

Standalone Financial Statements

Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 December 2021, 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 ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant 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.

Key Audit Matter

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition:</p> <p>The Company's income from operations comprises of income from global research and risk solutions services, customized research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Refer Note 2.14 to the standalone financial statements, for details of revenue recognized during the year.</p>	<p>Our audit of the recognition of contract revenue included, but was not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the revenue recognition policies adopted by the Company; • Evaluated key controls around the recognition of contract revenue. Tested the design, implementation and operating effectiveness of these identified key controls during the year and as at the year-end. • Evaluated the appropriateness of accounting policies selected by the Company on the basis of our understanding of the Company, the nature and size of its operation, and the requirement of the relevant accounting standards under the IND AS framework;

Due to the significance of the item to the financial statements, complexities involved, and management judgement involved for ensuring appropriateness of accounting treatment, this matter has been identified as a key audit matter for the current year's audit.

- On a sample of contracts, tested the revenue recognition and our procedures included:
 - reviewing the contract terms and conditions;
 - evaluating the identification of performance obligations of the contract;
 - evaluating the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent recognition of revenue; and
 - evaluating the reasonableness of the estimates involved in the recognition of revenue.
- Tested revenue recognition for cut-off transactions on sample basis to assess whether the timing of revenue recognition is appropriate;
- Evaluated the appropriateness and adequacy of the disclosures made in the accompanying standalone financial statements for revenue recorded during the year.

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

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

7. The accompanying standalone 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 standalone 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act

for safeguarding 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.

8. In preparing the financial statements, 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. 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

10. 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.
11. As part of an audit in accordance with Standards

on Auditing, 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 management's 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.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that

were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. 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.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. 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 standalone 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 December 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 February 2022 as per Annexure II 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 36 (A) (2) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2021.;
- 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 2021.;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 December 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423ACIRZB6965

Place: Mumbai

Date: 15 February 2022

Annexure I

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited on the standalone financial statements for the year ended 31 December 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular; and
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under subsection (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax, sales-tax and service-tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rupees in lakhs)	Amount paid under Protest (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending	
Income Tax Act, 1961	Income tax	50	-	AY 2000-01	High Court (Bombay)	
		46	-	AY 2002-03		
		36	-	AY 2003-04		
		32	-	AY 2004-05		
		29	-	AY 2005-06		
		17	10	AY 2006-07		CIT (Appeals)
		832	-	AY 2007-08		High Court (Madras)
		75	-	AY 2007-08		CIT (Appeals)
		338	127	AY 2008-09		Income Tax Appellate Tribunal (ITAT)
		*	-	AY 2008-09		CIT (Appeals)
		406	354	AY 2009-10	ITAT	
		63	-	AY 2009-10	CIT (Appeals)	
		381	381	AY 2010-11		
			511	501	AY 2011-12	ITAT
			1,117	286	AY 2012-13	
			201	-	AY 2013-14	
			51	3	AY 2013-14	
			127	8	AY 2014-15	
			4,345	-	AY 2014-15	CIT (Appeals)
			132	19	AY 2015-16	
	4,135	700	AY 2016-17			
	5,062	-	AY 2017-18			
	5,588	-	AY 2018-19			
Finance Act, 1994	Service tax	487	14	April 2013 to June 2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	
The Haryana Value Added Tax Act, 2003	Value added tax	*	-	FY 2016-17	Excise & Taxation Officer	

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable

*represent amount lesser than ₹ 1 lakh

to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

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

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

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

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

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

by the applicable Ind AS.

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

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

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423ACIRZB6965

Place: Mumbai

Date: 15 February 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of CRISIL Limited ('the Company') as at and for the year ended 31 December 2021, 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.

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.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN:22042423ACIRZB6965

Place: Mumbai

Date: 15 February 2022

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 2021, 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.

Standalone Balance Sheet

as at December 31, 2021

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	2,704	3,101
(b) Right of use assets	4	10,635	10,697
(c) Intangible assets	5	951	795
(d) Intangible assets under development		463	979
(e) Financial assets			
i. Investments	6	40,431	37,921
ii. Loans	7	2,945	2,317
iii. Other financial assets	8	5	61
(f) Deferred tax assets (net)	9	3,053	2,433
(g) Tax assets	10	7,164	4,145
(h) Other non-current assets	11	161	372
2. Current assets			
(a) Financial assets			
i. Investments	6	30,298	29,298
ii. Trade receivables	12	15,969	11,723
iii. Cash and cash equivalents	13	10,272	9,775
iv. Other bank balances	14	222	168
v. Loans	15	294	6,685
vi. Other financial assets	16	6,801	10,387
(b) Other current assets	17	6,488	2,754
3. Asset held for sale	18	-	318
TOTAL ASSETS		138,856	133,929
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	19	729	726
(b) Other equity	20	96,412	68,806
2. Non-current liabilities			
(a) Financial liabilities			
Other financial liabilities	21	7,178	7,896
(b) Provisions	22	1,647	1,688
(c) Other non-current liabilities	23	41	-
3. Current liabilities			
(a) Financial liabilities			
i. Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		5	9
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,850	5,486
ii. Other financial liabilities	25	11,677	38,033
(b) Provisions	26	5,722	5,557
(c) Other current liabilities	27	6,595	5,728
TOTAL EQUITY AND LIABILITIES		138,856	133,929
Summary of significant accounting policies	2		

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

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

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Place: Mumbai

Date: February 15, 2022

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer
Place: Mumbai

Date: February 15, 2022

Amish Mehta

Managing Director and Chief Executive Officer
[DIN: 00046254]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Standalone Statement of Profit and Loss

for the year ended December 31, 2021

(Rupees in lakhs)

Particulars	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Income			
Revenue from operations	28	105,291	88,878
Other income	29	33,228	10,395
Total		138,519	99,273
Expenses			
Employee benefits expenses	30	49,085	43,634
Finance cost	31	567	694
Depreciation and amortisation expenses	32	5,289	6,568
Other expenses	33	32,963	26,544
Total		87,904	77,440
Profit before exceptional item		50,615	21,833
Exceptional items	18.1	4,582	-
Profit before tax		55,917	21,833
Tax expense	9		
Current tax		8,309	5,928
Deferred tax		(814)	(767)
Total tax expense		7,495	5,161
Profit after tax for the year		47,702	16,672
Other comprehensive (income) / expense (OCI)			
A. Items that will be reclassified to profit or loss:			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		(645)	(579)
Tax effect on above		162	146
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(68)	390
Equity instruments through other comprehensive income		(2,510)	3,052
Tax effect on above		32	(118)
Total other comprehensive (income) / loss		(3,029)	2,891
Total comprehensive income for the year		50,731	13,781
Earnings per share : Nominal value of Rupee 1 per share	43		
Basic		65.57	23.00
Diluted		65.50	22.98
Number of equity shares used in computing earnings per share			
Basic		72,750,531	72,494,072
Diluted		72,827,971	72,547,286
Summary of significant accounting policies	2		

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

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

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Place: Mumbai
Date: February 15, 2022

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer
Place: Mumbai

Date: February 15, 2022

Amish Mehta

Managing Director and Chief Executive Officer
[DIN: 00046254]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Standalone Cash Flow Statement

for the year ended December 31, 2021

(Rupees in lakhs)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
A. Cash flow from operating activities:		
Profit before tax	55,197	21,833
Adjustments for :		
Depreciation/ amortisation	6,209	7,473
Interest income on financial assets carried at amortized cost	(195)	(249)
Waiver of lease liability	(53)	(167)
Unrealised foreign exchange gain	198	(701)
(Profit)/ loss on sale of property, plant and equipment	(4,645)	1
(Profit)/ loss on fair valuation of current investments	(205)	(252)
(Profit)/ loss on sale of current investments	(574)	(698)
Interest on lease liability	726	691
Interest on bank overdraft	-	3
Provision for doubtful debts / bad debts	228	140
Provision for doubtful security deposits	9	28
Excess provision written back	(364)	(395)
Interest on bank deposits	(19)	(46)
Interest on loan from subsidiary	(82)	(811)
Dividend on investments	(25,788)	(441)
Share based payment to employees	157	76
Operating profit before working capital changes	30,799	26,485
Movements in working capital		
(Increase)/decrease in trade receivables	(4,474)	3,462
(Increase)/decrease in loans	360	469
(Increase)/decrease in other non-current assets	157	100
(Increase)/decrease in other current financial assets	(1,527)	(5,562)
(Increase)/decrease in other current assets	(3,734)	(423)
Increase/(decrease) in trade payables	3,745	(1,249)
Increase/(decrease) in provisions	192	205
Increase/(decrease) in other current financial liabilities	(27,353)	27,693
Increase/(decrease) in other current liabilities	867	(7,192)
Increase/(decrease) in other non-current financial liabilities	454	(40)
Increase/(decrease) in other non-current liabilities	41	-
Cash generated from operations	(473)	43,948
Taxes paid	(11,328)	(5,258)
Net cash (used in)/ generated from operating activities - (A)	(11,801)	38,690
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances)	(1,585)	(2,576)
Proceeds from sale of property, plant and equipment, intangible assets and asset held for sale	5,112	77
Interest on loan from subsidiaries	240	654
Loan (given to)/ repaid by subsidiaries (net)	5,089	(4,764)
Proceed received from Transfer of Business Unit (Ratings)	5,170	-
Investment in mutual funds (net)	(221)	(3,123)
Investment in CRISIL Ratings Limited	-	(2,600)
Fixed deposit with maturity more than three months placed	(2)	(7)
Interest on bank deposits	15	47

Standalone Cash Flow Statement

for the year ended December 31, 2021

(Rupees in lakhs)

Particulars	Year ended	
	December 31, 2021	December 31, 2020
Dividend on investments	25,788	441
Net cash generated from/ (used in) investing activities - (B)	39,606	(11,851)
C. Cash flow from financing activities :		
Proceeds on account of share application money pending allotment	223	-
Receipts from subsidiaries for employee stock option cost (ESOS)	75	171
Receipts from issuance of share capital on account of exercise of ESOS	4,146	3,522
Dividend paid	(27,649)	(23,203)
Payment of lease liability	(4,103)	(4,679)
Interest on bank overdraft	-	(3)
Net cash used in financing activities - (C)	(27,308)	(24,192)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	497	2,647
Cash and cash equivalents - Opening balance	9,775	7,127
Add : Exchange difference on translation of foreign currency cash and cash equivalents	-	1
Cash and cash equivalents - Closing balance	10,272	9,775
Net increase in cash and cash equivalents	9,775	7,127
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	10,272	9,775
Total	10,272	9,775

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

This is the Standalone Cash Flow Statement referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N500013

Khushroo B. Panthaky

Partner
Membership No.:042423

Place: Mumbai
Date: February 15, 2022

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer
Place: Mumbai

Date: February 15, 2022

Amish Mehta

Managing Director and Chief Executive Officer
[DIN: 00046254]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Statement of Changes in Equity

for the year ended December 31, 2021

A. Equity share capital		(Rupees in lakhs)	
	Balance as at January 1, 2021	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2021
	726	3	729
	Balance as at January 1, 2020	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2020
	723	3	726

B. Other equity		(Rupees in lakhs)								
Particulars		Reserves & Surplus					Items of OCI		Total	
		Share application money pending allotment	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Retained earnings	Equity Instruments through OCI		Hedge reserve
Balance as at January 1, 2021		-	27	25,058	14,115	5,483	51,199	(27,545)	469	68,806
Profit for the year		-	-	-	-	-	47,702	-	-	47,702
Additions during the year		223	-	4,143	-	-	-	-	-	4,366
Share based payment to employees		-	-	-	-	157	-	-	-	157
Other comprehensive income		-	-	-	-	-	51	2,496	483	3,030
Final dividend (Refer Note 44)		-	-	-	-	-	(10,175)	-	-	(10,175)
Interim dividend (Refer Note 44)		-	-	-	-	-	(17,474)	-	-	(17,474)
Exercise of stock option		-	-	1,328	-	(1,328)	-	-	-	-
Balance as at December 31, 2021		223	27	30,529	14,115	4,312	71,303	(25,049)	952	96,412

Statement of Changes in Equity

for the year ended December 31, 2021

(Rupees in lakhs)

Particulars	Reserves & Surplus					Items of Other Comprehensive Income (OCI)			Total
	Share application money pending allotment	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Retained earnings	Equity Instruments through OCI	Hedge reserve	
Balance as at January 1, 2020	-	27	20,107	14,115	6,668	58,713	(24,514)	36	75,152
Profit for the year	-	-	-	-	-	16,672	-	-	16,672
Additions during the year	-	-	3,519	-	-	-	-	-	3,519
Share based payment to employees	-	-	-	-	247	-	-	-	247
Transitional impact on implementation of Ind AS 116 Leases (Refer Note 41)	-	-	-	-	-	(690)	-	-	(690)
Other comprehensive income	-	-	-	-	-	(293)	(3,031)	433	(2,891)
Final dividend (Refer Note 44)	-	-	-	-	-	(9,422)	-	-	(9,422)
Interim dividend (Refer Note 44)	-	-	-	-	-	(13,781)	-	-	(13,781)
Exercise of stock option	-	-	1,432	-	(1,432)	-	-	-	-
Balance as at December 31, 2020	-	27	25,058	14,115	5,483	51,199	(27,545)	469	68,806

(Refer Note 20)

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

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

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No.:001076N/N5000013

Khushroo B. Panthaky

Partner
Membership No.: 042423

Place: Mumbai

Date: February 15, 2022

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer
Place: Mumbai

Date: February 15, 2022

Amish Mehta

Managing Director and Chief Executive Officer
[DIN: 00046254]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai

Summary of significant accounting policies and other explanatory information to standalone financial statements as at and for the year ended December 31, 2021

1. Corporate information

CRISIL Limited (the Company or CRISIL) [CIN: L67120MH1987PLC042363] is a globally-diversified analytical Company providing ratings and research services. CRISIL is the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better. CRISIL Limited is a public limited Company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognized stock exchanges in India- The Bombay Stock Exchange and the National Stock Exchange.

These standalone financial statements for the year ended December 31, 2021 were approved by the Board of Directors on February 15, 2022.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 66.88% as on December 31, 2021 of the Company's equity share capital (Refer Note 19).

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets

for processing and their 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 judgments

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

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**
Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when it is assessed, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.
- **Leases**
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to

the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

- **Provisions**

Provision is 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.

- **Share-based payments**

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 impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount 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/amortization is provided on straight line method (SLM) over useful life.

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

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

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

2.7 Impairment

a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is 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) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken

into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

b) Impairment of financial assets

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

- i) Financial assets that are measured at amortized cost e.g., loans, deposits, and bank balances.
- 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.

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

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 on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

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 consideration.

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 leases. All other leases are classified as operating leases.

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

2.11 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are 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

a) 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.

b) Derivative financial instruments

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

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

(i) Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(ii) Receivable hedge

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion

of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses).

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Company transfers amounts from this reserve to retained earnings if these equity instruments are derecognized. 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 wherein 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, global research and risk solutions services, customised research, special assignments and subscriptions to information products and services, revenue from IPO grading services and independent equity research (IER) services.

- Subscription to information products and services and revenue from IER are accounted on a time

proportion basis and revenue is straight lined over the period of performance.

- Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out in a time proportion basis.
- Global research and risk solutions revenue consists of time and material contracts which is recognised on output basis measured by number of hours/days/weeks worked at the rates specified in the agreements.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Revenue from group companies is recognised based on transaction price which is at arm's length.

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.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. 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.

Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognized at fair value in the statement of profit and loss under 'other income', where all attaching conditions will be complied with and to the extent there is no significant uncertainty as to the ultimate realization on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

Interest income

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

Dividend income

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

Profit/(loss) on sale of current investment

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

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.

2.16 Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are 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.

2.17 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.

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

2.18 Earnings per share

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

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

2.19 Dividend

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

2.20 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.

2.21 Non-current assets held for sale and Discontinued operations

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

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

2.22 Exceptional Items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performane of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head exceptional items.

2.23 Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments will be applicable for the Company w.e.f. financial year January 1, 2022.

3. Property, plant and equipment

For the year ended December 31, 2021

(Rupees in lakhs)

Particulars	Carrying value			Accumulated depreciation			Net block		
	As at January 1, 2021	Additions	Deductions	Adjustments	As at December 31, 2021	Up to January 1, 2021	For the year	Up to December 31, 2021	As at December 31, 2021
Buildings	10	-	-	-	10	10	-	10	-
Furniture and fixtures	833	67	184	-	716	635	61	551	165
Office equipments	1,673	17	243	-	1,447	1,246	108	1,143	304
Computers	6,792	1,009	649	-	7,152	4,796	1,101	5,249	1,903
Vehicles	327	147	116	-	358	250	73	207	151
Leasehold improvements	3,352	-	212	-	3,140	2,949	145	2,959	181
Total	12,987	1,240	1,404	-	12,823	9,886	1,488	10,119	2,704

For the year ended December 31, 2020

(Rupees in lakhs)

Particulars	Carrying value			Accumulated depreciation			Net block		
	As at January 1, 2020	Additions	Deductions	Adjustments (Refer Note 48)	As at December 31, 2020	Up to January 1, 2020	For the year	Up to December 31, 2020	As at December 31, 2020
Buildings	10	-	-	-	10	10	-	10	-
Furniture and fixtures	925	39	123	8	833	665	75	635	198
Office equipments	1,703	42	27	45	1,673	1,176	123	1,246	427
Computers	5,627	1,531	35	331	6,792	4,190	895	4,796	1,996
Vehicles	601	24	148	150	327	341	115	250	77
Leasehold improvements	3,070	325	43	-	3,352	2,725	252	2,949	403
Total	11,936	1,961	376	534	12,987	9,107	1,460	9,886	3,101

4. Right of use asset

For the year ended December 31, 2021

Particulars	Carrying value				Accumulated depreciation				Net block As at December 31, 2021	
	As at January 1, 2021	Additions	Lease modification	Adjustments	As at December 31, 2021	Up to January 1, 2021	For the year modification	Lease Adjustments		Up to December 31, 2021
Building	14,345	4,049	(208)	-	18,186	3,648	3,962	(59)	7,551	10,635
Total	14,345	4,049	(208)	-	18,186	3,648	3,962	(59)	7,551	10,635

(Rupees in lakhs)

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated depreciation				Net block As at December 31, 2020	
	Transitional impact of Ind AS 116 (Refer Note 41)	Additions	Lease modification	Adjustments	As at December 31, 2020	Up to January 1, 2020	For the year modification	Lease Adjustments		Up to December 31, 2020
Building	15,580	1,104	(2,339)	-	14,345	-	4,912	(1,264)	3,648	10,697
Total	15,580	1,104	(2,339)	-	14,345	-	4,912	(1,264)	3,648	10,697

(Rupees in lakhs)

5. Intangible assets

For the year ended December 31, 2021

Particulars	Carrying value				Accumulated amortisation				Net block As at December 31, 2021	
	As at January 1, 2021	Additions	Deductions	Adjustments	As at December 31, 2021	Up to January 1, 2021	For the year	Deductions		Adjustments
Software	3,402	915	1	-	4,316	2,607	759	1	-	951
Total	3,402	915	1	-	4,316	2,607	759	1	-	951

(Rupees in lakhs)

For the year ended December 31, 2020

Particulars	Carrying value				Accumulated amortisation				Net block As at December 31, 2020	
	As at January 1, 2020	Additions	Deductions	Adjustments (Refer Note-48)	As at December 31, 2020	Up to January 1, 2020	For the year	Deductions		Adjustments (Refer Note 48)
Software	2,595	817	-	10	3,402	1,508	1,101	-	2	795
Total	2,595	817	-	10	3,402	1,508	1,101	-	2	795

(Rupees in lakhs)

6. Investments

A. Non-current investments	As at December 31, 2021		As at December 31, 2020	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
Investments in subsidiaries				
<i>Unquoted equity investments carried at cost</i>				
Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Rupee 1 each, fully paid up (Refer Note 6.1)	49,999,970	707	49,999,970	707
Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up (Refer Note 6.1)	5,514,100	11,585	5,514,100	11,585
Equity Shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up (Refer Note 6.1)	704,018	147	704,018	147
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited (Refer Note 6.1)	-	244	-	244
Equity Shares of Pragmatix Services Private Limited of Rupees 10 each, fully paid up	3,140,000	5,600	3,140,000	5,600
Equity Shares of CRISIL Ratings Limited of Rupee 1 each, fully paid up	261,000,000	2,610	261,000,000	2,610
Sub - total (a)		20,893		20,893
Other investments				
<i>Unquoted equity investments carried at fair value through OCI (Refer Notes 6.2 and 35)</i>				
Equity Shares of Caribbean Information and Credit Rating Agency of US \$1 each, fully paid up	300,000	256	300,000	155
Equity Shares of National Commodity and Derivative Exchange Limited of Rupees 10 each, fully paid up	1,875,000	3,043	1,875,000	3,082
Sub - total (b)		3,299		3,237
<i>Quoted equity investments carried at fair value through OCI (Refer Notes 6.2 and 35)</i>				
Equity Share of CARE Ratings Limited of Rupees 10 each, fully paid up	2,622,431	16,239	2,622,431	13,791
Equity Share of ICRA Limited of Rupees 10 each, fully paid up (Refer Note 6.3)	1	-	1	-
Sub - total (c)		16,239		13,791
Total non-current investments (A) - (a + b + c)		40,431		37,921

B. Current investments	As at December 31, 2021		As at December 31, 2020	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
Investments in mutual funds				
<i>(Unquoted investments carried at fair value through profit and loss)</i>				
<i>(Refer Note 35)</i>				
Nippon India Low Duration Fund - Direct - Growth	159,277	4,987	-	-
Nippon India Ultra Short Duration Fund - Direct - Growth	142,757	4,976	-	-
UTI Treasury Advantage Fund - Direct - Growth	172,141	4,926	-	-
UTI Short Term Income Fund - Direct - Growth	18,291,399	4,845	-	-
ICICI Prudential Savings Fund - Direct - Growth	1,147,227	4,981	-	-
Sundaram Short Duration Fund - Direct - Growth	8,565,805	3,231	-	-
Kotak Low Duration Fund - Direct - Growth	81,920	2,352	-	-
L&T Banking and PSU Debt Fund - Direct Plan - Growth	-	-	8,531,402	1,715
ICICI Prudential Savings Fund - Direct Plan - Growth	-	-	1,168,989	4,885
Invesco India Treasury Advantage Fund - Direct Plan - Growth	-	-	149,826	4,533
DSP Banking and PSU Debt Fund - Direct - Growth	-	-	25,079,791	4,805
IDFC Ultra Short Term Fund - Direct Plan - Growth	-	-	13,849,417	1,645
IDFC Low Duration Fund - Growth - Direct Plan	-	-	16,238,534	4,939
Aditya Birla Sun Life Savings Fund - Growth - Direct Plan	-	-	1,135,020	4,802
Kotak Savings Fund - Direct Plan - Growth	-	-	5,741,861	1,974
Total investments in mutual funds (B)		30,298		29,298
Total investments (A + B)		70,729		67,219

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

- 6.1 Includes deemed investment on account of share based payment recharge to employees of subsidiary companies.
- 6.2 The total dividend recognized pertaining to FVTOCI instruments for the year ended December 31, 2021 was Rupees 429 lakhs and for the year ended December 31, 2020 was Rupees 433 lakhs. Dividend from equity investments designated as FVTOCI relates to investments held at the end of the reporting period. For all the equity instruments that are classified by the Company as FVTOCI, fair value changes on the instrument, excluding dividends, are recognized in the OCI. The Company recognizes dividend in statement of profit and loss under the head "other income".
- 6.3 '-' in amounts' columns denote amounts less than Rupees 50,000.

7. Loans (Non-current)

(Rupees in lakhs)

Particulars	As at	
	December 31, 2021	December 31, 2020
<i>Unsecured, considered good, unless otherwise stated</i>		
Security deposits	2,945	2,317
Total	2,945	2,317
Sub-classification of loans:		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	2,945	2,317
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	-	-
Less: Allowance for impairment loss	-	-
Total	2,945	2,317

8. Other financial assets (Non-current)

(Rupees in lakhs)

Particulars	As at	
	December 31, 2021	December 31, 2020
<i>Unsecured, considered good, unless otherwise stated</i>		
Interest accrued on fixed deposits (Refer Note 8.1)	-	4
Other bank balances		
Bank deposits with original maturity for more than 12 months {Deposit includes fixed deposits with banks Rupees 5 lakhs (Previous year: 6 lakhs) marked as lien for guarantees issued by banks on behalf of the Company (Refer Note 36A[1])}	5	57
Total	5	61

8.1 '-' in amounts' columns denote amounts less than Rupees 50,000.

9. Income tax

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Current tax	8,309	5,928
Deferred tax	(814)	(767)
Total income tax expense recognised in current year	7,495	5,161

The tax year for the Company being the year ending March 31, 2022, the tax expense for the year is the aggregate of the provision made for the three month period ended March 31, 2021 and the provision for the nine month period ended December 31, 2021. The tax provision for the nine month period has been arrived at using effective tax rate for the period April 1, 2021 to March 31, 2022.

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

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Profit before tax	55,197	21,833
Enacted income tax rate in India for fiscal year ended March 31, 2022 and March 31, 2021. (%)	25.17%	25.17%
Computed expected tax expense	13,892	5,495
Effect of:		
Income exempt from tax	(6,490)	(111)
Expenses that are not deductible in determining taxable profit	158	162
Tax expense/(reversal) of prior years	(120)	(368)
Others	54	(17)
Total income tax expense recognised in the statement of profit and loss	7,495	5,161

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, 2021

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in retained earnings	Recognised in OCI	Others	Closing balance
Deferred tax liability on :						
Gains from other investments	622	-	-	15	-	637
Gains from mutual funds	63	(12)	-	-	-	51
Gains / losses on forward contracts	159	-	-	162	-	321
Gross deferred tax liability	844	(12)	-	177	-	1,009
Deferred tax asset on :						
Discounting on security deposits	165	(156)	-	-	-	9
Provision for compensated absences	1,246	38	-	-	-	1,284
Provision for bonus and commission	(86)	896	-	-	-	810
Provision for gratuity	479	11	-	(17)	-	473
Provision for doubtful debt	134	(10)	-	-	-	124
40A(ia) of the Income Tax Act, 1961 and other items	46	(45)	-	-	-	1
Property, plant and equipment and intangibles	960	(166)	-	-	-	794
On lease liability and right to use	333	234	-	-	-	567
Gross deferred tax asset	3,277	802	-	(17)	-	4,062
Net deferred tax asset	2,433	814	-	(194)	-	3,053

As at December 31, 2020

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in retained earnings	Recognised in OCI	Others*	Closing balance
Deferred tax liability on :						
Gains from other investments	642	-	-	(20)	-	622
Gains from mutual funds	91	(28)	-	-	-	63
Gains / losses on forward contracts	13	-	-	146	-	159
Gross deferred tax liability	746	(28)	-	126	-	844
Deferred tax asset on :						
Discounting on security deposits	12	153	-	-	-	165
Provision for compensated absences	1,238	233	-	-	(225)	1,246
Provision for bonus and commission	123	64	-	98	(371)	(86)
Provision for gratuity	535	28	-	-	(84)	479
Provision for doubtful debt	261	55	-	-	(182)	134
Unearned revenue	531	-	-	-	(531)	-
40A(ia) of the Income Tax Act, 1961 and other items	43	3	-	-	-	46
Property, plant and equipment and intangibles	839	102	-	-	19	960
On lease liability and right to use	-	101	232	-	-	333
Gross deferred tax asset	3,582	739	232	98	(1,374)	3,277
Net deferred tax asset	2,836	767	232	(28)	(1,374)	2,433

* represents the amount of deferred tax as on December 31, 2020 pertaining to Rating business which has been transferred to CRISIL Ratings Limited. (Refer Note 48)

10. Tax assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Advance income-tax (net of provision for taxation)	7,164	4,145
{Provision of tax Rupees 128,359 lakhs (Previous year : Rupees 120,050 lakhs)}		
Total	7,164	4,145

11. Other non-current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Capital advance	-	54
Prepaid expenses	161	318
Total	161	372

12. Trade receivable (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured (Refer Note 39)	15,969	11,723
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	449	490
Less: Allowance for impairment loss	(449)	(490)
Total	15,969	11,723

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.

Reconciliation of loss allowance:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Opening balance	490	1,008
Transferred to CRISIL Ratings Limited	-	(714)
Movement during the year	(41)	196
Closing balance	449	490

13. Cash and cash equivalents (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Balances with banks:		
On current accounts	10,272	9,775
Total	10,272	9,775

14. Other bank balances (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
On unpaid dividend accounts	78	76
"Deposit with original maturity for more than 3 months but less than 12 months {(Deposit includes fixed deposits with banks Rupees 5 lakhs (Previous year Rupees 5 lakhs) marked as lien for guarantees issued by banks on behalf of the Company. (Refer Note 36A[1])}"	144	92
Total	222	168

15. Loans (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
<i>Unsecured, considered good, unless otherwise stated</i>		
Loan to subsidiaries (Refer Notes 39 and 40)	-	5,089
Loans to employees	172	213
Security deposits		
- Considered good	122	1,383
- Considered doubtful	46	43
Less: Allowance for impairment loss	(46)	(43)
Total	294	6,685
Sub-classification of loans:		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	294	6,685
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	46	43
Less: Allowance for impairment loss	(46)	(43)
Total	294	6,685

16. Other financial assets (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Unsecured, considered good, unless otherwise stated		
Amount recoverable (Refer Note 39)	962	909
Receivable from CRISIL Ratings Limited on account of transfer of business against purchase consideration (Refer Note 39)	-	5,170
Unbilled receivables (Refer Note 16.1)	4,556	3,301
Accrued interest on fixed deposit	11	3
Interest accrued on loan to subsidiaries (Refer Note 39)	-	158
Fair value of foreign currency forward contract (Refer Note 35)	1,272	846
Total	6,801	10,387

16.1 The balance lying in unbilled receivables as at December 31, 2020 is fully billed during the current year.

17. Other current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Prepaid expense	1,687	1,104
Balances with government authorities	3,195	863
Advances to suppliers and employees	1,606	787
Total	6,488	2,754

18. Asset held for sale

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2020	December 31, 2020
Building (Refer Note 18.1)	-	318
Total	-	318

18.1 The Company had classified a building premise as asset held for sale at its carrying value Rupees 318 lakhs as at December 31, 2020. During the current year, the Company has sold the building for Rs 4,900 lakhs which has resulted in profit of Rs 4,582 lakhs, disclosed under exceptional item.

19. Equity share capital

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Authorised capital:		
100,000,000 equity shares of Rupee 1 each (Previous year 100,000,000 equity shares of Rupee 1 each)	1,000	1,000
Issued, subscribed and paid up:		
772,868,446 equity shares of Rupee 1 each fully paid up (Previous year 72,593,290 equity shares of Rupee 1 each)"	729	726
Total	729	726

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

Equity shares

Particulars	As at December 31, 2021	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	726	72,593,290
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 47)	3	275,156
Outstanding at the end of the year	729	72,868,446

Particulars	As at December 31, 2020	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	723	72,304,326
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 47)	3	288,964
Outstanding at the end of the year	726	72,593,290

(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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Group Holding of the S&P Global Inc.		
31,209,480 equity shares of Rupee 1 each fully paid held by S&P India, LLC, fellow subsidiary (Previous year 31,209,480 equity shares of Rupee 1 each)	312	312
11,523,106 equity shares of Rupee 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (Previous year 11,523,106 equity shares of Rupee 1 each)	115	115
6,000,000 equity shares of Rupee 1 are held by Standard & Poor's International LLC, fellow subsidiary (Previous year 6,000,000 equity shares of Rupee 1 each) "	60	60
Total	487	487

(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 preceding December 31, 2021

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

Name of the shareholder	As at December 31, 2021	
	% holding in the class	Nos.
Equity shares of Rupee 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	42.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.81%	11,523,106
c) Standard & Poor's International LLC	8.23%	6,000,000
2. Life Insurance Corporation of India	4.62%	3,363,528
3. Jhunjhunwala Rakesh and Rekha	5.49%	40,00,000

Name of the shareholder	As at December 31, 2020	
	% holding in the class	Nos.
Equity shares of Rupee 1 each fully paid		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	42.99%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.87%	11,523,106
c) Standard & Poor's International LLC	8.27%	6,000,000
2. Life Insurance Corporation of India	5.95%	4,321,911
3. Jhunjhunwala Rakesh and Rekha	5.48%	3,975,000

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 ownerships of shares.

(f) Shares reserved for issue under options

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

(g) Capital management

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

20. Explanation of reserves**a) General reserve**

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

b) Securities premium

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

c) Retained earnings

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

d) Share-based payment reserve

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

e) Other comprehensive income (OCI)

Other comprehensive income includes fair value changes in equity instruments and hedge reserve through OCI.

f) Hedge reserve

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

g) Capital redemption reserve

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

h) Share application money pending allotment

It represent the amount received on the application on which allotment is not yet made (pending allotment).

21. Other financial liabilities (non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Employee related payables	953	499
Lease liability (Refer Note 41)	6,225	7,397
Total	7,178	7,896

22. Provisions (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Gratuity (Refer Note 42)	1,647	1,688
Total	1,647	1,688

23. Other non-current liabilities

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Unearned revenue	41	-
Total	41	-

24. Trade payables (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Total outstanding dues of micro enterprises and small enterprises (as per intimation received from suppliers)	5	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,850	5,486
Total	8,855	5,495

24.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
- Principal amount remaining unpaid, but not due	5	9
- Interest due thereon as at year end	-	-
- Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
- Interest accrued and remaining unpaid as at year end	-	-
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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.

25. Other financial liabilities (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Employee related payables	6,923	6,622
Lease liability (Refer Note 41)	4,665	3,668
Payable to CRISIL Ratings Limited on account of transfer of business (Refer Note 39)	-	27,619
Unpaid dividend (Investor education and protection fund will be credited as and when due)	78	76
Sundry deposits	11	48
Total	11,677	38,033

26. Provisions (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Compensated absences (Refer Note 42)	5,101	4,951
Gratuity (Refer Note 42)	621	606
Total	5,722	5,557

27. Other current liabilities

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Statutory liabilities	2,801	2,079
Advance received from customer (Refer Note 27.1)	147	191
Unearned revenue (Refer Note 27.1)	3,647	3,458
Total	6,595	5,728

27.1 The balance lying in 'Unearned revenue' and 'Advance received from customer' as at December 31, 2020 is fully recognised as revenue during the current year.

28. Income from operations

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Ratings services	23,313	21,709
Research services	81,978	67,169
Total	105,291	88,878

28.1 The Company disaggregates revenue from contracts with customers by nature of services which has been described above. Further, disaggregation of revenue by geographical region is as under :

(Rupees in lakhs)

Geographical region	Year ended	Year ended
	December 31, 2021	December 31, 2020
India	20,124	12,905
Europe	24,809	25,893
North America	52,916	41,730
Rest of the world	7,442	8,350
Total	105,291	88,878

28.2 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.

29. Other income

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Interest on :		
- Bank deposits	19	46
- Loan to subsidiaries (Refer Note 39)	82	811
- Financial assets carried at amortized cost	195	249
Grant income (Refer Note 49)	-	2,649
Profit on sale of property, plant and equipment	63	-
Dividend on investments (Refer Note 39)	25,788	441
Foreign exchange gain (net)	639	1,542
Profit on sale of current investments	574	698
Profit on fair valuation of current investments	205	252
Excess provision written back	364	395
Support and management fees	4,641	3,116
Miscellaneous income	658	196
Total	33,228	10,395

30. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Salaries, wages and bonus	48,346	41,245
Share based payment to employees	82	76
Contribution to provident and other funds	1,435	1,327
Contribution to gratuity fund (Refer Note 42)	684	666
Staff training and welfare expenses (Refer Note 42)	1,105	999
Less: Recoveries from subsidiaries towards overhead allocated	(2,567)	(679)
Total	49,085	43,634

31. Finance cost

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Interest expense on bank overdraft	-	3
Interest on lease liability (Refer Note 41)	726	842
Reimbursement of interest on lease liability recovered from subsidiaries	(159)	(151)
Total	567	694

32. Depreciation and amortisation

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Depreciation and amortisation on tangible, intangible and right of use assets (Refer Notes 3, 4 and 5)	6,209	7,473
Less: Reimbursement of common depreciation recovered from subsidiaries	(920)	(905)
Total	5,289	6,568

33. Other expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Repairs and maintenance - buildings	884	1,482
Repairs and maintenance - others	567	630
Electricity	286	493
Communication expenses	860	906
Insurance	117	119
Rent (Refer Note 41)	576	128
Rates and taxes	176	219
Printing and stationery	65	64
Conveyance and travelling	124	741
Books and periodicals	914	791
Vehicle expenses	2	2
Remuneration to non-whole time directors	195	161
Business promotion and advertisement	18	37
Professional fees (Refer Note 39)	23,762	19,743
Associate service fee	2,583	2,282
Software purchase and maintenance expenses	2,197	1,215
Provision for doubtful deposits	9	28
Provision for doubtful debts / bad debts	228	140
Loss on sale of property, plant and equipment	-	1
Corporate social responsibility (CSR) expenses (Refer Notes 39 and 45)	637	774
Donation (Refer Note 39)	6	84
Auditors' remuneration (Refer Note 37)	69	65
Recruitment expenses	288	197
Miscellaneous expenses	237	352
Less : Recoveries from subsidiaries towards overhead allocated	(1,837)	(4,110)
Total	32,963	26,544

34. 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 35. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarized below:

34.1 Market risk

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

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas operations, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of December 31, 2021 and December 31, 2020, the Company has entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given. (Refer Note 35.2)

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

Particulars	As at December 31, 2021			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	26,054	4,636	19,452	3,461
GBP	6,030	68	6,048	68
EURO	1,336	-	1,128	-
Others	269	2,668	33	496

Particulars	As at December 31, 2020			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	27,849	1,682	20,446	1,235
GBP	2,711	-	2,687	-
EURO	1,148	-	1,030	-
Others	362	1,907	142	324

For the year ended December 31, 2021, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by Rupees 1,132 lakhs (+/-4.07 %). For the year ended December 31, 2020, operating margins would increase/decrease by Rupees 1,137 lakhs (+/-6.08 %). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

Price risk

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

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 6. If the prices had been higher/lower by 5% from the market prices existing as at the reporting date, profit would increase/decrease by Rupees 1,515 lakhs and Rupees 1,465 lakhs for the year ended December 31, 2021 and for the year ended December 31, 2020 respectively.

The Company is also exposed to price risk arising mainly from investments in equity instruments recognized at FVTOCI. The details of such investment are given under Note 6. If the equity prices had been higher/lower by 5% from the market prices existing as at the reporting date, OCI for the year ended December 31, 2021 would increase/decrease by Rupees 812 lakhs and Rupees 690 lakhs for the year ended December 31, 2020.

34.2 Liquidity risk

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

Liquidity risk management

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

The treasury position of the Company is given below:

Financial assets maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Trade receivables	15,969	11,723
Cash and cash equivalents	10,272	9,775
Other bank balances	222	168
Loans	294	6,685
Investments in mutual funds	30,298	29,298
Other financial assets	6,801	10,387
Total	63,856	68,036

Financial liabilities maturing within and after one year:

(Rupees in lakhs)

Particulars	As at December 31, 2021		As at December 31, 2020	
	within one year	after one year	within one year	after one year
Trade payables	8,855	-	5,495	-
Other financial liabilities	11,677	7,178	38,033	7,896
Total	20,532	7,178	43,528	7,896

34.3 Business and credit risks

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

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

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

(Rupees in lakhs)

Receivables	As at	As at
	December 31, 2021	December 31, 2020
<= 6 months	15,140	11,653
> 6 months but <= 1 year	995	508
> 1 year	283	52
Provision for doubtful receivables	(449)	(490)

35. Financial Instruments

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

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
<u>Investments</u>								
Quoted equity investments	-	-	-	16,239	-	-	16,239	16,239
Unquoted equity investments	-	-	-	3,299	-	-	3,299	3,299
Mutual funds	-	-	30,298	-	-	-	30,298	30,298
Cash and cash equivalents	10,272	-	-	-	-	-	10,272	10,272
Other bank balances	222	-	-	-	-	-	222	222
Trade receivables	15,969	-	-	-	-	-	15,969	15,969
Loans	3,239	-	-	-	-	-	3,239	3,239
Other financial assets	5,534	-	-	-	-	1,272	6,806	6,806
Total	35,236	-	30,298	19,538	-	1,272	86,344	86,344
Liabilities								
Trade payables	8,855	-	-	-	-	-	8,855	8,855
Other financial liabilities	18,855	-	-	-	-	-	18,855	18,855
Total	27,710	-	-	-	-	-	27,710	27,710

The carrying value and fair value of financial instruments by categories as at December 31, 2020 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
<u>Investments</u>								
Quoted equity investments	-	-	-	13,791	-	-	13,791	13,791
Unquoted equity investments	-	-	-	3,237	-	-	3,237	3,237
Mutual funds	-	-	29,298	-	-	-	29,298	29,298
Cash and cash equivalents	9,775	-	-	-	-	-	9,775	9,775
Other bank balances	168	-	-	-	-	-	168	168
Trade receivables	11,723	-	-	-	-	-	11,723	11,723
Loans	9,002	-	-	-	-	-	9,002	9,002
Other financial assets	9,602	-	-	-	-	846	10,448	10,448
Total	40,270	-	29,298	17,028	-	846	87,442	87,442
Liabilities								
Trade payables	5,495	-	-	-	-	-	5,495	5,495
Other financial liabilities	45,929	-	-	-	-	-	45,929	45,929
Total	51,424	-	-	-	-	-	51,424	51,424

35.1 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 as at December 31, 2021 and December 31, 2020.

Particulars	(Rupees in lakhs)					
	As at December 31, 2021			As at December 31, 2020		
	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	30,298	-	-	29,298	-	-
B Investments at FVTOCI						
1. Quoted equity shares	16,239	-	-	13,791	-	-
2. Unquoted equity shares	-	-	3,299	-	-	3,237
C Forward contracts receivable	-	1,272	-	-	846	-

35.2 Derivative financial instruments and hedging activity

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

As at December 31, 2021

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	35	57,320	44,368	Jan - Dec-22	77.40	683	(683)
	GBP	21	7,288	7,699	Jan - Dec-22	105.64	201	(201)
	EUR	12	6,846	6,317	Jan - Dec-22	92.27	388	(388)

As at December 31, 2020

Type of Hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	20	39,791	30,796	Jan - Dec-21	77.40	974	(974)
	GBP	11	6,080	6,005	Jan - Dec-21	98.76	(219)	219
	EUR	12	4,212	3,763	Jan - Dec-21	89.34	(128)	128
Receivables hedge								
i) Foreign exchange forward contracts	USD	1	6,250	4,896	6-Jul-21	78.34	219	(219)

Movement in cash flow hedging reserve

(Rupees in lakhs)

Particulars	Foreign exchange forward contract
As at January 1, 2020	36
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	161
Less: Amounts reclassified to profit or loss	418
Less: Tax relating to above (net)	(146)
As at January 1, 2021	469
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	2,295
Add: Amounts reclassified to profit or loss	(1,650)
Less: Tax relating to above (net)	(162)
As at December 31, 2021	952

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

Revenue hedge

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

Receivable hedge

The ineffective portion of cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses).

Details of unhedged foreign exposure

Currency	As at December 31, 2021			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	26,054	4,636	19,452	3,461
GBP	6,030	68	6,048	68
EUR	1,336	-	1,128	-
Others	269	2,668	33	496
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
Others	796	-	105	-
Currency	As at December 31, 2020			
	(Foreign Currency in '000)		(Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Monetary				
USD	27,849	1,682	20,446	1,235
GBP	2,711	-	2,687	-
EUR	1,148	-	1,030	-
Others	362	1,907	142	324
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
Others	796	-	105	-

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

(Rupees in lakhs)

Receivables	As at	As at
	December 31, 2021	December 31, 2020
A. Contingent liabilities		
1. Bank guarantee in the normal course of business	99	75
2. Disputed income tax, sales tax, service tax and GST demand:		
(i) Pending before appellate authorities in respect of which the Company is in appeal	22,851	8,544
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,146	1,146
3. Provident fund		
Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.		
The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions of operations in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.		
	24,096	9,765
B. Capital commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for. Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various authorities.	708	189
Total	24,804	9,954

37. Auditors' remuneration includes :

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Audit fees (including limited review fees)	58	52
In any other matter:		
Certification work	7	7
Out of pocket expenses	4	6
Total	69	65

38. Segment reporting

In accordance with Paragraph 3 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

39. List of related parties

Parties	Relationship
Related parties where control exists	
S&P Global Inc.	Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited (Refer Note 50)	Subsidiary
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
Pragmatix Services Private Limited (Refer Note 50)	Subsidiary
CRISIL Ratings Limited (Refer Note 48)	Subsidiary
CRISIL Irevna Australia Pty Ltd	Subsidiary of CRISIL Irevna UK Limited (with effect from August 28, 2020)
Greenwich Associates LLC	Subsidiary of CRISIL Irevna US LLC (with effect from February 26, 2020)
Greenwich Associates International, LLC	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020 and till December 22, 2020)
Greenwich Associates UK (Holdings) Limited	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020 and till October 13, 2021)
Greenwich Associates Singapore PTE. LTD.	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates Japan K.K.	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates Canada ULC	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
Greenwich Associates UK Limited	Subsidiary of Greenwich Associates LLC (with effect from February 26, 2020)
CRISIL Foundation	Controlled Trust
Other related parties (to the extent where transaction have taken place)	
S&P India, LLC	Fellow subsidiary
Standard & Poor's International LLC	Fellow subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow subsidiary
S&P Global Canada Corp.	Fellow subsidiary
S&P Global UK Limited	Fellow subsidiary
S&P Capital IQ (India) Private Limited	Fellow subsidiary
S&P Global Ratings Europe Limited	Fellow subsidiary
S&P Global Ratings UK Limited	Fellow subsidiary
Standard & Poor's Financial Services, LLC	Fellow subsidiary
S&P Global Ratings Singapore Pte Ltd	Fellow subsidiary
S&P Global Ratings Hong Kong Limited	Fellow subsidiary
S&P Global Ratings Australia Pty Ltd	Fellow subsidiary
S&P Global Ratings Japan Inc.	Fellow subsidiary
S&P Global Market Intelligence LLC	Fellow subsidiary
S&P Trucost Limited	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
Nreach Online Services Private Limited	Private company in which a Director is interested (with effect from October 1, 2021)
Key Management Personnel	
Girish Paranjpe	Independent Director
Vinita Bali	Independent Director
Amar Raj Bindra	Independent Director (with effect from December 1, 2021)
Shyamala Gopinath	Independent Director (with effect from July 10, 2020)
M. Damodaran	Independent Director (upto October 1, 2021)
Arundhati Bhattacharya	Independent Director (upto April 15, 2020)
Ewout Steenbergen	Director
Elizabeth Mann	Director (with effect from November 29, 2021)
Martin Fraenkel	Director (upto November 29, 2021)
John L Berisford	Chairman
Ashu Suyash *	Managing Director and Chief Executive Officer (upto September 30, 2021)
Amish Mehta *	Managing Director and Chief Executive Officer (with effect from October 1, 2021)
Sanjay Chakravarti *	Chief Financial Officer
Minal Bhosale *	Company Secretary

* Related parties as per Companies Act, 2013

Transactions with related parties

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the	As at and for the
		year ended December 31, 2021	year ended December 31, 2020
S&P Global UK Limited	Professional services rendered	733	690
	Amount receivable	92	220
S&P Global Canada Corp.	Professional services rendered	195	161
	Reimbursement of expenses received	-	1
	Amount receivable	17	15
S&P Global Ratings Europe Limited	Professional services rendered	2,773	4,516
	Amount receivable	-	830
S&P Global Ratings UK Limited	Professional services rendered	2,054	-
	Amount receivable	2	-
Standard & Poor's Financial Services, LLC	Professional services rendered	13,922	13,354
	Reimbursement of expenses received	-	22
	Amount receivable	17	23
S&P Global Ratings Singapore Pte Ltd	Professional services rendered	522	656
	Amount receivable	50	46
S&P Global Ratings Hong Kong Limited	Professional services rendered	1,616	1,221
	Amount receivable	377	326
S&P Global Ratings Australia Pty Ltd	Professional services rendered	643	608
	Amount receivable	-*	55
S&P Global Ratings Japan Inc.	Professional services rendered	292	289
	Amount receivable	-	25
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	1,169	1,232
	Amount receivable	52	909
S&P Capital IQ (India) Private Limited	Reimbursement of expenses received	-	22
	Amount receivable	-	-*
S&P Global Market Intelligence LLC	Subscription fees paid	103	143
	Professional services rendered	112	2
S&P Trucost Limited	Professional services rendered	174	-
	Amount receivable	23	-
S&P India, LLC	Dividend paid	11,860	9,987
	Share capital outstanding	312	312
Standard & Poor's International LLC	Dividend paid	2,280	1,920
	Share capital outstanding	60	60
	Reimbursement of expenses received	-	-*
	Amount receivable	-*	-*
S&P Global Asian Holdings Pte. Limited	Dividend paid	4,379	3,687
	Share capital outstanding	115	115
S&P Global Inc.	Professional services rendered	2	2
	Reimbursement of expenses received	-*	-
Asia Index Private Limited	Reimbursement of expenses paid	2	4
Nreach Online Services Private Limited	Purchase of material	3	-
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	6	-*
	Professional fees paid	13	-
	Expenses recovered	653	400
	Share of overhead expenses received	1,002	1,127
	Reimbursement of expense received (ESOS)	6	13
	Transfer of employee related liabilities	36	11
	Transfer of funds to CRIS	13	-
	Sale of property, plant and equipment	4	-
	Purchase of property, plant and equipment	-	1
	Loan given	450	750
	Loan repaid	950	300
	Loan outstanding	-	500
	Interest on loan received	40	40
	Interest receivable	-	17
Investment outstanding	707	707	

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended December 31, 2021	As at and for the year ended December 31, 2020
	Amount receivable	301	454
CRISIL Irevna UK Limited	Professional services rendered	17,377	16,357
	Support and management fee	595	398
	Support services for product development	-	203
	Reimbursement of expenses received	-	30
	Reimbursement of expense received (ESOS)	4	11
	Reimbursement of expenses paid	19	-
	Loan given	-	14,991
	Loan repaid	4,589	10,925
	Loan outstanding	-	4,589
	Interest income	41	770
	Interest amount receivable	-	141
	Investment outstanding	11,585	11,585
	Amount receivable	5,144	2,236
CRISIL Irevna Australia Pty Ltd	Professional services paid	817	-
	Amount payable	119	-
CRISIL Irevna US LLC	Professional services rendered	571	1,381
	Billing done on behalf of Company	1,053	6,482
	Professional fees paid	7,182	6,493
	Support and management fee	335	366
	Reimbursement of expenses received	270	88
	Reimbursement of expenses paid	595	-
	Sale of property, plant and equipment	-	2
	Amount received on behalf of the Company	-	2,201
	Reimbursement of expense received (ESOS)	3	(7)
	Amount receivable (net)	-	184
	Amount payable (net)	2,832	-
CRISIL Irevna Argentina, S.A.	Professional fees paid	4,504	5,039
	Investment outstanding	147	147
	Reimbursement of expenses paid	6	-
	Amount payable	795	404
CRISIL Irevna Poland Sp.zo.o	Professional fees paid	2,268	1,424
	Amount payable	183	264
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Dividend income	459	-
	Professional fees paid	2,414	1,789
	Investment outstanding	244	244
	Amount payable	241	167
Coalition Development Limited	Professional services rendered	2,828	1,423
	Support and management fee	1,103	1,098
	Reimbursement of expense received (ESOS)	30	5
	Reimbursement of expense received	90	-
	Amount payable	147	191
Coalition Development Singapore Pte Limited	Professional services rendered	3,701	4,151
	Reimbursement of expense received (ESOS)	8	18
	Professional fees paid	366	354
	Amount receivable	1	128
	Amount payable	66	95
CRISIL Foundation	Donation	637	850
	Donation collected from employees and paid to foundation	39	-
	Reimbursement of expenses received	-	14
	Amount receivable	-	4
Pragmatix Services Private Limited	Professional fees paid	129	-
	Expenses recovered	306	97
	Share of overhead expenses received	615	532
	Reimbursement of expense received (ESOS)	31	50
	Transfer of employee related liabilities	33	6
	Purchase of property, plant and equipment	-	-*
	Dividend income	200	-
	Loan given	50	-
	Loan repaid	50	275

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended	As at and for the year ended
		December 31, 2021	December 31, 2020
	Interest income	-*	1
	Investment outstanding	5,600	5,600
	Amount receivable (net)	453	396
CRISIL Ratings Limited	Investment made during the year	-	2,600
	Investment outstanding	2,610	2,610
	Professional fees rendered	118	-
	Professional fees paid	190	-
	Transfer of funds	9,918	-
	Transfer of employee related liabilities	166	-
	Dividend income	24,700	-
	Sale of property, plant and equipment	5	-
	Purchase of property, plant and equipment	-*	-
	Net assets transferred to CRISIL Ratings Limited	-	5,170
	Reimbursement of expense received	-	30
	Reimbursement of expense received (ESOS)	(8)	83
	Share of overhead expenses received	3,197	3,070
	Expenses recovered	2,435	856
	Amount receivable	131	5,170
	Amount payable (net)	-	27,619
Greenwich Associates LLC	Professional services rendered	575	208
	Professional fees paid	17	63
	Support and management fee	965	-
	Amount receivable	356	65
	Amount payable	-	62
Girish Paranjpe	Sitting fees and commission	52	44
Shyamala Gopinath	Sitting fees and commission	46	19
Arundhati Bhattacharya	Sitting fees and commission	-	11
Vinita Bali	Sitting fees and commission	53	43
M. Damodaran	Sitting fees and commission	39	44
Amar Raj Bindra	Sitting fees and commission	5	-
Ashu Suyash**	Remuneration	1,073	633
	Transfer of assets	43	-
Amish Mehta**	Remuneration	620	399
Sanjay Chakravarti**	Remuneration	257	172
Minal Bhosale**	Remuneration	118	96

-* in amounts column denote amount less than Rupees 50,000

**Note: Employee benefits that requires actuarial valuation or are linked to events or fulfilment of conditions are disclosed in Managerial Remuneration as and when paid.

40. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013 and disclosure under SEBI (LODR) Regulations, 2016:

(Rupees in lakhs)

Name of the entity	Relationship	Purpose for which the loan to be utilised	Particulars of loans	Amount outstanding as at	Amount outstanding as at	Maximum amount outstanding during the year
				December 31, 2021	December 31, 2020	
CRISIL Risk and Infrastructure Solutions Limited (CRIS)	100% subsidiary	Operational	The loan is repayable on demand. These loans carry interest @ 12.50% per annum.	-	500	725
CRISIL Irevna UK Limited	100% subsidiary	Acquisition	Loan given as an unsecured loan for 10 years carrying an interest @ 6.41% per annum for financing acquisition.	-	4,589	4,589

For details of investments and advances provided to related parties Refer Note 39

41. Leases

The Company had adopted Ind AS 116 effective January 1, 2020, using the modified retrospective method and has applied the standard to its leases with the cumulative impact recognized on the date of initial application i.e. January 1, 2020. The Company has elected not to recognize right-to-use assets and lease liabilities for short term leases (lease term of 12 months or less) and leases of low-value and has recognized the lease payments for such leases as an expense over the lease term.

41.1 The following is the movement in lease liabilities :

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Balance as at January 1, 2021	11,065	-
Additions (transitional impact on adoption of Ind AS 116)	-	15,105
Additions during the year	3,322	1,053
Add: Interest recognised during the year	726	842
Less: Waiver of lease rent	-	(25)
Less: Change in lease term	(120)	(1,231)
Payment made	(4,103)	(4,679)
Balance as at December 31, 2021	10,890	11,065

41.2 The table below provides details regarding the contractual maturities of lease liabilities as at December 31, 2021 on an undiscounted basis:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
<u>Future minimum lease payments:</u>		
Not later than one year	4,573	4,072
Later than one year and not later than five years	7,030	10,053
Later than five years	128	238
Total	11,731	14,363

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short term leases as per Ind AS 16 was Rupees 576 lakhs (Previous year Rupees 128 lakhs) for the year.

Effective January 1, 2020, the Company has adopted Ind AS 116, Leases and has recognised interest on lease liability of Rupees 726 lakhs (Previous year Rupees 842 lakhs) under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation expense in the Statement of Profit and Loss. (Refer Note 32)

42. Gratuity and other post employment benefits plans

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

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

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

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Current service cost	610	565
Interest cost on defined benefit obligation	109	105
Re-measurement - actuarial (gain)/loss (recognized in OCI)	(69)	410
Expected return on plan assets (recognized in OCI)	1	(20)
Adjustment	(35)	(4)
Net gratuity benefit expense	616	1,056

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Present value of funded obligations	4,778	4,620
Fair value of plan assets	(2,510)	(2,326)
Net liability	2,268	2,294

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Opening defined benefit obligation	4,620	4,445
Current service cost	610	565
Interest cost	262	246
Acquisitions/ transfer (credit)/ cost	(56)	(669)
Actuarial (gain)/loss	(11)	(28)
Actuarial (gain)/loss (financial assumptions)	(58)	438
Benefits paid	(589)	(377)
Closing defined benefit obligation	4,778	4,620

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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2021	December 31, 2020
Opening fair value of plan assets	2,326	2,320
Acquisition/ transfer adjustment	-	(384)
Interest (income) / expense on plan assets	153	141
Contribution by employer	621	606
Return on plan assets greater / (lesser) than discount rate	(1)	20
Benefits paid	(589)	(377)
Closing fair value of plan assets	2,510	2,326

The defined benefit obligation shall mature after December 31, 2021 as follows:

Particulars	Rupees in lakhs
December 31, 2022	462
December 31, 2023	542
December 31, 2024	568
December 31, 2025	634
December 31, 2026	712
December 31, 2027 to December 31, 2031	4,111

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

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Investment with insurer	100%	100%

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

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

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Discount rate	6.20%	5.70%
Rate of return on plan assets	7.00%	7.00%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	"10% for First 4 years starting 2022 and 7% thereafter"	"10% for First 4 years starting 2021 and 7% thereafter"
Expected employer's contribution next year (Rupees in lakhs)	621	606

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

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Government securities	87%	81%
Fixed deposit, debentures and bonds	9%	13%
Others	4%	6%
Total	100%	100%

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	(175)
Effect on DBO due to 0.5% decrease in discount rate	187
Salary escalation rate	(Rupees in lakhs)
Effect on DBO due to 0.5% increase in salary escalation rate	151
Effect on DBO due to 0.5% decrease in salary escalation rate	(147)

Other benefits

The Company has recognised the following amounts in the statement of profit and loss: (Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
i. Contribution to provident fund	1,267	1,170
ii. Contribution to other funds	168	157

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rupees 5,101 lakhs has been made as at December 31, 2021 (Rupees 4,951 lakhs as at December 31, 2020).

43. Earning per share

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

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2021	December 31, 2020
Net profit for calculation of basic/diluted EPS	47,702	16,672

Particulars	Year ended	Year ended
	December 31, 2020 (Nos.)	December 31, 2020 (Nos.)
Weighted average number of equity shares in calculating basic EPS	72,750,531	72,494,072
Effect of dilution:		
Add: weighted average stock options granted under ESOS	77,440	53,214
Weighted average number of equity shares in calculating diluted EPS	72,827,971	72,547,286

Earnings per share : Nominal value of Rupee 1	Year ended December 31, 2021 (Rupees)	Year ended December 31, 2020 (Rupees)
Basic	65.57	23.00
Diluted (On account of ESOS, Refer Note 47)	65.50	22.98

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

Particulars	Year ended December 31, 2021 (Nos.)	Year ended December 31, 2020 (Nos.)
Options to purchase equity shares had anti-dilutive effect	-	110,150

44. Dividend

(Rupees in lakhs)

Particulars	Year ended December 31, 2021	Year ended December 31, 2020
Final dividend for the year 2020 (Previous year 2019) Rupees 14 per equity share (Previous year Rupees 13 per share) of Rupee 1 each	10,175	9,422
Interim dividend for the year 2021 (Previous year 2020) Rupees 24 per equity share (Previous year Rupees 19 per share) of Rupee 1 each	17,474	13,781
Total	27,649	23,203

Proposed dividend

The Board of Directors at its meeting held on February 15, 2022 have recommended a payment of final dividend of Rupees 22 (including a special dividend of Rupees 7) per equity share of face value of Rupee 1 each for the financial year ended December 31, 2021. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

- 45.** Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2021 includes Rupees 637 lakhs (Previous year Rupees 774 lakhs) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rupees 637 lakhs (Previous year Rupees 728 lakhs). Key CSR activities were education and women empowerment – financial capability building and conservation of environment.
- 46.** The Company has considered internal and external information and has performed sensitivity analyses based on current estimates, in assessing the recoverability of receivables, unbilled revenues, goodwill, intangible assets, other financial assets (including cash liquidity), and the profitability of the Company. Whilst the situation continues to be extremely dynamic, at present the Company does not see any material impact on the above. However, the actual impact of the pandemic on the Company's financial performance may differ from what is estimated, and the Company continues to monitor changes to future economic conditions.

47. Employee stock option scheme (ESOS)

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

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	3-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	08-Jan-18*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	24-Jan-18*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	4-Apr-18	164,457	1,841.35	54,818	54,818	54,820	410.12
ESOS 2014 (9)	16-Apr-19	226,155	1,568.85	75,384	75,384	75,387	332.35

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

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

The Company had three schemes under which options have been granted in the past. Under ESOS 2011, ESOS 2012, ESOS 2014 (8) and ESOS 2014 (9) option vest over three years at each of the anniversaries. ESOS 2011 and ESOS 2012 are exercisable within three years from the date of vesting and are settled in equity on exercise. ESOS 2014 (8) and ESOS 2014 (9) are exercisable within two years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 (1-7) options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

The summary for each scheme as at December 31, 2021

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	155,360	2,180.85	31,840	2,180.85	641,465	1,678.36
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Forfeited during the year	-	N.A.	21,840	2,180.85	113,044	1,918.31
Exercised during the year	23,285	2,180.85	-	N.A.	251,871	1,444.53
Expired during the year	-	-	5,000	2,180.85	34,061	1,857.97
Outstanding at the end of the year	132,075	2,180.85	5,000	2,180.85	242,489	1,784.14
Exercisable at the end of the year	132,075	2,180.85	5,000	2,180.85	157,646	1,833.47

The summary for each scheme as at December 31, 2020

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the year	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Granted during the year	-	N.A.	-	N.A.	-	N.A.
Forfeited during the year	-	N.A.	15,030	1,684.59	110,596	1,812.45
Exercised during the year	-	N.A.	19,200	1,119.85	269,764	1,226.04
Expired during the year	52,040	2,131.41	7,960	2,180.85	91,113	1,446.12
Outstanding at the end of the year	155,360	2,180.85	31,840	2,180.85	641,465	1,678.36
Exercisable at the end of the year	155,360	2,180.85	31,840	2,180.85	392,868	1,622.82

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	February 11, 2021	1,933.26
	April 19, 2021	1,859.52
	July 20, 2021	2,505.49
	September 30, 2021	2,912.00
	November 10, 2021	2,861.92

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1568.85 to 1,997.35	795 days
	2,101.10 to 2,180.85	411 days

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

Particulars	Year ended December 31, 2021		Year ended December 31, 2020	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year*	275,156	4,146	288,964	3,522
Total	275,156	4,146	288,964	3,522

The estimates of future cash inflow that may be received upon exercise of options. There are no cash settled plans implemented by the Company and hence there is no further liability booked in the books.

* Excludes share application money pending allotment.

Particulars	Year ended December 31, 2021		Year ended December 31, 2020	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	379,564	7,316	814,380	14,569
Later than two years & not later than five years	-	-	14,285	280
Total	379,564	7,316	828,665	14,849

48. Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of the Company. This transfer has been undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') which has been approved by Stock Exchanges. The Scheme has been sanctioned by the National Company Law Tribunal (NCLT) with appointed date as January 1, 2020 and the certified copy of the Order dated June 8, 2020 has been received on July 7, 2020 which has been filed with Registrar of Companies on July 20, 2020. Further SEBI and Reserve Bank of India (RBI) has given necessary approval on December 4, 2020 and December 31, 2020, respectively, to CRISIL Ratings Limited to act as a Credit Rating Agency. On receipt of approval, the Scheme became effective on December 31, 2020 with the appointed date of January 1, 2020. The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date.

- 49.** During the year, the Company received export benefits amounting to Rupees Nil (Previous year 2,649 lakhs) in the form of duty free saleable scrips under the Service Export Incentive Scheme (SEIS) from the government authorities and the same has been accounted for as Other income in the standalone financial statements.
- 50.** The management of the Company has approved arrangement for amalgamation of two wholly owned subsidiaries (CRISIL Risk and Infrastructure Solutions Limited and Pragmatix Services Private Limited - Transferor Company) with the Company in its meeting held on December 13, 2021. Following the closing of the aforesaid amalgamation, the amalgamated entity will continue its operations under the name of CRISIL Limited. The Company has already filed necessary applications to the National Company Law Tribunal (NCLT) on December 27, 2021 and awaiting for required regulatory approvals.
- 51.** Previous year's figures have been regrouped where necessary to conform to current year classification.

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.: 042423

Place: Mumbai

Date: February 15, 2022

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

John L Berisford

Chairman
[DIN: 07554902]
Place: Connecticut

Sanjay Chakravarti

Chief Financial Officer
Place: Mumbai

Date: February 15, 2022

Amish Mehta

Managing Director and
Chief Executive Officer
[DIN: 00046254]
Place: Mumbai

Minal Bhosale

Company Secretary
Place: Mumbai