paid	16,200.00	24,700.00
	Amount payable	419.94	638.00
Amount receivable	64.70	508.69	
CRISIL Foundation	Corporate social	255.00	183.00
Gurpreet Chhatwal*	Remuneration	525.31	460.15
M.B.N. Rao	Sitting fees and commission	36.40	33.90
Diwakar Gupta	Sitting fees and commission	36.70	34.20
Shyamala Gopinath	Sitting fees and commission	31.10	29.40

\* Employee benefit that requires actuarial valuation or are linked to events or fulfillment of conditions are disclosed in Managerial remuneration as and when paid

**33 Segment reporting**

Business segments:

The primary reporting of the Company has been performed on the basis of business segments. The Company is principally engaged in the single business segment viz."Rating service". Accordingly, the amounts appearing in these financial statements relate to this primary segment. Further the Company generates its business only in India, and accordingly, no disclosures are required under secondary segment reporting.

Entity wide disclosures

None of the customers for the years ended December 31, 2022 and December 31, 2021 constituted 10% or more of the total revenue of the Company.

**34 Gratuity and other post employment benefits plans**

**Gratuity**

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

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

Net employee benefit expense recognised in Statement of Profit and Loss

(Rupees in lakhs)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Current service cost	93.17	99.11
Interest cost on defined benefit obligation	22.90	17.78
Adjustment transferred from Holding Company to the Company on account of transfer of employee	2.24	13.67
<b>Net gratuity benefit expense</b>	<b>118.31</b>	<b>130.56</b>

Net employee benefit expense recognised in OCI

(Rupees in lakhs)

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Actuarial (gain)/loss due to experience on DBO	23.05	(72.43)
Actuarial (gain)/loss due to assumption changes in DBO	(62.39)	(21.38)
Actuarial (gain)/loss on DBO arising during period	<b>(39.34)</b>	<b>(93.81)</b>
Return on plan asset ( greater ) / less than discount rate	58.38	(7.12)
Adjustment transferred from Holding Company to the Company as a corporate recharge	-	1.01
<b>Actuarial (gains)/losses recognized in OCI</b>	<b>19.04</b>	<b>(99.92)</b>

Particulars	As at December 31, 2022	As at December 31, 2021
Present value of funded obligations	894.11	947.10
Fair value of plan assets	(401.21)	(606.20)
<b>Net gratuity liability</b>	<b>492.90</b>	<b>340.90</b>

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

(Rupees in lakhs)

Particulars	As at December 31, 2022	As at December 31, 2021
Opening defined benefit obligation	947.10	830.09
Current service cost	93.17	99.11
Interest cost	59.69	50.63
Acquisitions cost	16.89	82.95
Actuarial (gain)/loss	23.05	(72.43)
Actuarial (gain)/loss (financial assumptions)	(62.39)	(21.38)
Benefits paid	(183.40)	(21.87)
<b>Closing defined benefit obligation</b>	<b>894.11</b>	<b>947.10</b>

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

(Rupees in lakhs)

Particulars	As at December 31, 2022	As at December 31, 2021
Opening fair value of plan assets	606.20	476.46
Interest income on plan assets	36.79	32.85
Contribution by employer	-	111.64
Return on plan assets (lesser) / greater than discount rate	(58.38)	7.12
Benefits paid	(183.40)	(21.87)
<b>Closing fair value of plan assets</b>	<b>401.21</b>	<b>606.20</b>

The defined benefit obligation shall mature after December 31, 2022 as follows:

(Rupees in lakhs)

Particulars	As at December 31, 2022
December 31, 2023	96.66
December 31, 2024	104.68
December 31, 2025	124.97
December 31, 2026	120.10
December 31, 2027	139.60
December 31, 2028 to December 31, 2032	741.84

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

Particulars	As at December 31, 2022	As at December 31, 2021
Investment with insurer	100%	100%

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

**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

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

Particulars	As at	As at
	December 31, 2022	December 31, 2021
Discount rate	7.20%	6.20%
Rate of return on plan assets	7.00%	7.00%
<b>Expected employee turnover</b>		
<b>Service years</b>	<b>Rates</b>	<b>Rates</b>
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Salary escalation rate	10% for First 4 years starting 2023 and 7% thereafter	10% for First 4 years starting 2022 and 7% thereafter
<b>Expected employer's contribution next year (Rupees in lakhs)</b>	<b>96.66</b>	<b>111.64</b>

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

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in discount rate	(28.53)
Effect on DBO due to 0.5% decrease in discount rate	30.26
<b>Salary escalation rate</b>	<b>Rupees in lakhs</b>
Effect on DBO due to 0.5% increase in salary escalation rate	19.96
Effect on DBO due to 0.5% decrease in salary escalation rate	(20.21)

35 The Company has recognised the following amounts in the statement of profit and loss:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2022	Year ended December 31, 2021
i. Contribution to provident fund	349.21	313.78
ii. Contribution to other funds	40.98	30.98
<b>Total</b>	<b>390.19</b>	<b>344.76</b>

36 A provision of Rupees 1,082.26 lakhs has been made for compensated absences as at December 31, 2022. (Rupees 1,108.24 lakhs as at December 31, 2021)

37 Auditors' remuneration includes :

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2022	Year ended December 31, 2021
Statutory audit fees	9.00	9.00
Tax audit fees	3.00	3.00
Others	0.33	0.32
<b>Total</b>	<b>12.33</b>	<b>12.32</b>

38 Shared based payments to employee represents the Employee stock options granted by the Holding Company to the employees of the Company.

39 Rent shown under other expense is an allocation from its Holding Company, therefore disclosure requirement of Ind AS - 116 Leases is not applicable on the Company.

40 **Dividend**

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2022	Year ended December 31, 2021
Interim dividend for the year December 31, 2022 Rupees 6.2069 per equity share of Rupee 1 each and interim dividend for the year December 31, 2021 Rupees 9.4636 per equity share of Rupee 1 each	16,200.00	24,700.00
<b>Total</b>	<b>16,200.00</b>	<b>24,700.00</b>

**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

**41 Ratios**

The ratios for the year ended December 31, 2022 and December 31, 2021 are as follows:

Particulars	Numerator	Denominator	As at December 31, 2022	As at December 31, 2021	Variance (in %)
Current ratio (in times)	Current Assets	Current Liabilities	1.25	1.39	-10.10%
Debt-Equity ratio (in times)	Total debt	Total equity	Not Applicable	Not Applicable	Not Applicable
Debt Service coverage ratio (in times)	Earnings available for debt service	Debt service	Not Applicable	Not Applicable	Not Applicable
Return on Equity (ROE - in %) (Note 1)	Profits after taxes	Average total equity	232.65%	132.30%	75.86%
Inventory turnover ratio	Not applicable	Not applicable	Not Applicable	Not Applicable	Not Applicable
Trade receivables turnover ratio (in times) (Note 2)	Revenue	Average trade receivable	21.82	14.03	55.57%
Trade payable turnover ratio (in times) (Note 3)	Purchases of goods and services	Average trade payables	9.27	2.14	333.32%
Net capital turnover ratio (in times) (Note 4)	Revenue	Average working capital	9.63	3.78	154.72%
Net profit ratio (in %)	Profits after taxes	Revenue	39.01%	41.00%	-4.84%
Return on capital employed (ROCE - in %) (Note 5)	Earning before interest and taxes	Average capital employed	315.10%	176.29%	78.74%
Return on investment (ROI - in %)	Income generated from invested funds	Weightage average investment			
- Return on Mutual funds			4.89%	5.52%	-11.41%

**41.1 Definitions**

- Total debt represents lease liabilities.
- Earnings available for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest -profit on sale of Fixed assets etc.
- Debt service = Interest & Lease Payments
- Capital employed = Tangible Net Worth + Total Debt
- Investments include quoted investment, unquoted investment and mutual funds.

Note 1 : Increase as a result of revenue growth

Note 2 : Increase due to operating income and a decrease in trade receivables.

Note 3 : Increase due to an increase in other expenses and decrease in average trade payable.

Note 4 : Net capital turnover ratio improved on account decrease in working capital as at December 31, 2022.

Note 5 : Return on capital employed ratio improved on account increase in profit before interest and tax for the year ended December 31, 2022.

**42 Additional regulatory information required by schedule III :**

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- The Company has not traded or invested in crypto currency or virtual currency during the year.
- There are no transactions or outstanding balances with struck off companies during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company has not availed any sanctioned working capital limits in the current year and the previous year.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties with understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**43 Corporate Social Responsibility ("CSR")**

The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2022	Year ended December 31, 2021
Amount required to be spent by the Company during the year	255.00	181.00
Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	255.00	183.00
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA

Nature of CSR activities include "education and women empowerment – financial capability building" and "conservation of environment". Refer note 32 for related party



**CRISIL Ratings Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended December 31, 2022**

- 44 The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year's classification in order to comply with the requirements of the amended schedule III to the Companies Act, 2013 effective 1 April 2021.

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

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

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

Sd/-  
**Manish Gujral**  
Partner  
Membership No.: 105117

Sd/-  
**Gurpreet Singh Chhatwal**  
Managing Director  
[DIN: 08740541]  
Place: Mumbai

Sd/-  
**Holly Kay Kulka**  
Director  
[DIN: 08812990]  
Place: New York

Sd/-  
**Jogesh Jain**  
Chief Financial Officer  
Place: Mumbai

Sd/-  
**Minal Bhosale**  
Company Secretary  
Place: Mumbai

Place: Mumbai  
Date: February 14, 2023

Date: February 14, 2023