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Independent Auditor's Report on the special purpose financial statements

To the Board of Directors of Pragmatix Services Private Limited

1. We have audited the accompanying special purpose financial statements of Pragmatix Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash flow Statement and the Statement of Changes in Equity for the period from 24 January 2018 to 31 December 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Financial Statements in accordance with the basis of accounting described in Note 1.1 of these Financial Statements.

3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Financial Statements based on our audit.

5. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Financial Statements, in all material respects, in accordance with the basis of accounting described in Note 1.1 to these Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements are prepared, in all material respects, in accordance with the basis of accounting described in Note 1.1 to these Financial Statements.

Restriction on distribution or use

9. We draw attention to Note 1.1 of the Financial Statements which describes the basis of accounting for the aforesaid Financial Statements. These Financial Statements has been prepared by the management solely to enable CRISIL Limited, the holding company, to prepare its consolidated financial statements for the year ended 31 December 2018. Accordingly, the Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose in conjunction with the consolidated financial statements of CRISIL Limited, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 14 March 2019

Pragmatix Services Private Limited
Balance sheet as at December 31, 2018

Particulars	Notes	As at December 31, 2018 Amount in Rupees
Assets		
1. Non-current assets		
(a) Property, plant and equipment	3	4,109,706
(b) Intangible assets	4	15,893,397
(c) Financial assets		
i. Loan	5	1,876,747
(d) Deferred tax assets (net)	6	11,235,652
(e) Tax assets	7	6,839,163
(f) Other non current assets	8	495,964
2. Current assets		
(a) Financial assets		
i. Trade receivables	9	49,372,380
ii. Cash and cash equivalents	10	70,256,256
iii. Other bank balances	11	957,810
iv. Loans	12	3,720,051
v. Other financial assets	13	61,716,540
(b) Other current assets	14	19,870,084
Total - Assets		**246,343,750**
Equity and liabilities		
1. Equity		
(a) Equity share capital	15	31,400,000
(b) Other equity	16	119,885,145
2. Non-current liabilities		
(a) Financial liabilities		
i. Borrowings	17	872,831
ii Other financial liabilities	18	115,000
(b) Provisions	19	6,715,366
3. Current liabilities		
(a) Financial liabilities		
i. Trade payables	20	51,024,948
ii. Other financial liabilities	21	24,920,916
(b) Provisions	22	2,116,896
(c) Other current liabilities	23	9,292,648
Total - Equity and liabilities		**246,343,750**
Summary of significant accounting policies	2	

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

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

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: 14 March 2019
Place: Mumbai

For Pragmatix Services Private Limited

Anupam Kaura
Director
DIN - 07790067

Amish Mehta
Director
DIN - 00046254

Date: 14 March 2019
Place: Mumbai

Pragmatix Services Private Limited
Statement of profit and loss for the period from January 24, 2018 to December 31, 2018

Particulars	Notes	Period from January 24, 2018 to December 31,2018 Amount in Rupees
Income		
Revenue from operations	24	391,643,807
Other income	25	11,550,881
Total		**403,194,688**
Expenses		
Employee benefits expenses	26	177,439,106
Finance Cost	27	684,548
Depreciation and amortisation expenses	3,4	15,717,308
Other expenses	28	135,554,709
Total		**329,395,671**
Profit / (loss) before tax		73,799,017
Tax expense		
Current tax	6	24,175,497
Deferred tax		(2,272,040)
Total tax expense		**21,903,457**
Profit / (loss) after tax for the year		**51,895,560**
Other comprehensive income (OCI)		
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans		(617,424)
Tax effect on above		171,767
Total comprehensive income / (loss) for the year		**51,449,903**
Earnings per share : Nominal value of Rs. 10 per share	30	
Basic & Diluted		1.65
Summary of significant accounting policies	2	

The accompanying notes form 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 Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: 14 March 2019
Place: Mumbai

For Pragmatix Services Private Limited

Amish P. Mehta

Anupam Kaura
Director
DIN - 07790067

Amish Mehta
Director
DIN - 00046254

Date: 14 March 2019
Place: Mumbai

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Pragmatix Services Private Limited
Cash Flow Statement for the period from January 24, 2018 to December 31, 2018

Particulars		Amount in Rupees
A.	**Cash Flow from operating activities :**	
	Profit before tax	73,799,017
	Adjustments for :	
	Depreciation and amortization	15,717,308
	Unrealised foreign exchange (gain) / loss	(1,386,239)
	(Profit)/ loss on sale of fixed assets	(3,758,371)
	Provision for doubtful debts / bad debts	3,080,000
	Interest income on fixed deposits	(793,395)
	Interest expense	684,548
	Operating profit before working capital changes	**87,342,868**
	Movements in working capital :	
	- (Increase)/decrease in trade receivables	(22,760,711)
	- (Increase)/decrease in other non current financial assets	(593,817)
	- (Increase)/decrease in other non current assets	(941,621)
	- (Increase)/decrease in other current financial assets	(19,447,599)
	- (Increase)/decrease in loans	(3,720,051)
	- (Increase)/decrease in other current assets	(13,659,754)
	- Increase/(decrease) in trade payables	37,415,264
	- Increase/(decrease) in provisions	4,912,409
	- Increase/(decrease) in non current financial liabilities	872,831
	- Increase/(decrease) in other non current financial liabilities	115,000
	- Increase/(decrease) in other current financial liabilities	(11,107,059)
	- Increase/(decrease) in other current liabilities	(4,009,759)
	Cash generated from operations	**54,418,001**
	- Taxes paid	22,158,068
	Net cash generated from operating activities - (A)	**32,259,933**
B.	**Cash flow from investing activities :**	
	Purchase of property, plant and equipment	(1,289,459)
	Purchase of intangible assets	(9,315,359)
	Proceeds from sale of property, plant and equipment	6,415,916
	Other bank balances	(74,810)
	Interest on fixed deposits	959,728
	Net cash used in investing activities - (B)	**(3,303,984)**
C.	**Cash flow from financing activities :**	
	Repayment of long term borrowing	(2,494,628)
	Interest paid	(668,077)
	Net cash used in financing activities - (C)	**(3,162,705)**
	Net increase in cash and cash equivalents (A+B+C)	**25,793,244**
	Cash and cash equivalents - Opening balance	45,934,534
	Exchange difference on translation of foreign currency cash and cash equivalent	(1,471,522)
	Less: Cash and Cash Equivalents - Closing balance	70,256,256
	Net increase in cash and cash equivalents	**25,793,244**
	Components of cash and cash equivalents	
	Cash in hand	7,222
	With banks on current account	62,544,252
	Deposits with original maturity of less than three months	7,704,782
	Total	**70,256,256**

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

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

For Walker Chandiok & Co LLP
Chartered Accountants

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: 14 March 2019
Place: Mumbai

For Pragmatix Services Private Limited

Amish P. Mehta

Anupam Kaura
Director
DIN - 07790067

Amish Mehta
Director
DIN - 00046254

Date: 14 March 2019
Place: Mumbai

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Pragmatix Services Private Limited
Statement of Changes in Equity for period January 24, 2018 to December 31, 2018

Equity Share Capital — Amount in Rupees

Balance as at January 24, 2018	Changes in equity share capital during the year	Balance as at December 31, 2018
31,400,000	-	31,400,000

Other Equity — Amount in Rupees

Particulars	Reserve and Surplus		Items of OCI	Total
	Retained earnings	Securities premium	Currency fluctuation reserve	
Balance as at January 24, 2018	**(2,089,830)**	**71,505,395**	**-**	**69,415,565**
Profit / (Loss) for the year	51,895,560	-		**51,895,560**
Movement during the year	(445,657)	-	(980,323)	**(1,425,980)**
Balance as at December 31, 2018	**48,499,513**	**71,505,395**	**(980,323)**	**119,885,145**

Nature and purpose of reserves

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

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: 14 March 2019
Place: Mumbai

For Pragmatix Services Private Limited

Amish . P. Mehta

Anupam Kaura
Director
DIN - 07790067

Amish Mehta
Director
DIN - 00046254

Date: 14 March 2019
Place: Mumbai

PRAGMATIX SERVICES PVT. LTD. MUMBAI

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

1 Corporate Information

Pragmatix Services Private Limited ("the Company") is a Company limited by shares, which was incorporated in July 2010. The Company is involved in providing the software products and services in areas of business intelligence and analytics, and consulting/ implementation services.

Pragmatix Services Private Limited is a private 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 owned 100% as on 24 January, 2018 of the Company's equity share capital.

1.1 Basis of presentation of financial statement

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Though the Company has complied with the recognition, measurement and key disclosure requirements of the standards, it cannot be considered to be Ind AS compliant accounts. The Company has prepared these financial statements to comply in all material respects with the mandatory accounting standards notified under section 133 of the Companies Act, 2013. These financial statements are special purpose financial statements and have been prepared solely to assist CRISIL Limited for preparation of its consolidated financial statements as at 31 December 2018 and hence do not have certain disclosures required as per Ind AS and Companies Act. Accordingly, these financial statements should not be used for any other purpose. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

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 Summary of significant accounting policies

2.1 Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the periods presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments 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 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 intangibles 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, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

• Revenue Recognition

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

• Recognition and measurement of defined benefit obligations

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

• Valuation of taxes on income

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

• 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) 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.

2.2 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 & 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.

2.3 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.

2.4 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 are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation is provided on straight line method (SLM) over useful life.

Assets	Estimated useful life
Furniture and fixtures	10 Years
Office equipments	3 to 10 Years
Computers	3 Years
Vehicles	3 Years
Software	1 to 3 Years

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

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2.5 Impairment

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 recognized for the asset in the prior years. An asset's recoverable amount is the higher of an asset's 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are measured at amortized cost e.g., loans, deposits, and bank balance.
b) Trade receivables.

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

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

2.6 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

2.7 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.

2.8 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 realized. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.9 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

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.

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.

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.

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. 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.

2.10 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 in the Notes. Contingent liabilities are disclosed for:
possible obligations which will be confirmed only by future events not wholly within the control of the Company or
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 benefit is probable.

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2.11 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.

2.12 Revenue recognition

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

Income from operations

Revenue from software services and business process outsourcing services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and system integration projects.
Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

The Company also performs time bound fixed price engagements, under which revenue is recognised using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates and can be reasonably estimated.

The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known.

Revenue from maintenance contracts is recognised over the period of the contract in accordance with its terms.

Amounts received or billed in advance of services performed are recorded as unearned revenue.

Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

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

2.13 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 also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.
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.

Employee stock compensation cost
The Company recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.
The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

2.14 Foreign currency transactions

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

Exchange difference
Exchange gains and losses arising on settlement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss.

2.15 Taxes on income

Income tax expense comprises current and deferred tax. It is recognized in 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 period 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:
has a legally enforceable right to set off the recognized amounts; and
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:
The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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2.16 **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 Plan (ESOP), 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.

2.17 **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.

2.18 **Segment reporting policies**

The Directors of the Company have 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.
The analysis of geographical segment is based on the area in which there are major customers of the Company.

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Summary of significant accounting policies and other explanatory information to the financial statements for the period January 24, 2018 to December 31, 2018

3. Property, plant and equipment

For the period January 24, 2018 to December 31, 2018

Amount in Rupees

Particulars	Carrying value					Accumulated depreciation					Net block
	As at January 24, 2018	Additions	Adjustment	Deductions	As at December 31, 2018	As at January 24, 2018	For the year	Adjustment	Deductions	Up to December 31, 2018	As at December 31, 2018
Tangible assets											
Computers	7,222,996	1,289,459	(627,490)	168,220	7,716,745	3,707,579	1,585,269	(76,529)	26,572	5,189,747	2,526,998
Furniture and Fixture	380,051	-	-	71,315	308,736	102,040	161,398	-	32,852	230,586	78,150
Office Equipment	575,890	-	378,141	69,920	884,111	230,022	177,418	33,069	8,892	431,617	452,494
Vehicles	13,354,931	-	-	5,629,196	7,725,735	9,676,529	209,931	-	3,212,789	6,673,671	1,052,064
Total tangible assets	**21,533,868**	**1,289,459**	**(249,349)**	**5,938,651**	**16,635,327**	**13,716,170**	**2,134,016**	**(43,460)**	**3,281,105**	**12,525,621**	**4,109,706**

4. Intangible assets

For the period January 24, 2018 to December 31, 2018

Amount in Rupees

Particulars	Carrying value					Accumulated amortization					Net block
	As at January 24, 2018	Additions	Adjustment	Deductions	As at December 31, 2018	As at January 24, 2018	For the year	Adjustment	Deductions	Up to December 31, 2018	As at December 31, 2018
Intangible assets											
Software Development	44,997,019	9,315,359	249,349	-	54,561,727	25,041,578	13,583,292	43,460	-	38,668,330	15,893,397
Total intangible assets	**44,997,019**	**9,315,359**	**249,349**	**-**	**54,561,727**	**25,041,578**	**13,583,292**	**43,460**	**-**	**38,668,330**	**15,893,397**

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5. Loans	**As at December 31, 2018** **Rupees in lakhs**
Non-current	
Unsecured, considered good, unless otherwise stated	
Other deposits	1,876,747
Total	**1,876,747**

6. Deferred tax

6a. Income tax	**Period from Jan 24 to Dec 31, 2018** **Amount in Rupees**
Current tax	24,175,497
Deferred tax	(2,272,040)
Total income tax expense recognised in current year	**21,903,457**

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

Particulars	**Year ended December 31, 2018 Amount in Rupees**
Profit before tax	73,799,017
Enacted income tax rate in India	27.82%
Computed expected tax expense	20,530,887
Effect of:	
Expenses that are not deductible in determining taxable profit	1,432,730
Impact due to change in Rate	(79,676)
Others	19,516
Total income tax expense recognised in the statement of profit and loss	**21,903,457**

The applicable Indian statutory income tax rates fiscal the year ended March 31, 2019 is 27.82% .

6b. Deferred tax

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

As at December 31, 2018 **Amount in Rupees**

Particulars	**Opening Balance**	**Recognised in profit and loss**	**Recognised in Other Comprehensive income**	**Closing balance**
Deferred tax liability				
On Other Liabilities	-	-	-	-
Gross deferred tax liablity	-	-	-	-
Deferred tax asset				
On provision for compensated absences	-	1,177,621	-	1,177,621
On provision for gratuity	1,080,018	(125,513)	171,767	1,126,272
On fixed assets	6,141,240	269,371	-	6,410,611
On preliminary expenses of branch	137,763	858,193	-	995,956
On service tax payable	1,432,824	92,368	-	1,525,192
Gross deferred tax asset	**8,791,845**	**2,272,040**	**171,767**	**11,235,652**
Net deferred tax asset	**8,791,845**	**2,272,040**	**171,767**	**11,235,652**

7. Tax assets	**As at December 31, 2018** **Amount in Rupees**
Non current	
Advance taxes paid (net of provision for taxation Rs.33,301,933)	6,839,163
Total	**6,839,163**

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8. Other non current assests	As at December 31, 2018 Amount in Rupees
Non current assets	
Prepaid expenses	427,209
Capital advances	68,755
Total	**495,964**

9. Trade receivables	As at December 31, 2018 Amount in Rupees
Current	
Unsecured, considered good, unless otherwise stated	
Unsecured, considered good	49,372,380
Considered doubtful	3,580,000
Less : Allowance for doubtful trade receivables	(3,580,000)
Total	**49,372,380**

10. Cash and cash equivalents	As at December 31, 2018 Amount in Rupees
Current	
Cash on hand	7,222
Balances with banks:	
On current account (including EEFC accounts)	62,544,252
Deposits with original maturity of less than three months	7,704,782
Total	**70,256,256**

11. Other bank balances	As at December 31, 2018 Amount in Rupees
Deposits more than three months	
Balance with bank held as margin money	957,810
Total	**957,810**

12. Loans	As at December 31, 2018 Amount in Rupees
Current	
Unsecured, considered good, unless otherwise stated	
Loans to employees	2,084,270
Security deposits	1,635,781
Total	**3,720,051**

13. Other financial assets	As at December 31, 2018 Amount in Rupees
Current	
Accrued interest on fixed deposits	98,153
Accrued revenue	61,341,540
Others	276,847
Total	**61,716,540**

14. Other current assests	As at December 31, 2018 Amount in Rupees
Current	
Prepaid expenses	3,133,659
Balance with government authorities	16,334,762
Others	401,663
Total	**19,870,084**

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15. Equity share capital	**As at December 31, 2018 Amount in Rupees**
Authorised capital: 3,500,000 equity shares of Rs. 10 each	35,000,000
Issued, subscribed and paid up: 3,140,000 equity shares of Rs 10 each fully paid up.	31,400,000
Total	**31,400,000**

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

Equity shares

Particulars	**As at December 31, 2018 Amount in Rupees**
At the beginning of the period (face value of Rs.10 per share)	31,400,000
Outstanding at the end of the period	**31,400,000**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of fully paid equity shares is entitled to one vote per share. The partly paid shares are entitled for proportionate voting rights and dividend to the extent of amount paid up.

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) Equity 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, 2018 Amount in Rupees**
3,140,000 equity shares of Rs. 10 are held by CRISIL Limited, Holding Company	31,400,000

(d) 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 five years immediately preceeding the period ended December 31, 2018.

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

Name of the shareholder	**As at December 31, 2018**	
	% holding in the class	**Nos.**
Equity shares of Rs. 10 each fully paid		
CRISIL Limited, Holding Company	100%	3,140,000

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

(f) Capital management

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

16. Explanation of reserves:

a) Retained earnings

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

b) Other comprehensive income (OCI)

Other comprehensive income includes actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets.

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17. Long term borrowings	As at December 31, 2018 Amount in Rupees
Non Current	
Secured	
Vehicle loans from Non-banking financial companies (NBFCs)	
9.63% Kotak Mahindra Prime Limited	1,309,601
Less : Current maturities of long-term borrowings (Refer note 21)	436,770
Total	872,831

Nature of security and terms of repayment for secured borrowings
Nature of security
Vehicle loans from NBFCs are secured by hypothecation of vehicles purchased against the loan.
Terms of repayments

Name of NBFC	No. of vehicles for which loan has been taken	Equated monthly installments for each vehicle (Amount in Rupees)	No. of Equated monthly installments outstanding as on 31 December, 2018
Kotak Mahindra Prime Limited	1	45,330	33

18. Other financial liabilities	As at December 31, 2018 Amount in Rupees
Non-current	
Employee related payable	115,000
Total	115,000

19. Provisions	As at December 31, 2018 Amount in Rupees
Non-current	
Gratuity	4,071,366
Compensated absences	2,644,000
Total	6,715,366

20. Trade payables	As at December 31, 2018 Amount in Rupees
Current	
Total outstanding dues of creditors other than micro enterprises and small enterprises	51,024,948
Total outstanding dues of micro and small enterprises	-
Total	51,024,948

21. Other financial liabilities	As at December 31, 2018 Amount in Rupees
Current	
Employee related payable	24,467,675
Interest accrued and due	16,471
Current maturities of long term borrowoings (Refer note 17)	436,770
Total	24,920,916

22. Provisions	As at December 31, 2018 Amount in Rupees
Current	
Gratuity	527,896
Compensated absences	1,589,000
Total	2,116,896

23. Other current liabilities	As at December 31, 2018 Amount in Rupees
Current	
Statutory liabilities	7,164,898
Unearned revenue	2,127,750
Total	9,292,648

24. Revenue from operations	Period from January 24 to December 31, 2018 Amount in Rupees
Income from risk management services	391,643,807
Total	391,643,807

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25. Other income	Period from January 24 to December 31, 2018 Amount in Rupees
Interest income on fixed deposits	793,395
Foreign exchange gain (net)	6,974,115
Profit on sale of fixed assets (net)	3,758,371
Miscellaneous income	25,000
Total	**11,550,881**

26. Employee benefits expenses	Period from January 24 to December 31, 2018 Amount in Rupees
Salaries, wages and bonus	162,823,828
Share based payment to employees	5,847,974
Contribution to provident and other funds	2,904,641
Contribution to gratuity funds	1,946,999
Staff training and welfare expenses	3,915,664
Total	**177,439,106**

27. Finance cost	Period from January 24 to December 31, 2018 Amount in Rupees
Interest on	
- Loan from holding Company	59,479
- On vehicle loans	625,069
Total	**684,548**

28. Other expenses	Period from January 24 to December 31, 2018 Amount in Rupees
Printing and stationery	72,931
Conveyance and travelling	6,412,386
Data subscription	90,277
Professional fees	78,374,712
Software maintenance expenses	438,177
Software purchase expenses	2,101,862
Provision for doubtful debt / bad debts	3,080,000
Auditors' remuneration	953,817
Recruitment expenses	718,538
Repairs and maintenance - buildings	3,204,175
Repairs and maintenance - others	6,393,184
Electricity	3,340,798
Communication expenses	4,535,712
Insurance	816,798
Rent	17,218,385
Rates and taxes	2,475
Service tax expense	1,511,400
Registration and Listing Fees	2,131,433
Miscellaneous expenses	4,157,649
Total	**135,554,709**

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29. Details of contingent liabilities are as under:

Particulars	As at December 31, 2018 Amount in Rupees
Contingent liability	
1. Bank Guarantee given by Bank on behalf of the Company	957,810
2. Capital commitments	305,000
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for.	
Total	**1,262,810**

30. Earnings per share (basic and diluted)

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Period from January 24, 2018 to December 31, 2018 Amount in Rupees
Net profit (loss) after tax attributable to equity shareholders (Amount in Rupees)	51,895,560
Weighted average number of shares outstanding during the period	31,400,000
Basic and diluted profit/(loss) per share (Rs.)	1.65

31. Related party disclosure

Parties	Relationship
Related parties where control exists	
CRISIL Limited	Holding Company
S&P Global Inc.	The Ultimate Holding Company
Other Related parties	
Standard & Poor's , LLC	Fellow subsidiary
Standard & Poor's Financial Services LLC	Fellow subsidiary
Standard & Poor's' International LLC, USA	Fellow subsidiary
S&P Global Market Intelligence LLC.	Fellow subsidiary
S&P Global UK Limited	Fellow subsidiary
CRISIL Irevna UK Limited	Fellow subsidiary
CRISIL Irevna USA LLC	Fellow subsidiary
CRISIL Irevna Poland SP.Zo.o	Fellow subsidiary
CRISIL Irevna Argentina S .A.	Fellow subsidiary
CRISIL Irevna Information Technology (Hangzhou) Co.	Fellow subsidiary
Coalition Development Limited, UK	Fellow subsidiary
Coalition Development Singapore Pte Limited	Fellow subsidiary
CRISIL Risk and Infrastructure Company Limited	Fellow subsidiary
Mr. Anupam Kaura	Director
Mr. Sanjay Chakravarti	Director
Mr. Amish Mehta	Director
CRISIL Foundation	Controlled trust

Name of the related party	Nature of transaction	Period from January 24, 2018 to December 31, 2018 Amount in Rupees
CRISIL Limited	Professional services rendered	3,320,000
	Reimbursement of expense paid	25,480,368
	Reimbursement of expense paid - ESOP	5,847,974
	Amount payable (Net)	27,110,379
	Management support charges	36,700,806
	Interest charge on loan taken	59,479
	Loan from CRISIL	10,000,000
	Interest on loan payable to CRISIL	16,471
	Repayment of Loan	10,000,000
CRISIL Irevna US LLC	Professional fees incurred	13,585,803
	Amount payable	8,762,632
CRISIL RISK and Infrastructure Solution Limited	Purchase of fixed assets	268,180

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

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

Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 14 March 2019

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For Pragmatix Services Private Limited

Anupam Kaura
Director
DIN - 07790067

Amish Mehta
Director
DIN - 00046254

Place: Mumbai
Date: 14 March 2019