

Registered number: 4111165

CRISIL IREVNA UK LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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COMPANIES HOUSE

CRISIL IREVNA UK LIMITED

COMPANY INFORMATION

Directors Ritesh Agarwal
Stephane Besson
Kshitij Bhatia
Venkataraman Srinivasan
Anupam Kaura

Company secretary Pennsec Limited

Registered number 4111165

Registered office 125 Wood Street
London
EC2V 7AW

Independent auditors Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Bankers Barclays Bank Plc
London
E14 5HP

Citibank NA
Canada Square
Canary Wharf
London
E14 5LB

CRISIL IREVNA UK LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

INTRODUCTION

The principal activity of the Company during the year was that of a sales agent for the provision of business research information services.

BUSINESS REVIEW

2018 was another year of subdued growth in the world economy. Banks focused to achieve cost efficiency and increase productivity. This opened up new opportunities for the Global Research and Analytics business ("GR&A").

In the Financial Research vertical, we have added clients on both the buy and sell sides. A majority of the incremental business has come from new areas and new clients. There was excellent demand for our services from the buy-side to sharpen their focus on offering differentiated services. We significantly increased our market presence by conducting more meetings with new and prospective clients. We also undertook several thought leadership initiatives for different client segments across contingents which received excellent responses and reinforced our position as an industry leader.

The Risk and Analytics vertical saw good demand as banks continued to face pressure from new regulations such as on fundamental reviews of trading book and reporting requirements. Investments made in the past three years to add new work-streams in Risk and Analytics to cater to new regulatory requirements have begun paying off. We have quickly achieved scale in model development, model validation and stress-testing support, and have added clients in these areas.

In terms of financial performance, turnover has reduced slightly from £35.5m in 2017 to £33.3m in the current year, and profit before tax has reduced by 23% since 2017 to £7.6m. This is largely on account of an increase in dividend from subsidiary company of £9.5m last year compare to £7m this year. The net profit after tax in 2018 is £7.5m has contributed to a stronger financial position with total equity and reserves of £39.4m.

CRISIL IREVNA UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

PRINCIPAL RISKS AND UNCERTAINTIES*Demand*

While the Company is uniquely poised to provide high-end research services to its clients, the business could be impacted on account of reduction in demand for its services from the financial services sector to which it caters.

Competition

Risk can arise from competition from existing and new entrants in the business. However, outsourcing of research services continues to increase from the top global financial services firms who see the arbitrage opportunity to leverage and maintain competitiveness. To address the risk of competition, the Company continues to expand and diversify its client base and revenue streams.

Treasury management and currency risk

It is the Directors' intention to continue to finance the activities and development of the Company from retained earnings. The Directors will maintain the strong financial position and operate the Company in a conservative fashion, whilst maintaining their focus on both profitability and cash flow. Cash surpluses are invested in short term deposits, with any working capital requirements being provided by cash resources.

The Company operates primarily in Sterling and aims to limit its exposure to currency fluctuations by disciplined management of payments and receipts, which are denominated in other currencies.

Brexit

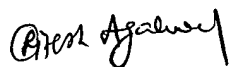
There is currently much political and economic uncertainty regarding the impact of Brexit on the British economy. Whilst the extent of the effect of Brexit on the Company remains uncertain, the Directors are monitoring the situation as it continues to develop and do not anticipate any impact on the Company's business in the immediate future.

FINANCIAL KEY PERFORMANCE INDICATORS

	2018	2017	2016	2015
	£	£	£	£
Turnover	33,317,118	35,473,880	35,657,647	28,235,245
Gross profit	2,753,121	2,621,749	2,322,218	2,503,194
Profit before tax	7,631,647	9,931,726	3,518,391	2,835,936

Profit/(loss) of the Company includes dividend income from Coalition Development Limited of £7,000,000 in 2018, £9,500,000 in 2017.

This report was approved by the board on 22nd Jan 2019 and signed on its behalf.



Ritesh Agarwal
Director

CRISIL IREVNA UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £7,538,400 (2017 £10,114,491)

The Board of Directors have not proposed the payment of a dividend during the year. (2016 : Nil)

Directors

The Directors who served during the year were:

Ritesh Agarwal
Stephane Besson
Kshitij Bhatia
Venkataraman Srinivasan
Anupam Kaura (Appointed 2nd Feb 2018)

Future developments

The Company will continue to offer a comprehensive range of business research information services.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

CRISIL IREVNA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditors

The Directors confirmed that:

- so far as each Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

Auditors

The auditors, Grant Thornton UK LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22nd Jan 2019 and signed on its behalf.



Ritesh Agarwal
Director

CRISIL IREVNA UK LIMITED

THE MODERN SLAVERY ACT 2015 STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

This statement is published by CRISIL Limited ("CRISIL") with regards to its subsidiaries, including in particular CRISIL Irevna UK Limited and Coalition Development Limited ("CRISIL Subsidiaries"), which are subject to the Modern Slavery Act 2015 ("The Act"). CRISIL and CRISIL Subsidiaries together constitute the "CRISIL Entities". This statement is made pursuant to section 54(1) of the The Act and constitutes our slavery and human trafficking statement for the financial year ending 2018.

Introduction

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

Organisation's structure

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

Our business

Our business is organised into 7 business units: Ratings, Global Research and Analytics, India Research, Infrastructure Advisory, Risk Solutions, Global Analytical Centre and Global Data Services.

Our supply chains

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

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

Our policies on slavery and human trafficking

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

Due diligence processes for slavery and human trafficking

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

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

Supplier adherence to our values

CRISIL IREVNA UK LIMITED

**THE MODERN SLAVERY ACT 2015 STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Training

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

Our effectiveness in combating slavery and human trafficking

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRISIL IREVNA UK LIMITED

We have audited the financial statements of CRISIL Irevna UK Limited (the 'company') for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes In Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

CRISIL IREVNA UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRISIL IREVNA UK LIMITED

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



uk LLP

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

7/2/2019

CRISIL IREVNA UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	33,317,118	35,473,880
Cost of sales		(30,563,997)	(32,852,131)
GROSS PROFIT		<u>2,753,121</u>	<u>2,621,749</u>
Administrative expenses		(2,064,507)	(1,876,294)
OPERATING PROFIT	4	<u>688,614</u>	<u>745,455</u>
Income from fixed assets investments	8	7,000,000	9,500,000
Interest receivable and similar income	9	3,530	201
Interest payable and expenses	10	(60,497)	(313,930)
PROFIT BEFORE TAX		<u>7,631,647</u>	<u>9,931,726</u>
Tax on profit	11	(93,247)	182,765
PROFIT FOR THE YEAR		<u>7,538,400</u>	<u>10,114,491</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £NIL).

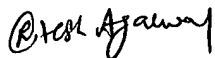
The notes on page 15 to 33 form part of those financial statements.

CRISIL IREVNA UK LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	12	-	297,707
Tangible assets	13	37,571	53,443
Investments	14	30,850,351	30,850,351
		<u>30,887,922</u>	<u>31,201,501</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	15	5,451,019	6,387,236
Cash at bank and in hand	16	7,351,333	3,139,951
		<u>12,802,352</u>	<u>9,527,187</u>
Creditors: amounts falling due within one year	17	(4,241,734)	(8,818,546)
NET CURRENT LIABILITIES		<u>8,560,618</u>	<u>708,641</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,448,540</u>	<u>31,910,142</u>
NET ASSETS		<u>39,448,540</u>	<u>31,910,142</u>
CAPITAL AND RESERVES			
Called up share capital	20	5,514,100	5,514,100
Profit and loss account		33,934,440	26,396,042
		<u>39,448,540</u>	<u>31,910,142</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22nd Jan 2019.



Ritesh Agarwal
Director

CRISIL IREVNA UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share Capital	Profit & Loss Account	Total Equity
	£	£	£
At 1 January 2018			
Comprehensive income for the year	5,514,100	26,396,040	31,910,140
Profit for the year			
Contributions by and distributions to owners	-	7,538,400	7,538,400
Dividends: Equity capital	-	-	-
At 31 December 2018	5,514,100	33,934,440	39,448,540

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	5,514,100	16,281,551	21,795,651
Profit for the year	-	10,114,491	10,114,491
AT 31 DECEMBER 2017	5,514,100	26,396,042	31,910,142

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

COMPANY INFORMATION

CRISIL Irevna UK Limited is a private company (registered number: 04111165), limited by shares, registered in England and Wales. The registered office is:

125 Wood Street
London
EC2V 7AW

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied.

1.2a FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CRISIL Limited as at 31 December 2018 and these financial statements may be obtained from CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, 400 076, India.

1.2b EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is itself a subsidiary Company and is exempted from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 5 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight line basis to the Statement of Comprehensive income over their useful economic life of 7 years.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range are:

Fixtures and fittings	- 10 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Deposit towards rent is £32,628.

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. During the year company has interest expense of £60,497 (2017: £313,930) to group company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except where a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. In such cases the charge is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgements the Company believes to have the most significant impact on the annual results under FRS 102.

Property, plant and equipment (PPE)

The estimated useful economic lives of PPE are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Company is required to evaluate the carrying values of PPE for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

Impairment of goodwill and intangible assets

The annual impairment assessment in respect of goodwill and acquisition intangibles requires estimates of the value in use (or fair value less costs to sell) of cash-generating units to which goodwill and acquisition intangibles have been allocated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows. The carrying value of goodwill is Nil (2017: £297,707). The carrying value of acquisition intangibles is Nil (2017: Nil).

Changes in respect of commercial outcomes around sales volumes, prices, margins and discount rates can impact the recoverable value. Management do not believe that any reasonably possible changes to the key assumptions would produce an impairment in the forthcoming year.

Revenue recognition and allowance for doubtful receivables

The Company recognises revenue generally at the time of service delivery and when collection of the resulting receivable is reasonably assured. When the Company considers that the criteria for revenue recognition are not met for a transaction, revenue recognition is delayed until such time as collectability is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income. At each reporting date, the Company evaluate the recoverability of trade receivables and record allowances for doubtful receivables based on experience. These allowances are based on, amongst other things, a consideration of actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
International research	33,317,118	35,473,880
	<u>33,317,118</u>	<u>35,473,880</u>

Analysis of turnover by country of

	2018	2017
	£	£
United Kingdom	23,863,451	26,691,586
Rest of Europe	4,724,743	3,833,783
Rest of the world	4,728,924	4,948,511
	<u>33,317,118</u>	<u>35,473,880</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	29,545	23,447
Amortisation of intangible assets, including goodwill	297,706	666,319
Fees payable to the Company's auditor for the audit of the Company's	12,123	13,418
Exchange differences	(157,940)	342,693

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. AUDITOR'S REMUNERATION	2018	2017
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	12,123	13,418
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	-	-
All other services	-	-
	<u>12,123</u>	<u>13,418</u>
6. EMPLOYEES	2018	2017
	£	£
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries (Including defined contribution)	6,562,917	6,883,928
Social security costs	839,382	823,090
	<u>7,402,298</u>	<u>7,707,019</u>

The average monthly number of employees, including the Directors, during the year was as follows:

2018	2017
No.	No.
<u>74</u>	<u>79</u>

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. DIRECTORS EMOLUMENTS	2018	2017
	£	£
Directors' emoluments	472,451	602,826
Company contributions to defined contribution pension schemes	6,932	6,028
	<u>479,383</u>	<u>608,854</u>

The highest paid Director received remuneration of £241,370 (2017:£456,526).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £4,211 (2017:£4,565).

8. INCOME FROM INVESTMENTS	2018	2017
	£	£
Dividends received from subsidiary	<u>7,000,000</u>	<u>9,500,000</u>

9. INTEREST RECEIVED	2018	2017
Other interest	<u>3,530</u>	<u>201</u>

10. INTEREST AND SIMILAR CHARGES	2018	2017
	£	£
Other interest (paid to group company)	<u>60,497</u>	<u>313,930</u>

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. TAXATION	2018	2017
	£	£
Current tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	39	7,206
	39	7,206
Group taxation relief		-
	<u>39</u>	<u>7,206</u>
Deferred tax		
Origination and reversal of timing differences	93,208	(189,971)
Changes to tax rates	-	0
	<u>93,208</u>	<u>(189,971)</u>
Taxation on profit on ordinary activities	<u>93,247</u>	<u>(182,765)</u>

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

FACTORS EFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than 2017. The standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>7,631,647</u>	<u>9,931,726</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of ~19.25% (2016: 20%)	1,450,012	1,912,091
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,328,301)	1,819
Capital allowances for year in excess of depreciation		
Adjustments to tax charge in respect of prior periods	(22,058)	7,206
Short term timing difference leading to an increase (decrease) in taxation		(85,160)
Other timing differences leading to an increase (decrease) in deferred tax		(189,971)
Non taxable income		(1,828,750)
Group relief claimed		
Change in tax rate	(6,406)	
Total tax charge for the year	<u>93,247</u>	<u>(182,765)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The change to UK corporation tax rates from the current rate of 19.25% to 19% as of 1 April 2018 and 17% as of 1 April 2020 will affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. INTANGIBLE FIXED ASSETS

	Customer Relation	Goodwill	Total
	£	£	£
Cost or valuation			
At 1 January 2018	2,802,998	1,759,436	4,562,434
Additions	-	-	-
Disposals	-	-	-
Transfers between classes	-	-	-
At 31 December 2018	2,802,998	1,759,436	4,562,434
Amortization			
At 1 January 2018	2,802,998	1,461,729	4,264,727
Charge owned for the period	-	297,707	297,707
Disposals	-	-	-
Transfers between classes	-	-	-
At 31 December 2018	2,802,998	1,759,436	4,562,434
At 31 December 2018	-	-	-
At 31 December 2017	-	297,707	297,707

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. TANGIBLE FIXED ASSETS

	Fixtures, fittings and office equipment	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 January 2018	5,720	97,072	102,792
Additions		25,061	25,061
Disposals		(11,389)	(11,389)
Transfers between classes			-
At 31 December 2018	5,720	110,744	116,464
Depreciation			
At 1 January 2018	2,226	47,123	49,349
Charge owned for the period	1,334	28,212	29,545
Disposals			-
Transfers between classes			-
At 31 December 2018	3,560	75,335	78,894
At 31 December 2018	2,160	35,409	37,570
At 31 December 2017	3,494	49,949	53,443

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 January 2018	30,850,352
At 31 December 2018	<u>30,850,352</u>
 NET BOOK VALUE	
At 31 December 2018	<u>30,850,352</u>
At 31 December 2017	<u>30,850,352</u>

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Ordinary share holding	Principal activity
CRISIL Irevna US LLC	USA	100 %	Provision of business research information
CRISIL Irevna Poland sp. z.o.o	Poland	100 %	Provision of financial research and data analytic services
Coalition Development UK Limited	UK	100 %	Provision of financial research and data analytic services

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
CRISIL Irevna US LLC	606,857	(811,914)
CRISIL Irevna Poland sp. z.o.o.	791,067	135,298
Coalition Development Limited	6,023,139	9,282,181

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. DEBTORS

	2018	2017
	£	£
Trade debtors	3,019,032	3,209,582
Amounts owed by group undertakings	14,342	492,014
Other debtors	45,467	116,578
Prepayments and accrued income	2,275,415	2,379,091
Deferred taxation	96,763	189,971
	<u>5,451,019</u>	<u>6,387,236</u>

16. CASH AND CASH EQUIVALENT

	2018	2017
	£	£
Cash at bank and in hand	<u>7,351,333</u>	<u>3,139,951</u>

17. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors		
Amounts owed to group undertakings	1,374,524	6,066,467
Corporation tax		
Other taxation and social security	791,863	983,061
Other creditors	1,024,884	668,330
Accruals and deferred income	1,050,463	1,100,688
	<u>4,241,734</u>	<u>8,818,546</u>

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	5,354,256	6,197,262
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(3,447,179)	(7,835,485)

Financial assets measured at amortised cost comprise unbilled revenue, amounts due from group companies, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to group companies, trade creditors, other creditors and accruals.

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. RESERVES

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

20. SHARE CAPITAL

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
5,514,100- Ordinary shares of £1 each	<u>5,514,100</u>	<u>5,514,100</u>

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amount to £201,407 (2017: £120,767). As at 31 December 2018 contributions totalling of £15,899 (2017:£12,878) were payable to the fund.

CRISIL IREVNA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

23. OPERATING LEASES

At 31 December 2018 the Company had future lease payments under operating leases as follows:

	2018 £	2017 £
Land and buildings		
Not later than 1 year	230,607	106,954
Later than 1 year and not later than 5 years	369,760	369,760
Later than 5 years	370,257	462,697
	<u>970,624</u>	<u>939,411</u>

During the year the Company recognised an expense of £286,407 (2017:£170,840) in respect of operating leases.

24. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of CRISIL Limited. CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, 400 076, India

CRISIL Irevna US.LLC, CRISIL Irevna Poland sp. z.o.o. and Coalition Development Limited are wholly owned subsidiaries of CRISIL Irevna UK Limited. Coalition Development Limited owns 100% of shares in Coalition Development Singapore Pte Limited, which is an indirect subsidiary of CRISIL Irevna UK Limited.

CRISIL Irevna Argentina S.A., CRISIL Irevna Information & Technology (hanzhou) Co. Limited, CRISIL Risk & Infrastructure Solutions Limited are associated companies of CRISIL Irevna UK Limited as they are under common control.

The total remuneration payable to key management personnel during the year was £443,967 (2017:£608,854).

25. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is CRISIL Limited. The smallest group to consolidate these financial statements is CRISIL Limited at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, 400 076, India. The largest group and ultimate controlling party is S&P Global Inc. 55 Water Street, New York, NY 10041.

Walker ChandioK & Co LLP

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Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries ('the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 December 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid..



Page 1 of 6

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

CRISIL Limited
Independent Auditor's Report on the Consolidated Financial Statements

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 December 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other matters

9. We did not audit the financial statements / financial information of 1 (one) subsidiary, whose financial statements / financial information reflect total assets of ₹ 1,600.05 lakhs and net assets of ₹ 791.13 lakhs as at 31 December 2018, total revenues of ₹ 4,995.60 lakhs and net cash inflows amounting to ₹ 404.59 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.



CRISIL Limited

Independent Auditor's Report on the Consolidated Financial Statements

Further, the above subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in the country and which has been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial statement of such subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

10. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its one subsidiary company covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year.
11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries, 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 aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated 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 of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 December 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

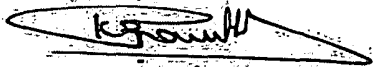


CRISIL Limited

Independent Auditor's Report on the Consolidated Financial Statements

- 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 37 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence reporting under this clause is not applicable.

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



Khushroo B. Panthaky
Partner
Membership No.: 42423

Place: Mumbai
Date: 12 February 2019

CRISIL Limited

Independent Auditor's Report on the Consolidated Financial Statements

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited on the consolidated financial statements for the year ended 31 December 2018

Independent Auditor's Report on the Internal Financial Controls 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 consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 December 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its two subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its two subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR of the Holding Company and its two subsidiary companies as aforesaid.



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Annexure I (Contd)

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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.

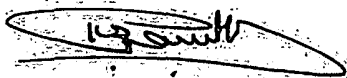
Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its two subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Khushroo B. Panthaky
Partner
Membership No.: 42423

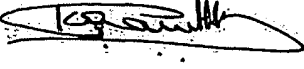
Place: Mumbai
Date: 12 February 2019

Particulars	Notes	As at	
		December 31, 2018	December 31, 2017
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	4,104	5,435
(b) Goodwill	4	27,725	23,203
(c) Intangible assets	5	3,164	708
(d) Intangible assets under development		744	1,321
(e) Financial assets			
i. Investments	6	29,359	38,611
ii. Loans	7	3,674	1,385
iii. Other financial assets	8	42	99
(f) Deferred tax assets (net)	9	5,676	3,475
(g) Tax assets	10	5,605	4,194
(h) Other non-current assets	11	790	366
2. Current assets			
(a) Financial assets			
i. Investments	6	18,303	13,933
ii. Trade receivables	12	28,483	26,042
iii. Cash and cash equivalents	13	20,307	8,869
iv. Other bank balances	14	393	4,309
v. Loans	15	855	2,854
vi. Other financial assets	16	9,407	9,890
(b) Other current assets	17	4,427	4,460
(c) Asset held for sale	18	318	318
TOTAL ASSETS		163,376	149,472
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	19	721	717
(b) Other equity		112,904	104,140
2. Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	20	8	-
ii. Other financial liabilities	21	774	412
(b) Provisions	22	1,376	1,288
(c) Other non-current liabilities	23	-	48
3. Current liabilities			
(a) Financial liabilities			
i. Short term borrowings	24	246	-
ii. Trade payables	25		
- to micro enterprises and small enterprises		26	-
- to others		6,451	5,672
iii. Other financial liabilities	26	15,939	14,788
(b) Provisions	27	6,335	6,220
(c) Tax liabilities	28	1,176	1,001
(d) Other current liabilities	29	17,420	15,186
TOTAL EQUITY AND LIABILITIES		163,376	149,472
Summary of significant accounting policies			
	2		

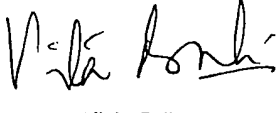
The accompanying notes are an integral part of the consolidated financial statements.
This is the Consolidated Balance Sheet referred to
in our audit report of even date

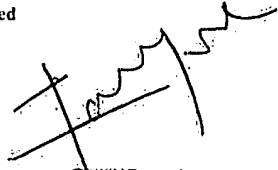
For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

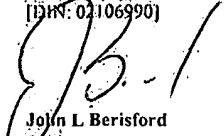

Khushroo B. Panthaky
Partner
Membership No.: 42423

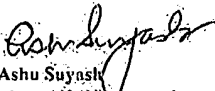

M. Damodaran
Director
[DIN: 02106990]

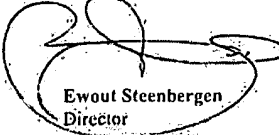

Vinita Bali
Director
[DIN: 00032940]



Grishi Paranjpe
Director
[DIN: 02172725]

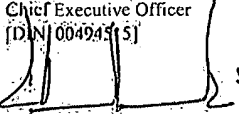
Date: February 12, 2019
Place: Mumbai

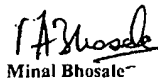

John L. Berisford
Chairman
[DIN: 07554902]

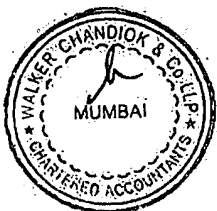

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494115]


Ewout Steenberg
Director
[DIN: 07956962]


Arundhati Bhattacharya
Director
[DIN: 02011213]


Sanjay Chakravarti
Chief Financial Officer


Minal Bhosale
Company Secretary



Date: February 12, 2019
Place: Mumbai



CRISIL Limited
Consolidated statement of profit and loss for the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Notes	Year ended	
		December 31, 2018	December 31, 2017
Income			
Revenue from operations	30	174,849	165,846
Other income	31	7,341	2,538
Total		182,190	168,384
Expenses			
Employee benefit expenses	32	88,736	84,593
Finance cost	33	223	41
Depreciation and amortisation expenses	3,5	4,282	4,664
Other expenses	34	38,990	35,725
Total		132,231	125,023
Profit before tax		49,959	43,361
Tax expense			
Current tax	10	15,707	14,648
Deferred tax		(2,058)	(1,730)
Total tax expense		13,649	12,918
Profit after tax for the year		36,310	30,443
Other comprehensive income (OCI)			
A. Items that will be reclassified to profit or loss:			
Exchange differences in translating the financial statements of a foreign operation		(482)	(754)
The effective portion of gains or (loss) on hedging instruments in a cash flow hedge		1,100	434
Tax effect on above		(385)	(150)
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		44	(229)
Equity instruments through other comprehensive income		9,252	8,336
Tax effect on above		(66)	105
Total comprehensive income for the year		26,847	22,701
Profit attributable to:			
Owners of the Company		36,310	30,443
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the Company		26,847	22,701
Non-controlling interest		-	-
Earnings per share : Nominal value of Re. 1 per share			
Basic	46	50.50	42.58
Diluted		50.33	42.32
Number of shares used in computing earnings per share			
Basic		71,904,428	71,489,561
Diluted (Refer note 46)		72,148,415	71,940,435
Summary of significant accounting policies		2	

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

This is the consolidated 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.: 42423

Date: February 12, 2019
Place: Mumbai



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

M. Damodaran
M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Vinita Bali
Director
[DIN: 00032940]

Chirish Paranjpe
Chirish Paranjpe
Director
[DIN: 02172725]

John L. Berisford
John L. Berisford
Chairman
[DIN: 07554902]

Ashu Suynsi
Ashu Suynsi
Managing Director and
Chief Executive Officer
[DIN: 00494515]

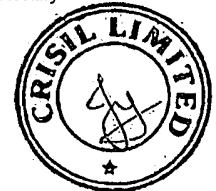
Ewout Steenberg
Ewout Steenberg
Director
[DIN: 07956962]

Arundhati Bhattacharya
Arundhati Bhattacharya
Director
[DIN: 02011213]

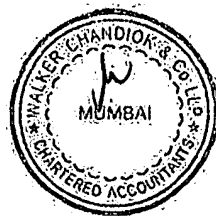
Sanjay Chakravarti
Sanjay Chakravarti
Chief Financial Officer

Minal Bhosale
Minal Bhosale
Company Secretary

Date: February 12, 2019
Place: Mumbai



Particulars		Year ended December 31, 2018	Year ended December 31, 2017
A.	Cash flow from operating activities:		
	Profit before tax	49,959	43,361
	Adjustments for :		
	Depreciation	4,282	4,664
	Interest income on financial assets carried at amortized cost	(275)	(254)
	Amortisation of foreign currency monetary item translation reserve	-	(512)
	Monetary gain from hyperinflation (Refer Note 43)	(307)	-
	Unrealised foreign exchange gain	(335)	581
	(Profit)/ loss on sale of fixed assets	(86)	(71)
	(Profit)/ loss on sale of current investments	(340)	(1,468)
	(Profit)/ loss on fair valuation of current investments	(145)	(38)
	Provision for doubtful debts / bad debts	3,754	1,448
	Provision for doubtful security deposits	10	-
	Interest income	(86)	(83)
	Share based payment to employees	1,876	1,762
	Dividend on investments	(1,457)	(328)
	Interest expense/finance cost	223	-
	Operating profit before working capital changes	57,073	49,062
	Movements in working capital		
	- (Increase)/decrease in trade receivables	(5,855)	(6,824)
	- (Increase)/decrease in loans	24	(14)
	- (Increase)/decrease in other non current assets	(256)	6
	- (Increase)/decrease in other current financial assets	(213)	(1,020)
	- (Increase)/decrease in other current assets	94	(148)
	- Increase/(decrease) in trade payables	672	1,362
	- Increase/(decrease) in provisions	349	619
	- Increase/(decrease) in other current financial liabilities	699	971
	- Increase/(decrease) in other current liabilities	1,832	1,491
	- Increase/(decrease) in other non current financial liabilities	362	297
	- Increase/(decrease) in other non current liabilities	(48)	32
	Cash generated from operations	54,733	45,834
	- Taxes paid	(16,881)	(16,763)
	Net cash generated from operating activities - (A)	37,852	29,071
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)	(3,347)	(3,387)
	Proceeds from sale of property, plant and equipment and intangible assets	169	145
	Proceeds from / (investments in) mutual funds	(3,923)	31,977
	Payment made for acquisition of Pragmatix Services Private Limited (Refer Note 44)	(5,600)	-
	Investment in CARE Ratings Limited	-	(43,389)
	Interest income	77	125
	Interest expense/finance cost	(126)	-
	Proceeds/(investment) from fixed deposits maturity	3,986	(3,465)
	Dividend on investments	1,457	328
	Net cash generated from/(used in) investing activities - (B)	(7,307)	(17,666)
C.	Cash flow from financing activities :		
	Proceeds on account of share application money	4,995	4,417
	Borrowings	(55)	-
	Dividend and dividend tax paid	(25,138)	(23,075)
	Net cash generated from/(used in) financing activities - (C)	(20,198)	(18,658)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	10,347	(7,253)
	Add / (less) : adjustment towards acquisition / (divesture) - (D)	462	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	10,809	(7,253)



CRISIL Limited

Consolidated cash flow statement for the year ended December 31, 2018

		(Rupees in lakhs)	
	Cash and cash equivalents - Opening balance	8,869	16,391
	Add : Exchange difference on translation of foreign currency cash and cash equivalents	271	(269)
	Cash and cash equivalents - Closing balance	19,949	8,869
	Net Increase/(decrease) in cash and cash equivalents	10,809	(7,253)
	Components of cash and cash equivalents :-		
	Cash on hand and balances with banks on current account	9,407	7,119
	Deposits with original maturity of less than three months	10,900	1,750
	Bank and book overdraft	(358)	
	Total	19,949	8,869

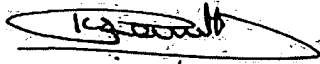
The accompanying notes are an integral part of the consolidated cash flow statement.
This is the consolidated cash flow statement referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076/N/N500013

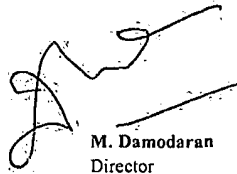
For and on behalf of the Board of Directors of CRISIL Limited



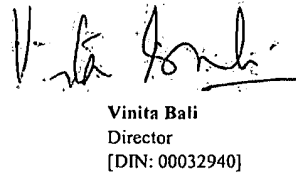
Khushroo B. Panthaky
Partner
Membership No.: 42423



Date: February 12, 2019
Place: Mumbai



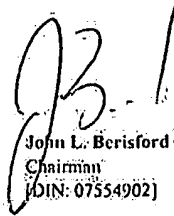
M. Damodaran
Director
[DIN: 02106990]



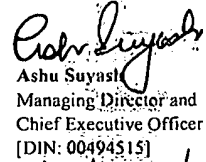
Vinita Bali
Director
[DIN: 00032940]



Girish Paranjpe
Director
[DIN: 02172725]



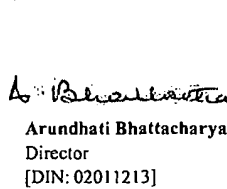
John L. Berisford
Chairman
[DIN: 07554902]



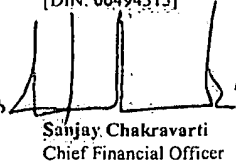
Ashu Suyal
Managing Director and
Chief Executive Officer
[DIN: 00494515]



Ewout Steenberghe
Director
[DIN: 07956962]



Arundhati Bhattacharya
Director
[DIN: 02011213]

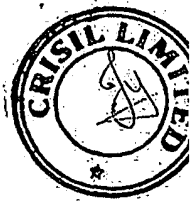


Sanjay Chakravarti
Chief Financial Officer



Minal Bhosale
Company Secretary

Date: February 12, 2019
Place: Mumbai

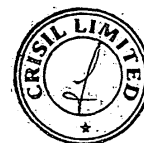


CRISIL Limited
Statement of changes in consolidated equity for the year ended December 31, 2018

(Rupees in lakhs)		
Balance as at January 1, 2018	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2018
717	4	721

(Rupees in lakhs)		
Balance as at January 1, 2017	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2017
713	4	717

(Rupees in lakhs)											
Particulars	Reserves & Surplus							Items of Other Comprehensive Income			Total
	Capital redemption reserve	Securities premium	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Special Economic Zone reinvestment reserve	Retained earnings	Equity instruments through OCI	Currency fluctuation reserve	Hedge reserve	
Refer Note 19											
Balance as at January 1, 2018:	27	10,078	14,115	6,722	(187)	300	79,482	(6,058)	(1,283)	944	104,140
Profit for the year	-	-	-	-	-	-	36,310	-	-	-	36,310
Additions during the year	-	4,991	-	-	174	-	-	-	-	-	5,165
Transfer to foreign exchange gain	-	-	-	-	13	-	-	-	-	-	13
Impact of hyperinflation (Refer Note 43)	-	-	-	-	-	-	-	-	207	-	207
Other comprehensive income	-	-	-	-	-	-	(23)	(9,207)	275	(715)	(9,670)
Share based payment to employees	-	-	-	1,877	-	-	-	-	-	-	1,877
Final dividend	-	-	-	-	-	-	(7,173)	-	-	-	(7,173)
Interim dividend	-	-	-	-	-	-	(13,679)	-	-	-	(13,679)
Corporate dividend tax	-	-	-	-	-	-	(4,286)	-	-	-	(4,286)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	150	(150)	-	-	-	-
Exercise of stock option	-	1,846	-	(1,846)	-	-	-	-	-	-	-
Balance as at December 31, 2018	27	16,915	14,115	6,753	-	450	90,481	(15,265)	(801)	229	112,904



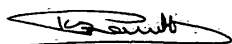
CRISIL Limited
Statement of changes in consolidated equity for the year ended December 31, 2018

Particulars	Reserves & Surplus							Items of Other Comprehensive Income			Total
	Capital redemption reserve	Securities premium	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Special Economic Zone reinvestment reserve	Retained earnings	Equity instruments through OCI	Currency fluctuation reserve	Hedge reserve	
	Refer Note 19										
Balance as at January 1, 2017	27	4,354	14,115	6,268	(699)	-	72,264	2,303	(2,036)	1,228	97,824
Profit for the year	-	-	-	-	-	-	30,443	-	-	-	30,443
Additions during the year	-	4,413	-	-	1,044	-	-	-	-	-	5,457
Transfer to foreign exchange gain	-	-	-	-	(532)	-	-	-	-	-	(532)
Share based payment to employees	-	-	-	1,765	-	-	-	-	-	-	1,765
Other comprehensive income	-	-	-	-	-	-	150	(8,361)	753	(284)	(7,742)
Final dividend	-	-	-	-	-	-	(6,420)	-	-	-	(6,420)
Interim dividend	-	-	-	-	-	-	(12,881)	-	-	-	(12,881)
Corporate dividend tax	-	-	-	-	-	-	(3,774)	-	-	-	(3,774)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	300	(300)	-	-	-	-
Exercise of stock option	-	1,311	-	(1,311)	-	-	-	-	-	-	-
Balance as at December 31, 2017	27	10,078	14,115	6,722	(187)	300	79,482	(6,058)	(1,283)	944	104,140

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

This is the consolidated statement of changes to equity referred to in our audit report of even date.

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/NS00013

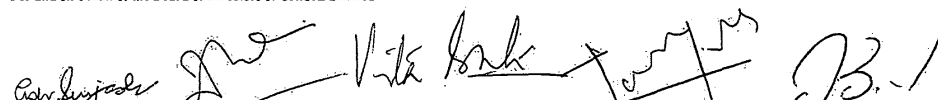



Khushroo B. Panthaky
Partner
Membership No.: 42423



Date: February 12, 2019
Place: Mumbai

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


Ashu Suyash Managing Director and Chief Executive Officer [DIN: 00494515]
M. Damodarān Director [DIN: 02106990]
Vinita Bali Director [DIN: 00032940]
Girish Paranjpe Director [DIN: 02172725]
John L. Berisford Chairman [DIN: 07554902]


Arundhati Bhattacharya Director [DIN: 02011213]
Ewert Stenbørgen Director [DIN: 07956962]
Sanjay Chakravarti Chief Financial Officer
Minal Bhosale Company Secretary

Date: February 12, 2019
Place: Mumbai



1. Corporate information

CRISIL Limited ('the Company' or 'CRISIL') (CIN: CIN L67120MH1987PLC042363) and its subsidiaries (collectively referred to as 'the Group') is a globally-diversified analytical Company providing ratings, research, risk and policy advisory services. CRISIL is India's leading ratings agency and 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 recognised stock exchanges in India-the Bombay Stock Exchange and the National Stock Exchange.

These consolidated financial statements for the year ended December 31, 2018 were approved by the Board of Directors on February 12, 2019.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 67.58% as on December 31, 2018 of the Company's equity share capital. (Refer Note 19).

2. Summary of significant accounting policies

2.1 Statement of compliance

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

2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 2.6. Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation:

The financial statements of the Group Companies are consolidated on a line-by-line basis and all intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Functional and presentation currency:

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company. All financial information is presented in Indian rupees.

2.3 Basis of preparation

These consolidated 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 Group'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 Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

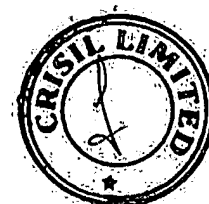
2.4 Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the consolidated 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 judgements and the use of assumptions in these consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated 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 the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

• Goodwill impairment

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and anticipated future economic and regulatory conditions.

Goodwill is tested for impairment, relying on a number of factors including operating results, business plans and future cash flows. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimated cash flows are prepared using internal forecasts.

• Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance. Revenue from infrastructure advisory services are recognized in accordance with the percentage completion method, percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project.

• 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 Group 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 2.22

• Provisions

Provision is recognised when the Group 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.

• Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by valuation experts.

• Share-based payments

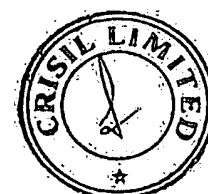
The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the 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.

2.5 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.

2.6 The consolidated financial statements represent consolidation of accounts of the Company, its subsidiaries as detailed below:

Name of the entities	Country of incorporation	Ownership in % either directly or through subsidiaries	
		December 31, 2018	December 31, 2017
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
Pragmatix Services Private Limited (Refer note 44)	India	100%	NA
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna US LLC	United States of America	100%	100%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%
CRISIL Irevna Poland Sp.zo.o.	Poland	100%	100%
Coalition Development Limited	United Kingdom	100%	100%
Coalition Development Singapore Pte Limited	Singapore	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%



2.7 Property, Plant and Equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised 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 derecognised 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 recognised 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.

2.8 Intangibles

Intangible assets are carried at cost less accumulated amortisation 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 capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on development eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.9 Depreciation/amortisation

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	4 to 16 years
Office equipment	3 to 10 years
Computers	3 years
Vehicles	3 years
Customer relationship	3 to 7 years
Technology	5 years
Database	5 years
Tradename	7 years
Platform	5 years
Software	1 to 3 years

The estimated useful lives of PPE and intangible assets and the depreciation and amortisation period are reviewed at the end of each financial year and the amortisation 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.

2.10 Impairment**a) Impairment of non-financial assets****(i) Goodwill**

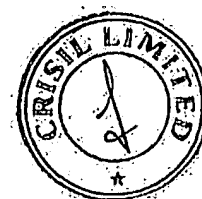
Goodwill is tested for impairment on an annual basis or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the statement of profit and loss and is not reversed in the subsequent period.

(ii) Other non financial assets

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

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

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



b) Impairment of financial assets

In accordance with Ind-AS 109, the Group 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 amortised cost e.g., loans, deposits, and bank balance.
- ii) Trade receivables.

The Group 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 Group to track changes in credit risk. Rather, it recognises 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.

2.11 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103 w.e.f. January 1, 2012. The acquisition date is the date on which control is transferred to the acquirer. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities) acquired.

When the fair value of the net identifiable assets acquired and liabilities acquired exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve. Business combinations between entities under common control is accounted at carrying value.

Transaction cost that the Group incurs in connection with business combinations such as finder fees, legal fees and other professional and consulting fees are expensed as incurred.

Goodwill is measured at cost less accumulated impairment loss.

2.12 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.13 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 the proceeds.

2.14 Fair value of financial instruments

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

2.15 Financial instruments

Initial recognition

The Group 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 amortised cost

A financial asset is subsequently measured at amortised 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)

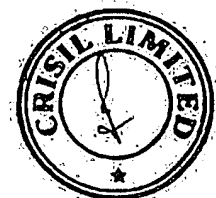
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group 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 Group 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 recognised 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 Group uses hedging instruments that are governed by the policies of the Group.

Hedge accounting

The Group uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognised immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

Derecognition of financial instruments

The Group 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 Group transfers amounts from this reserve to retained earnings when these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Provision, contingent liabilities and contingent assets:

A provision is recognized when the Group 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 recognised as a finance cost.

Contingent liabilities are disclosed in Note 37. Contingent liabilities are disclosed for:

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

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

2.17 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.

2.18 Revenue recognition:

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

Income from operations

Income from operations comprises of income from initial rating and surveillance services, global research and analytical 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. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue ratably over the estimated surveillance periods. Revenue on service contracts are recognised on completion of related services. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research is accounted over the execution period, IPO grading are recognised in the period in which such assignments are carried out. Global research and analytics revenue is recognized based on time and material at the contractual rates as service hours are delivered and direct expenses are incurred. Revenue from infrastructure advisory services are recognized in accordance with the percentage completion method. Revenue from risk management services comprises of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognized upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from consultancy services and sale of software which involves customization are recognized over execution period. Revenue from annual maintenance contracts are recognised on a time proportion basis. 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.

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

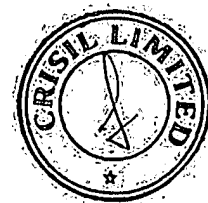
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

Dividend income is recognised when the Group'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 recognised in the statement of profit and loss.



2.19 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group 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 contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group'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 Group, the recognised 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 recognised 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 recognised 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 recognised immediately in the statement of profit and loss. The Group recognises 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 twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

In respect of foreign subsidiaries retirement benefits are governed and accrued as per local statutes and there are no defined benefit plan. The amount contributed to the defined contribution plan is charged to the statement of profit and loss account on accrual basis.

2.20 Employee stock compensation cost

The Group 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.

2.21 Foreign currency

Functional currency

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (INR), whereas the functional currency of the foreign subsidiaries is the currency of their countries of domicile. These consolidated financial statements are presented in Indian Rupees (rounded off to the nearest lakhs except otherwise indicated).

The financial statements of subsidiary companies whose functional currency is the currency of a hyperinflationary economy are adjusted for the effects of changes in general price index (to reflect the change in purchasing power of the local currency) and expressed in terms of the current unit of measurement at the closing date of the reporting period, in accordance with Ind AS 29 "Financial Reporting in Hyperinflationary Economies".

Subsidiaries with the currency of hyperinflationary economy as their functional currency are restated as per Ind AS 29 before consolidation in accordance with Ind AS 110 'Consolidated Financial Statements'. Once restated, all items of the financial statements of such a subsidiary is converted to INR the closing exchange rate. To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country such as the trend of inflation rate over the past three years.

Foreign currency transactions

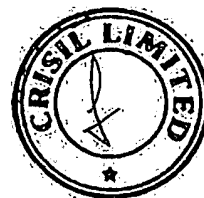
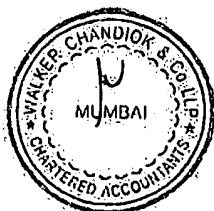
Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange prevailing at the balance sheet date. Gains and losses arising on settlement and restatement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

Foreign currency translation

Assets and liabilities of the entities with functional currency other than the presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss has been translated using monthly average exchange rates prevailing during the year. Translation adjustment have been reported as foreign currency translation reserve in the statement of changes in equity.

Exchange difference

In case of long term monetary items the exchange difference is amortised up to the date of settlement of such monetary items and charged to the statement of profit and loss. The unamortized exchange difference is carried to Foreign Currency Monetary Item Translation Difference Account (FCMITDA) under reserves and surplus. Exchange gains and losses arising on settlement of foreign currency denominated long term monetary assets and liabilities are recognized in the statement of profit and loss.



2.22 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates items recognised 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 Group:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The current income tax for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which they operate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments).

Deferred tax assets are recognised 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary difference associated with investment in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if:

- a) the Group 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 include 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 recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.23 Segment reporting policies

The Managing Director and Chief Executive Officer of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Group is structured into three reportable business segments – Rating, Research and Advisory. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Inter segment transfers:

The Group generally accounts for inter segment services and transfers as if the services or transfers were to third parties at arm length price.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.



2.24 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 Group 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.:

2.25 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.

2.26 Assets held for sale

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 amortised.

2.27 Recent accounting pronouncements

1. **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

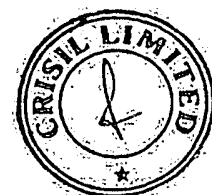
On March 28 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

2. **Ind AS 115, Revenue from Contract with Customers:**

On March 28, 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

These amendments are applicable to the Group with effect from January 1, 2019. The Group has evaluated the requirement of the amendment and the impact on the financial statements. The effects of adoption of Ind AS 21 and Ind AS 115 are expected to be insignificant.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

3. Property, plant and equipment
For the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Carrying value					Accumulated Depreciation					Net Block		
	As at January 1, 2018	Additions	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	As at December 31, 2018	Up to January 1, 2018	For the year	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	Up to December 31, 2018	As at December 31, 2018
Buildings	10	-	-	-	-	10	10	-	-	-	-	10	-
Furniture and fixtures	992	76	26	8	4	1,054	384	210	20	19	1	594	460
Office equipments	1,698	144	80	26	6	1,794	738	346	65	25	2	1,046	748
Computers	4,921	1,016	108	(67)	72	5,834	2,824	1,413	77	20	37	4,217	1,617
Vehicles	612	346	205	60	134	947	327	197	174	77	97	524	423
Leasehold improvements	3,261	396	1	(168)	-	3,488	1,776	891	1	(34)	-	2,632	856
Total	11,494	1,978	420	(141)	216	13,127	6,059	3,057	337	107	137	9,023	4,104

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Carrying value					Accumulated Depreciation					Net Block		
	As at January 1, 2017	Additions	Deductions	Currency translation reserve	Adjustments	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Currency translation reserve	Adjustments	Up to December 31, 2017	As at December 31, 2017
Buildings	10	-	-	-	-	10	8	2	-	-	-	10	-
Furniture and fixtures	946	70	39	15	-	992	202	182	14	-	-	384	608
Office equipments	1,596	142	30	(10)	-	1,698	334	419	11	(4)	-	738	960
Computers	3,529	1,421	51	22	-	4,921	1,390	1,444	48	38	-	2,824	2,097
Vehicles	452	187	63	36	-	612	165	163	36	35	-	327	285
Leasehold improvements	3,153	132	-	(24)	-	3,261	944	847	-	(15)	-	1,776	1,485
Total	9,686	1,952	183	39	-	11,494	3,043	3,057	109	68	-	6,059	5,435



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

4 Goodwill**(Rupees in lakhs)**

Goodwill consists of the following	As at	
	December 31, 2018	December 31, 2017
Carrying value at the beginning of the year	23,203	22,425
On acquisition of Pragmatix Services Private Limited (Refer Note 44)	3,621	-
Foreign currency exchange gain/(loss)	901	778
Carrying value at the end of the year	27,725	23,203
Goodwill has been allocated as follows:		
Research	24,104	23,203
Advisory	3,621	-
Total	27,725	23,203

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

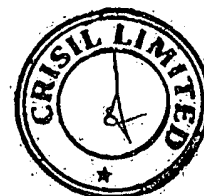
The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use, both of which are calculated by the Group using a discounted cash flow analysis. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by management. For calculation of the recoverable amount, the Group has used the following rates:

Particulars	Growth rate	Discount rate
Research business	7%	15%
Advisory business	16%	15%

The above discount rate is based on the weighted average cost of capital of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

An analysis of sensitivity of the computation to a change in key parameters (operating margins and discount rate) based on reasonably probable assumptions, did not identify any probable scenario in which recoverable amount of the CGU would decrease below its carrying amount.

As at December 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.



CRISIL Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

5. Intangible assets

For the year ended December 31, 2018:

Particulars	Carrying value						Accumulated Amortisation						(Rupees in lakhs)	
	As at	Additions	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	As at	Up to	For the year	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	Up to	Net Block	
	January 1, 2018					December 31, 2018							January 1, 2018	December 31, 2018
Technology	1,486	-	-	57	-	1,543	1,486	-	-	57	-	1,543	-	-
Database	699	-	-	27	-	726	699	-	-	27	-	726	-	-
Customer relationship	1,168	478	-	45	-	1,691	943	240	-	33	-	1,216	475	-
Tradenname	367	-	-	14	-	381	204	109	-	6	-	319	62	-
Platform	-	985	-	-	-	985	-	184	-	-	-	184	801	-
Software	898	1,903	-	288	450	3,539	578	692	-	193	290	1,713	1,826	-
Total	4,618	3,366	-	431	450	8,865	3,910	1,225	-	316	290	5,701	3,164	-

For the year ended December 31, 2017:

Particulars	Carrying value						Accumulated Amortisation						(Rupees in lakhs)	
	As at	Additions	Deductions	Currency translation reserve	Adjustments	As at	Up to	For the year	Deductions	Currency translation reserve	Adjustments	Up to	Net Block	
	January 1, 2017					December 31, 2017							January 1, 2017	December 31, 2017
Technology	1,457	-	-	29	-	1,486	921	529	-	36	-	1,486	-	-
Database	686	-	-	13	-	699	434	249	-	16	-	699	-	-
Customer relationship	1,145	-	-	23	-	1,168	476	447	-	20	-	943	225	-
Tradenname	360	-	-	7	-	367	100	100	-	4	-	204	163	-
Software	384	513	-	1	-	898	295	282	-	1	-	578	320	-
Total	4,032	513	-	73	-	4,618	2,226	1,607	-	77	-	3,910	708	-



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

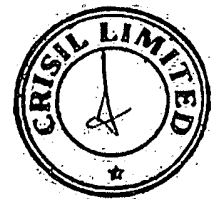
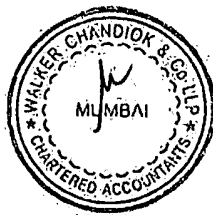
6. Investments

A. Non-current investments	As at December 31, 2018		As at December 31, 2017	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
Unquoted equity investments carried at fair value through OCI (Refer Note 35)**				
Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up	1,875,000	3,359	1,875,000	3,521
Equity Shares of Caribbean Information and Credit Rating Agency of US \$ 1 each, fully paid up	300,000	124	300,000	150
Sub - total (a)		3,483		3,671
Quoted equity investments carried at fair value through OCI (Refer Note 35)**				
Equity Share of ICRA Limited of Rs.10 each, fully paid up*	1	-	1	-
Equity Share of CARE Ratings Limited of Rs.10 each, fully paid up	2,622,431	25,876	2,622,431	34,940
Sub - total (b)		25,876		34,940
Total non-current investments - (a + b)		29,359		38,611
B. Current investments				
Investments in mutual funds	As at December 31, 2018		As at December 31, 2017	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
(Unquoted investments carried at fair value through profit and loss) (Refer Note 35)				
Canara Robeco Liquid Fund - Direct Growth	216,073	4,794	-	-
DSP Liquidity Fund - Direct Plan - Growth	144,103	3,784	-	-
Franklin India Liquid Fund - Super Institutional Plan - Direct - Growth	168,409	4,627	-	-
L&T Liquid Fund Direct Plan - Growth	192,330	4,841	-	-
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	257	2,500,000	254
DSP BlackRock Liquidity Fund - Direct Plan - Growth	-	-	114,221	2,790
Baroda Pioneer Liquid Fund - Plan B Growth	-	-	144,750	2,843
Sundaram Money Fund - Direct Plan - Growth	-	-	7,868,460	2,833
ICICI Prudential Liquid Fund - Direct - Growth	-	-	990,139	2,501
Axis Liquid Fund - Direct Growth	-	-	137,365	2,602
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	3,945	110
Total investments in mutual funds (c)		18,303		13,933
Total investments (a + b + c)		47,662		52,544

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

* '1' in amounts' columns denote amount less than Rs. 50,000

**The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2018 was Rs. 1,448 lakhs and for the year ended December 31, 2017 was Rs. 321 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. The Group recognises dividend in statement of profit and loss under the head "other income". For all the equity instruments that are classified by the Group as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

(Rupees in lakhs)		
7. Loans	As at December 31, 2018	As at December 31, 2017
Non current		
Unsecured, considered good, unless otherwise stated		
-Security and other deposits	3,674	1,385
Total	3,674	1,385

(Rupees in lakhs)		
8. Other financial assets	As at December 31, 2018	As at December 31, 2017
Non current		
Unsecured, considered good, unless otherwise stated		
Interest accrued on fixed deposits	2	2
-Deposits with more than 12 months maturity (Deposit includes fixed deposits with banks Rs. 36 lakhs (P.Y. Rs. 55 lakhs) marked as lien for guarantees issued by banks on behalf of the Group (Refer Note 37))	40	97
Total	42	99

(Rupees in lakhs)		
9. Income tax	Year ended December 31, 2018	Year ended December 31, 2017
Current tax	15,707	14,648
Deferred tax	(2,058)	(1,730)
Total income tax expense recognised in current year	13,649	12,918

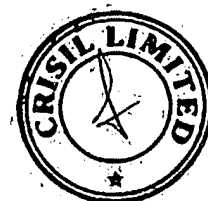
The reconciliation between income tax provision of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is summarized below:

(Rupees in lakhs)		
Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Profit before income tax	49,959	43,361
Enacted income tax rate in India for fiscal year ended March 31, 2019 and March 31, 2018. (%)	34.94%	34.61%
Computed expected tax expense	17,458	15,007
Effect of:		
Income exempt from tax	(1,449)	(1,097)
Expenses that are not deductible in determining taxable profit	344	27
Incomes that are not chargeable to tax	(18)	-
Differential tax rates of subsidiaries operating in other jurisdictions	(1,911)	(839)
Income subject to different tax rates	1,111	31
Tax expense of prior years	(1,637)	(209)
Impact due to change in rate	(44)	-
Others	(205)	(2)
Total income tax expense recognised in the statement of profit and loss	13,649	12,918

Deferred tax

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

(Rupees in lakhs)						
As at December 31, 2018	Opening balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
Deferred tax liability on:						
Gains from investments	718	-	(44)	-	-	674
Gains from mutual funds	2	48	-	-	-	50
Gains / losses on forward contract	500	-	(385)	-	-	115
Business combination	-	-	-	407	-	407
Property, plant and equipment and intangibles	340	30	-	-	-	370
Lease rent amortisation	14	15	-	-	(1)	28
Gross deferred tax liability	1,574	93	(429)	407	(1)	1,644
Deferred tax asset on:						
Provision for compensated absences	1,608	383	-	-	1	1,992
Provision for bonus and commission	913	119	-	-	(4)	1,028
Provision for gratuity	400	276	22	13	-	711
Provision for doubtful debt	654	560	-	-	-	1,214
Initial rating fees and other deferred revenue	542	55	-	-	-	597
Property, plant and equipment and intangibles	550	598	-	63	1	1,212
40A(ia) of the Income Tax Act, 1961 and other items	382	102	-	13	11	508
Gross deferred tax asset	5,049	2,093	22	89	9	7,262
MAT credit entitlement	-	58	-	-	-	58
Net deferred tax asset	3,475	2,058	451	(318)	10	5,676



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

As at December 31, 2017

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
Deferred tax liability on:						
Gains from investments	692	-	26	-	-	718
Gains from mutual funds	147	(145)	-	-	-	2
Gains / losses on forward contract	650	-	(150)	-	-	500
Property, plant and equipment and intangibles	522	(175)	-	-	(7)	340
Lease rent amortisation	12	1	-	-	1	14
Gross deferred tax liability	2,023	(319)	(124)	-	(6)	1,574
Deferred tax asset on:						
Provision for compensated absences	1,262	349	-	-	(3)	1,608
Provision for bonus and commission	747	175	-	-	(9)	913
Provision for gratuity	434	45	(79)	-	-	400
Provision for doubtful debt	588	66	-	-	*	654
Initial rating fees and other deferred revenue	296	246	-	-	-	542
Property, plant and equipment and intangibles	213	337	-	-	*	550
40A(ia) of the Income Tax Act, 1961 and other items	201	193	-	-	(12)	382
Gross deferred tax asset	3,741	1,411	(79)	-	(24)	5,049
Net deferred tax asset	1,718	1,730	45	-	(18)	3,475

* in amounts' columns denote amount less than Rs. 50,000

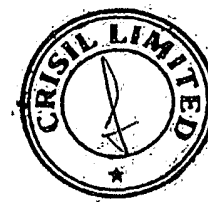
Deferred tax liability on undistributed earnings of Rs. 6,520 lakhs of certain subsidiaries has not been recognised, as it is the intention of the Group to reinvest the earnings of these subsidiaries for the foreseeable future.

(Rupees in lakhs)

10. Tax assets	As at December 31, 2018	As at December 31, 2017
Non current		
Advance taxes paid	5,605	4,194
Total	5,605	4,194

(Rupees in lakhs)

11. Other non-current assets	As at December 31, 2018	As at December 31, 2017
Non current		
Prepaid rent	139	223
Capital advance	168	-
Prepaid expenses	483	143
Total	790	366



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

(Rupees in lakhs)

12. Trade receivable	As at December 31, 2018	As at December 31, 2017
Current		
Unsecured, unless otherwise stated		
- Considered good (Refer Note 39 for related party balances)	28,483	26,042
- Considered doubtful	3,987	2,414
Less: Allowance for doubtful trade receivables	(3,987)	(2,414)
Total	28,483	26,042

(Rupees in lakhs)

13. Cash and cash equivalents	As at December 31, 2018	As at December 31, 2017
Current		
Cash on hand	2	1
Balances with banks :		
On current accounts	9,405	7,118
Deposits with maturity of less than three months (Deposit includes fixed deposits with banks Rs. 74 lakhs (P.Y. Rs. 7 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 37))	10,900	1,750
Total	20,307	8,869

(Rupees in lakhs)

14. Other bank balances	As at December 31, 2018	As at December 31, 2017
Current		
On unpaid dividend accounts	77	64
Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 292 lakhs (P.Y. Rs. 278 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 37))	316	4,245
Total	393	4,309

(Rupees in lakhs)

15. Loans	As at December 31, 2018	As at December 31, 2017
Current		
Unsecured, considered good, unless otherwise stated		
Loans to employees	323	392
Security and other deposits		
- Considered good	532	2,462
- Considered doubtful	78	68
Less: Provision on deposits	(78)	(68)
Total	855	2,854

(Rupees in lakhs)

16. Other financial assets	As at December 31, 2018	As at December 31, 2017
Current		
Unsecured, considered good, unless otherwise stated		
Accrued revenue	8,963	8,242
Interest accrued on deposits	22	13
Fair value of foreign currency forward contract (Refer Note 35)	344	1,444
Others	78	191
Total	9,407	9,890

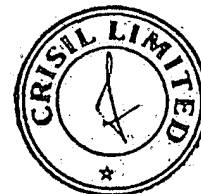
(Rupees in lakhs)

17. Other current assets	As at December 31, 2018	As at December 31, 2017
Current		
Prepaid rent	82	230
Prepaid expense	1,623	1,072
Balances with government authorities	1,734	1,622
Advances to suppliers and employees	988	1,536
Total	4,427	4,460

(Rupees in lakhs)

18. Assets held for sale	As at December 31, 2018	As at December 31, 2017
Building*	318	318
Total	318	318

*The Group has classified a building premise as asset held for sale at its carrying value Rs. 318 lakhs. The Group has actively marketed the premise. The premise has been classified as unallocable as the Group believes that it is currently not practicable to allocate the premise to any segment.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

(Rupees in lakhs)

19. Share capital	As at December 31, 2018	As at December 31, 2017
Authorised capital: 100,000,000 Equity shares of Re.1 each (P.Y. 100,000,000 equity shares of Re. 1 each)	1,000	1,000
Issued, subscribed and paid up: 72,115,782 Equity shares of Re. 1 each fully paid up (P.Y. 71,704,928 equity shares of Re.1 each)	721	717
Total	721	717

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

Equity shares

Particulars	As at December 31, 2018	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	717	71,704,928
Add : Issued during the year-Under employee stock option scheme (ESOS) (Refer Note 45)	4	410,854
Outstanding at the end of the year	721	72,115,782

Particulars	As at December 31, 2017	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	713	71,335,358
Add : Issued during the year-Under employee stock option scheme (ESOS) (Refer Note 45)	4	369,570
Outstanding at the end of the year	717	71,704,928

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Re.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 December 31, 2018	As at December 31, 2017
<u>Group Holding of the S&P Global Inc.</u>		
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, fellow subsidiary (P.Y. 31,209,480 equity shares of Re. 1 each)	312	312
11,523,106 equity shares of Re.1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (P.Y. 10,623,059 equity shares of Re. 1 each)	115	106
6,000,000 equity shares of Re.1 are held by Standard & Poor's International LLC, fellow subsidiary (P.Y. 6,000,000 equity shares of Re. 1 each)	60	60
Total	487	478

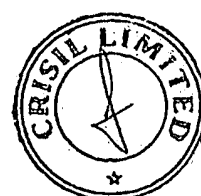
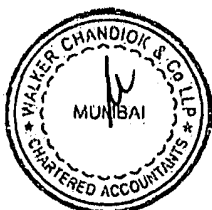
(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at December 31, 2018 Nos.	As at December 31, 2017 Nos.
<u>Equity shares bought back by the company</u>		
Aggregate number of equity shares bought back by the Company (In last five years)	511,932	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company	Nil	Nil

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

Name of the shareholder	As at December 31, 2018	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.28%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.98%	11,523,106
c) Standard & Poor's International LLC	8.32%	6,000,000
2. Life Insurance Corporation of India	6.62%	4,771,286
3. Jhunjhunwala Rakesh and Rekha	5.50%	3,965,000

Name of the shareholder	As at December 31, 2017	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.52%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.81%	10,623,059
c) Standard & Poor's International LLC	8.37%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.53%	3,965,000
3. Life Insurance Corporation of India	5.45%	3,908,261



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

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 45).

(g) Capital management

The Group is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Group has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Group 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 Group has an overdraft and other loan facilities sanctioned from banks to support any temporary funding requirements, as and when required.

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 statement of profit and loss.

b) Securities premium

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

c) 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.

d) Other comprehensive income (OCI)

Other comprehensive income includes equity instruments through OCI, hedge reserve and currency fluctuation reserve

e) 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.

f) Currency fluctuation reserve

Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their respective functional currencies to the Group's functional currency is recognised directly in other comprehensive income and accumulated in the currency fluctuation reserve.

g) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets is accumulated in separate reserve within equity. The cumulative amount is reclassified to the statement of profit and loss over the life of the monetary asset on a straightline basis.

h) Retained earnings

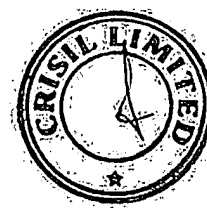
Retained earnings represent the cumulative profits of the Group and the effects of measurements of defined benefit obligation.

i) Capital redemption reserve

The Group 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.

j) Special economic zone (SEZ) reinvestment reserve

The SEZ reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

(Rupees in lakhs)		
20. Borrowings	As at December 31, 2018	As at December 31, 2017
Non current		
Secured long term loan from Non-banking finance companies (NBFC)*		
9.63% Kotak Mahindra Prime Limited	13	-
Less: Current maturities of long term borrowing	5	-
Total	8	-

*Nature of security for long term borrowing: Vehicle loans are secured by hypothecation of vehicles purchased against the loan

Terms of repayment of long term borrowings:

Name of the NBFC	Kotak Mahindra Prime Limited
No. of vehicles for which loan has been availed	1
Equated monthly installment (EMI) (Rs. in lakhs)	0.45
No. of EMIs outstanding as on December 31, 2018	29

(Rupees in lakhs)		
21. Other financial liabilities	As at December 31, 2018	As at December 31, 2017
Non current		
Employee related payables	653	156
Sundry deposits	121	149
Others	-	107
Total	774	412

(Rupees in lakhs)		
22. Provisions	As at December 31, 2018	As at December 31, 2017
Non current		
Provision for gratuity (Refer Note 41)	1,376	1,288
Total	1,376	1,288

(Rupees in lakhs)		
23. Other non-current liabilities	As at December 31, 2018	As at December 31, 2017
Non current		
Unearned revenue and fees received in advance	-	48
Total	-	48

(Rupees in lakhs)		
24. Short term borrowings	As at December 31, 2018	As at December 31, 2017
Current		
Bank overdraft (repayable on demand)	246	-
Total	246	-

(Rupees in lakhs)		
25. Trade payables	As at December 31, 2018	As at December 31, 2017
Current		
Total outstanding dues of micro enterprises and small enterprises (as per intimations received from suppliers)	26	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,451	5,672
Total	6,477	5,672

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

(Rupees in lakhs)		
Particulars	As at December 31, 2018	As at December 31, 2017
-Principal amount remaining unpaid, but not due	26	-
-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	-	-

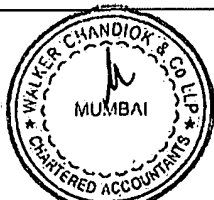
The above information has been determined to the extent such parties could be identified on the basis of the information available with the Group regarding the status its suppliers.

(Rupees in lakhs)		
26. Other financial liabilities	As at December 31, 2018	As at December 31, 2017
Current		
Employee related payables	15,421	14,592
Current maturities of long term borrowings	5	-
Bank overdraft	112	-
Sundry deposit	69	-
Unpaid dividend (Investor education and protection fund will be credited as and when due)	77	64
Others	255	132
Total	15,939	14,788

(Rupees in lakhs)		
27. Provisions	As at December 31, 2018	As at December 31, 2017
Current		
Provision for compensated absences (Refer Note 41)	5,642	5,566
Provision for gratuity (Refer Note 41)	693	654
Total	6,335	6,220

(Rupees in lakhs)		
28. Tax liabilities	As at December 31, 2018	As at December 31, 2017
Current		
Provision for tax (net of advance tax)	1,176	1,001
Total	1,176	1,001

(Rupees in lakhs)		
29. Other current liabilities	As at December 31, 2018	As at December 31, 2017
Current		
Statutory liabilities	4,744	3,955
Advance received from customer	375	281
Unearned revenue	12,301	10,950
Total	17,420	15,186



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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

(Rupees in lakhs)

30. Income from operations	Year ended December 31, 2018	Year ended December 31, 2017
Ratings services	50,730	48,029
Research services	110,601	108,039
Advisory services	13,518	9,778
Total	174,849	165,846

(Rupees in lakhs)

31. Other income	Year ended December 31, 2018	Year ended December 31, 2017
Interest on bank deposits	86	83
Profit on sale of fixed assets	86	71
Interest income on financial assets carried at amortized cost	275	254
Dividend on investments	1,457	328
Foreign exchange gain (net)	2,126	-
Profit on sale of current investments	340	1,468
Profit on fair valuation of current investments	145	38
Grant income (Refer Note 42)	2,519	35
Miscellaneous income	307	261
Total	7,341	2,538

(Rupees in lakhs)

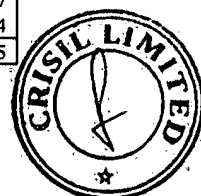
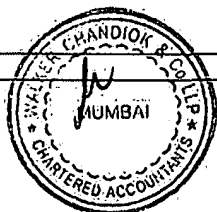
32. Employee benefits expenses	Year ended December 31, 2018	Year ended December 31, 2017
Salaries, wages and bonus	78,468	74,375
Share based payment to employees	1,876	1,762
Contribution to provident and other funds	4,702	4,585
Contribution to gratuity fund (Refer Note 41)	706	1,038
Staff training and welfare expenses	2,984	2,833
Total	88,736	84,593

(Rupees in lakhs)

33. Finance cost	Year ended December 31, 2018	Year ended December 31, 2017
Inflation adjustment results (Refer Note 43)	97	-
Interest on term loan	6	-
Interest expense on bank overdraft	120	41
Total	223	41

(Rupees in lakhs)

34. Other expenses	Year ended December 31, 2018	Year ended December 31, 2017
Repairs and maintenance - Buildings	1,921	1,479
Repairs and maintenance - others	1,353	1,020
Electricity	1,170	1,125
Communication expenses	975	1,025
Insurance	83	96
Rent (Refer Note 40)	6,416	5,853
Rates and taxes	108	140
Printing and stationery	361	373
Conveyance and travelling	5,154	4,733
Books and periodicals	1,109	912
Remuneration to non-whole time directors	153	152
Business promotion and advertisement	195	292
Foreign exchange loss	-	1,573
Professional fees	8,110	8,590
Associate service fee	4,853	4,239
Software purchase and maintenance expenses	716	790
Provision for doubtful debts / bad debts	3,754	1,420
Provision for doubtful deposits	10	28
Corporate social responsibility (CSR) expenses (Refer Note 48)	736	734
Auditors' remuneration	137	144
Recruitment expenses	408	446
Sales commission	85	37
Miscellaneous expenses	1,183	524
Total	38,990	35,725



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

35 Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2018 are as follows:

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 instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	25,876	-	-	25,876	25,876
Unquoted equity investments	-	-	-	3,483	-	-	3,483	3,483
Mutual funds	-	-	18,303	-	-	-	18,303	18,303
Cash and cash equivalents	20,307	-	-	-	-	-	20,307	20,307
Other bank balances	393	-	-	-	-	-	393	393
Trade receivables	28,483	-	-	-	-	-	28,483	28,483
Loans	4,529	-	-	-	-	-	4,529	4,529
Other financial assets	9,105	-	-	-	-	344	9,449	9,449
Total	62,817	-	18,303	29,359	-	344	110,823	110,823
Liabilities								
Borrowings	254	-	-	-	-	-	254	254
Trade payables	6,477	-	-	-	-	-	6,477	6,477
Other financial liabilities	16,713	-	-	-	-	-	16,713	16,713
Total	23,444	-	-	-	-	-	23,444	23,444

The carrying value and fair value of financial instruments by categories as at December 31, 2017 are as follows:

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 instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	34,940	-	-	34,940	34,940
Unquoted equity investments	-	-	-	3,671	-	-	3,671	3,671
Mutual funds	-	-	13,933	-	-	-	13,933	13,933
Cash and cash equivalents	8,869	-	-	-	-	-	8,869	8,869
Other bank balances	4,309	-	-	-	-	-	4,309	4,309
Trade receivables	26,042	-	-	-	-	-	26,042	26,042
Loans	4,239	-	-	-	-	-	4,239	4,239
Other financial assets	8,545	-	-	-	-	1,444	9,989	9,989
Total	52,004	-	13,933	38,611	-	1,444	105,992	105,992
Liabilities								
Trade payables	5,672	-	-	-	-	-	5,672	5,672
Other financial liabilities	15,200	-	-	-	-	-	15,200	15,200
Total	20,872	-	-	-	-	-	20,872	20,872



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Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

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, 2018 and December 31, 2017.

(Rupees in lakhs)

Particulars	As at December 31, 2018			As at December 31, 2017		
	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	18,303			13,933		
B. Investments at FVTOCI						
1. Quoted equity shares	25,876			34,940		
2. Unquoted equity shares			3,483			3,671
C. Forward contracts receivable		344			1,444	



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

36 Financial risk management

The Group is exposed to various risks in relation to financial instruments. The Group'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 Group 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 Group has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarized below:-

36.1 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 rates, price and other market changes, the Group exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

Our exposure to market risk includes changes in foreign exchange rates. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO, and Pounds Sterling (GBP). As of December 31, 2018 and December 31, 2017, we have 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 under Note 35:

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

Particulars	As at December 31, 2018 (Foreign Currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	15,002	255	10,555	179
GBP	3	-	2	-
EURO	1,668	9	1,341	7
Others	41,953	861	335	90

Particulars	As at December 31, 2017 (Foreign Currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EURO	3,383	-	2,571	-
Others	17,547	724	310	67

For the year ended December 31, 2018, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by Rs. 598 lakhs (+/-1.27%). For the year ended December 31, 2017, operating margins would increase/decrease by Rs. 676 lakhs (+/-1.48%). 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 Group'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 Group has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence, and exit strategies in order to mitigate losses.

The Group is exposed 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 reporting dates, profit would increase/decrease by Rs. 915 lakhs and Rs. 697 lakhs for the year ended December 31, 2018 and December 31, 2017 respectively.

The Group is exposed price risk arising mainly from investments in quoted 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, 2018 would increase/decrease by Rs. 1,294 lakhs and Rs. 1,747 lakhs for the year ended December 31, 2017.

36.2 Liquidity risk

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

Liquidity risk management

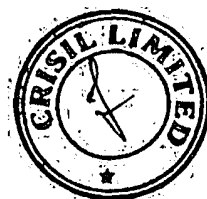
The Group continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Group has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Group's treasury department is responsible for 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 Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The short term treasury position of the Group is given below:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Trade receivables	28,483	26,042
Cash and cash equivalents	20,307	8,869
Other bank balances	393	4,309
Loans	855	2,854
Investments in mutual funds	18,303	13,933
Other financial assets	9,407	9,890
Total	77,748	65,897

Financial liabilities maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Short term borrowings	246	-
Trade payables	6,477	5,672
Others	15,939	14,788
Total	22,662	20,460



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

36.3 Business and credit risks

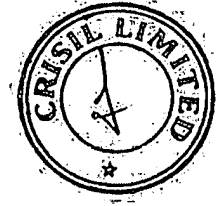
To mitigate the risk arising from high dependence on any one business for revenues, the Group has adopted a strategy of diversifying in new products/services and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Group 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 Group. The Group is exposed to this risk for receivables from customers.

To manage credit risk, the Group 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 Group uses a provision margin to compute the expected credit loss allowance for trade receivables. Further, the Group doesn't have significant credit risk exposure to any single counter party or a group of counter parties and have adequate provision for credit risk/bad debts. 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 December 31, 2018	As at December 31, 2017
<= 6 months	27,749	25,003
> 6 months but <= 1 year	3,753	3,453
> 1 year	968	-
Provision for doubtful receivables	(3,987)	(2,414)



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

Derivative financial instruments and hedging activity

The Group'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 Group 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, 2018

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	31	58441	41,602	Jan - Dec-19	71	(32)	32
	GBP	11	4512	4,374	Jan - Dec-19	97	248	(248)
	EUR	12	3370	2,932	Jan - Dec-19	87	128	(128)

As at December 31, 2017

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	27	61,421	41,693	Jan - Dec-18	67.88	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	88.86	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78.26	(28)	28

Movement in cash flow hedging reserve

(Rupees in lakhs)

Particulars	Foreign exchange forward contract
As at January 1, 2018	944
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	(1,626)
Less: Amounts reclassified to statement of profit or loss	526
Less: Tax relating to above (net)	385
As at December 31, 2018	229

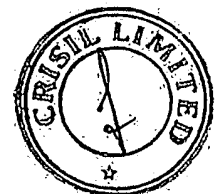
The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge.

Revenue hedge: For forecasted revenue transaction, the Group 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.

Details of unhedged foreign exposure

Particulars	As at December 31, 2018 (Foreign Currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency				
Monetary				
USD	15,002	255	10,555	179
GBP	3	-	2	-
EUR	1,668	9	1,341	7
Others	41,953	861	335	90

Particulars	As at December 31, 2017 (Foreign Currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency				
Monetary				
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EUR	3,383	-	2,571	-
Others	17,547	724	310	67



37 Details of contingent liabilities and capital commitments are as under .

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2018	December 31, 2017
Contingent liabilities:		
1. Bank guarantee in the normal course of business	1,430	3,051
2. Disputed income tax and sales tax demand:		
(i) Pending before appellate authorities in respect of which the Group is in appeal	4,670	4,194
(ii) Decided in the Group's favour by appellate authorities and department is in further appeal	1,300	1,301
	7,400	8,546
Capital commitment		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	148	143
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 judgements pending at various authorities.		
The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions of operations in. The Group 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.		
Total	7,548	8,689

38 Segment reporting

Business segments:

The Group has three major business segments: Rating, Research and Advisory. A description of the types of products and services provided by each reportable segment is as follows:

Ratings – Ratings services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

Research – Research segment includes global research and analytical services, industry reports, customized research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Advisory – CRISIL provides advisory services and a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India

Segment reporting for the year ended December 31, 2018

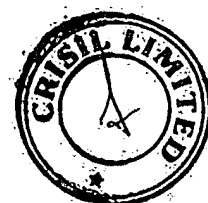
(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 30)	50,730	110,601	13,518	174,849
Segment results	18,417	32,644	(809)	50,252
Add / (less) unallocables:				
1. Unallocable income				
Interest income				361
Profit on sale of current investments				340
Profit on sale of fixed asset				86
Grant income				2,519
Others*				1,829
2. Unallocable expenditure				(1,146)
3. Depreciation/ amortisation				(4,282)
Profit before exceptional item				49,959
Exceptional item				
Profit before tax				49,959
Tax expense				(13,649)
Profit after tax				36,310
Segment assets	7,052	72,135	9,668	88,855
Unallocable assets**				74,521
Segment liabilities	13,219	23,878	3,964	41,061
Unallocable liabilities**				8,690

Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	51,466	96,975
Europe	45,143	34,282
North America	62,020	14,122
Rest of the world	16,220	6,716
Total	174,849	152,095



Segment reporting for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 30)	48,029	108,039	9,778	165,846
Segment results	15,120	30,846	924	46,890
Add / (less) unallocables :				
1.Unallocable income				
Interest income				337
Profit on sale of current investments				1,468
Profit on sale of fixed asset				71
Grant income				35
Others*				627
2.Unallocable expenditure				(1,403)
3.Depreciation/ amortisation				(4,664)
Profit before exceptional item				43,361
Exceptional item				-
Profit before tax				43,361
Tax expense				(12,918)
Profit after tax				30,443
Segment assets	7,526	59,131	7,201	73,858
Unallocable assets* *				75,614
Segment liabilities	12,465	21,724	2,799	36,988
Unallocable liabilities**				7,627

Revenue and total assets by geographic segments:

(Rupees in lakhs)

Geography	Revenue	Assets #
India	52,762	93,898
Europe	41,843	30,633
North America	57,844	12,830
Rest of the world	13,397	4,442
Total	165,846	141,803

Notes to segmental results :

* Other income which have been allocated to business segments have not been considered in determining unallocable income.

** Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Group believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.

The top two customers of the Group each contributed to more than 10% of the consolidated revenue of the Group.

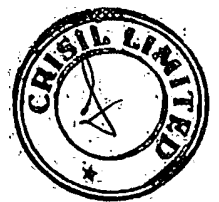
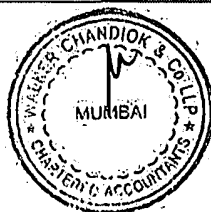
The following table gives details in respect of revenues generated from top two customers:

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Total revenue from top two customers who contributed to more than 10% of the consolidated revenue	36,378	36,274

39 List of related parties (to the extent where transactions have taken place)

Parties	Relationship
Related parties where control exists	
S&P Global Inc.	The Ultimate Holding Company
CRISIL Foundation	Controlled trust
Other related parties :	
S&P India, LLC	Fellow subsidiary
Standard & Poor's 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 International LLC	Fellow subsidiary
S&P Global UK Limited	Fellow subsidiary
S&P Global Ratings Europe Limited (Formerly known as S&P Credit Market Services Europe Limited)	Fellow subsidiary
Standard & Poor's Financial Services, LLC	Fellow subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow subsidiary
Standard & Poor's Hong Kong Limited	Fellow subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow subsidiary
S&P Global Market Intelligence LLC	Fellow subsidiary
S&P Global Market Intelligence Inc.	Fellow subsidiary
Standard & Poor's Ratings Services	Fellow subsidiary
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
Fabindia Overseas Private Limited	Common director



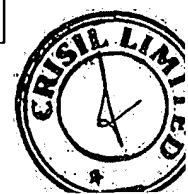
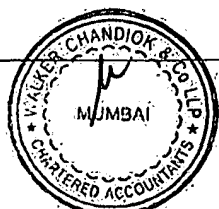
CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

<u>Key Management Personnel</u>	
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director (up to July 23, 2018)
Arundhati Bhattacharya	Independent Director (with effect from October 16, 2018)
Vinita Bali	Independent Director
M. Damodaran	Independent Director
H. N. Sinor	Independent Director (up to October 25, 2017)
Ewout Steenberg	Director (with effect from October 17, 2017)
Martina Cheung	Director
John L. Berisford	Chairman (with effect from October 17, 2017)
Douglas Peterson	Chairman (up to October 17, 2017)
Ravinder Singhania	Alternate Director
Ashu Suyash	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Operating Officer (with effect from February 13, 2018 and Chief Financial Officer up to February 12, 2018)
Sanjay Chakravarti*	Chief Financial Officer (with effect from February 13, 2018)
Minal Bhosale*	Company Secretary

* Related Party under the Companies Act, 2013

<u>Transactions with related parties</u>		(Rupees in lakhs)	
Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
S&P Global Canada Corp.	Professional services rendered	165	124
	Amount receivable	15	31
S&P Global Ratings Europe Limited	Professional services rendered	4,561	4,396
	Amount receivable	859	659
	Reimbursement of expenses	4	4
Standard & Poor's Financial Services, LLC	Professional services rendered	11,495	11,384
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	640	646
	Amount receivable	63	52
Standard & Poor's Hong Kong Limited	Professional services rendered	507	235
	Amount receivable	62	17
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	416	409
	Amount receivable	47	31
S&P Global Market Intelligence LLC	Subscription fees	331	219
	Amount receivable	289	343
	Professional services rendered	532	398
	Reimbursement of expenses paid	-	51
Standard & Poor's International LLC	Dividend	1,740	1,620
	Share capital outstanding	60	60
	Professional services rendered	-	7
S&P India, LLC	Dividend	9,051	8,424
	Share capital outstanding	312	312
S&P Global Asian Holdings Pte. Limited	Dividend	3,198	2,862
	Share capital outstanding	115	106
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	204	183
	Amount receivable	50	16
S&P Ratings (China) Co. Ltd	Professional services rendered	6	-
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	167	144
	Amount receivable	23	11
Asia Index Private Limited	Reimbursement of expenses	-	1
S&P Global Inc.	Reimbursement of expenses paid	-	23
	Reimbursement of expenses received	1	-
	Professional services rendered	131	202
	Rent expenses	185	151
	Amount receivable	48	28
S&P Global Market Intelligence Inc.	Reimbursement of expenses paid	3	-
	Reimbursement of expenses received	50	-
	Sale of fixed asset	1	-
S&P Global UK Limited	Rent paid	157	41
	Reimbursement of expenses paid	-	4
	Professional services rendered	397	362
	Amount receivable	223	303
	Professional fees paid	16	110
	Subscription fees paid	6	8
CRISIL Foundation	Donation	857	815
Fabindia Overseas Private Limited	Reimbursement of expenses received	35	35
	Professional services rendered	1	-



(Rupees in lakhs)

Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
Girish Paranjpe	Sitting fees and commission	38	7
Nachiket Mor	Sitting fees and commission	20	33
Arundhati Bhattacharya	Sitting fees and commission	8	-
Vinita Bali	Sitting fees and commission	41	39
M. Damodaran	Sitting fees and commission	39	39
H. N. Sinor	Sitting fees and commission	-	34
Ashu Suyash*	Remuneration	571	596
	Options granted (nos.)	19,562	-
Amish Mehta*	Remuneration	315	325
	Options granted (nos.)	8,275	25,000
Sanjay Chakravarti*	Remuneration	182	-
	Options granted (nos.)	12,315	-
Minal Bhosale*	Remuneration	86	86
	Options granted (nos.)	918	-

*Note: As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial persons is not included above.

40 Operating lease

The Group has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Lease Payment recognised in the statement of profit and loss	6,416	5,853
Future minimum lease payments		
Not later than one year	5,704	5,248
Later than one year and not later than five years	18,378	6,411
Later than five years	2,604	2,071
Total	26,686	13,730

41 Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 The Group provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Group. 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 Group.

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)

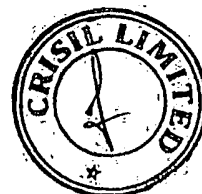
Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Current service cost	613	529
Interest cost on defined benefit obligation	93	106
Re-measurement - actuarial (gain)/loss (recognised in OCI)	15	(207)
Expected return on plan assets (recognised in OCI)	29	(22)
Past service cost	-	403
Net gratuity benefit expense	750	809
Assumptions		
Interest rate	7.20%	7.20%

Balance Sheet:

Details of provision for gratuity benefit :

(Rupees in lakhs)

Particulars	As at December 31, 2018	As at December 31, 2017
Present value of funded obligations	4,330	3,833
Fair value of plan assets	(2,261)	(1,891)
Net liability	2,069	1,942



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

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

(Rupees in lakhs)

Particulars	As at	
	December 31, 2018	December 31, 2017
Opening defined benefit obligation	3,833	3,529
Current service cost	613	529
Interest cost	282	216
Acquisitions (credit)/ cost	36	(125)
Actuarial (gain)/loss	(29)	(62)
Actuarial (gain)/loss (financial assumptions)	44	(145)
Past service cost - plan amendments	-	403
Benefits paid	(449)	(512)
Closing defined benefit obligation	4,330	3,833

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

(Rupees in lakhs)

Particulars	As at	
	December 31, 2018	December 31, 2017
Opening fair value of plan assets	1,891	1,619
Expected return on plan assets	(29)	22
Interest income on plan assets	189	110
Contribution by employer	659	652
Benefits paid	(449)	(512)
Closing fair value of plan assets	2,261	1,891

The defined benefit obligation shall mature after December 31, 2018 as follows:

Particulars	Rupees in lakhs
December 31, 2019	415
December 31, 2020	485
December 31, 2021	559
December 31, 2022	662
December 31, 2023	746
December 31, 2024 to December 31, 2029	4,044

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

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
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

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

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	7.20%	7.20%
Estimated rate of return on plan assets	7.20%	7.20%
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 2017 and 7% thereafter	10% for first 4 years starting 2016 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	693	654

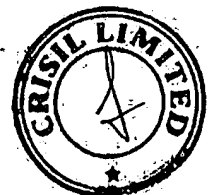
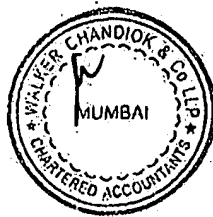
Broad category of plan assets as per percentage of total plan assets of the gratuity:-

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Government securities	68%	67%
Fixed deposit, debentures and bonds	9%	3%
Others	23%	30%
Total	100%	100%

The significant 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	(155)
Effect on DBO due to 0.5% decrease in discount rate	162

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	136
Effect on DBO due to 0.5% decrease in salary escalation rate	(136)



Other benefits

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

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
i. Contribution to provident fund	1,777	1,722
ii. Contribution to other funds	2,925	2,863

A provision of Rs. 5,642 lakhs has been made for compensated absences as at December 31, 2018 (P.Y: Rs. 5,566 lakhs).

- 42 During the year, the Group received export benefits amounting to Rs. 2,493 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 consolidated financial statements.

43 **Application of Ind AS 29 in financial reporting of Argentine subsidiary**

Considering that the downward trend in inflation in Argentina observed in the previous year has reversed and observing a significant increase in inflation during 2018, which exceeded the 100% three-year cumulative inflation rate, the Group considered that there was sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of Ind AS 29. Accordingly, the Group has applied Ind AS 29 in the financial reporting of its subsidiaries with the Argentine peso as the functional currency.

The inflation adjustment on the initial balances was calculated by means of conversion factor derived from the Argentine price indexes published by Argentina's Official Statistics Bureau ("INDEC"). The average index for the six-months period ended December 31, 2018, was 1.11 and the year-over-year change in the index was 1.48.

The main procedures for the above-mentioned adjustment are as follows:

- Monetary assets and liabilities which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- Non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date, and components of shareholders' equity are adjusted by applying the relevant conversion factors.
- All items in the income statement are restated by applying the relevant conversion factors.
- The effect of inflation on the Company's net monetary position is included in the income statement, in finance cost, net, under the caption "Inflation adjustment results".

The comparative figures in these consolidated financial statements presented in stable currency are not adjusted for subsequent changes in the price level or exchange rates. This resulted in an initial difference, arising on the adoption of hyperinflation accounting, between closing equity of the previous year and the opening equity of the current year. The company recognised this initial difference directly to equity.

44 **Business Combination**

On January 24, 2018, CRISIL completed the acquisition of 100% stake in Pragmatix Services Private Limited ("Pragmatix"). Pragmatix is a data analytics company focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the Banking, Financial Services & Insurance (BFSI) vertical. Its big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform.

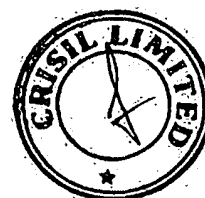
Pragmatix provides solutions across the risk, sales, and finance domains in India, Middle East and North America. This will enable CRISIL to leverage Pragmatix's proprietary technology platform and deep domain expertise, and enhance business intelligence, analytics and risk management offerings for the financial sector in India and abroad. The business combination was conducted by entering into a share purchase agreement for a total consideration of Rs. 5,600 lakhs. Accordingly, Pragmatix became a wholly-owned subsidiary of CRISIL with effect from the said date.

Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of platform and customer relationships as intangible assets, which have been valued at Rs. 1,463 lakhs, to be amortised over the period of 5 years. The excess of purchase consideration over net assets and the identified intangible asset has been recognised as Goodwill. The transaction does not involve any contingent consideration.

All assets, liabilities and reserves in the books of Pragmatix as on January 24, 2018 are recognised in the Company's books at their respective carrying values. The purchase price has been allocated based on the Company's estimates and independent appraisal of fair values as follows:

Particulars	Rupees in lakhs
Total net assets acquired *	1,001
Intangibles identified on business combination	
Platform	985
Customer relationship	478
Additional provision	(78)
Deferred tax liability on intangibles assets	(407)
Goodwill	3,621
Total purchase consideration	5,600
Cash consideration	5,600

* Carrying value is equal to fair value



45 Employee stock option scheme ("ESOS")

The Group has formulated an ESOS based on which employees are granted options to acquire the equity shares of the parent 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 :

Particulars	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	27,093	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,422	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,250	626.51
ESOS 2014 (6)	8-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

* 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 Group had three schemes under which options have been granted in the past. Under ESOS 2011, ESOS 2012 and ESOS 2014 (8) option vest over three years at each of the anniversaries. All options are exercisable within three 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.

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 period	227,200	2,152.54	77,800	1,767.15	1,422,141	1,337.62
Granted during the period	-	N.A.	-	N.A.	411,427	1,917.27
Forfeited during the period	-	N.A.	80	1,119.85	69,525	1,382.10
Exercised during the period	-	N.A.	3,690	1,119.85	407,164	1,217.20
Expired during the period	6,600	1,985.95	-	N.A.	-	N.A.
Outstanding at the end of the period	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Exercisable at the end of the period	142,920	2,144.85	54,910	1,674.02	332,453	1,279.94

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	Feb 13, 2018	1,861.20
	April 17, 2018	1,945.56
	July 17, 2018	1,757.02
	October 16, 2018	1,729.28

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,119.85 to 1,217.25	823 days
	1,814.35 to 1,997.35	1881 days
	2,101.10 to 2,180.85	1476 days

Share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured:

Variables	ESOS 2014	ESOS 2014	ESOS 2014
Date of grant	January 8, 2018	January 24, 2018	April 4, 2018
Stock price (Rupees)	1,919.25	1,969.45	1,841.35
Volatility (%)	26.28	26.16	23.31
Riskfree rate (%)	7.15	7.25	6.89
Exercise price (Rupees)	1,919.25	1,969.45	1,841.35
Expected life (time to maturity)	5.01	5.00	3.00
Dividend yield (%)	1.41	1.37	1.52
Fair value per option	623.48	651.23	410.12

The Group has used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Riskfree rate: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Expected life of the options: Expected Life of the options is the period for which the Company expects the options to live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and maximum life of the options.

Dividend yield: Expected dividend yield has been calculated as a total of interim and final dividend declared in last year preceding date of grant.

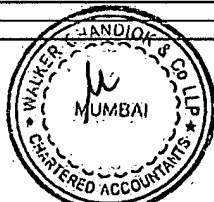
Cash inflow on exercise of options at the weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	410,854	4,995	369,020	4,411
Exercised during the previous year	-	-	550	6
Total	410,854	4,995	369,570	4,417

There are no cash settled plans implemented by the Company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options:

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	1,308,836	20,375	1,609,972	22,831
Later than two years & not later than five years	342,673	6,715	117,169	2,457
Total	1,651,509	27,090	1,727,141	25,288



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

46 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 December 31, 2018	Year ended December 31, 2017
Net profit for calculation of basic/diluted EPS	36,310	30,443

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Weighted average number of equity shares in calculating basic EPS	71,904,428	71,489,561
Effect of dilution:		
Add: weighted average stock options granted under ESOS	243,987	450,874
Weighted average number of equity shares in calculating diluted EPS	72,148,415	71,940,435

Earnings per share : Nominal value of Re.1	Year ended December 31, 2018	Year ended December 31, 2017
Basic (Rupees)	50.50	42.58
Diluted (Rupees) (On account of ESOS, refer Note 45)	50.33	42.32

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

Particulars	Year ended December 31, 2018 (Nos.)	Year ended December 31, 2017 (Nos.)
Options to purchase equity shares had anti-dilutive effect	136,911	60,838

47 Dividend

Details of Dividend paid on equity shares are as under:

(Rupees in lakhs)

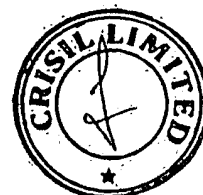
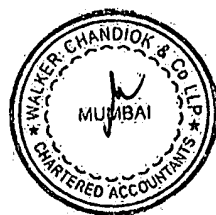
Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Final dividend for the year 2017 Rs. 10 per equity share of Re 1 each (P.Y. Rs. 9 per share)	7,173	6,420
Dividend distribution tax on final dividend	1,474	1,307
Interim dividend for the year 2018 Rs. 19 per equity share of Re 1 each (P.Y. Rs. 18 per share)	13,679	12,881
Dividend distribution tax on interim dividend	2,812	2,467
Total	25,138	23,075

Proposed dividend

The Board of Directors at its meeting held on February 12, 2019 have recommended a payment of final dividend of Rs. 11 per equity share of face value of Re. 1 each for the financial year ended December 31, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

48 Corporate Social Responsibility (CSR) expenses for the year ended 2018 includes Rs. 736 lakhs (P.Y. Rs. 734 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 Rs. 732 lakhs (P.Y. Rs. 684 lakhs). Key CSR activities were "education and women empowerment – financial capability building" and "conservation of environment".

49 During the year ended December 31, 2018, the Group has made additional provision for receivables of Rs. 1,684 lakhs in the Advisory services segment, which is included under 'other expenses'.



CRISIL Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

50 Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or loss	Rupees in lakhs	As % of consolidated other comprehensive income	Rupees in lakhs	As % of consolidated total comprehensive income	Rupees in lakhs
	2	3	4	5	6	7	8	9
Parent: CRISIL Limited	71%	80,625	76%	27,754	105%	(9,951)	66%	17,803
Subsidiaries								
Indian								
1. CRISIL Risk and Infrastructure Solutions Limited *	4%	4,915	-3%	(1,114)	-	-	-4%	(1,114)
2. Pragmatix Services Private Limited*	1%	1,523	1%	525	-	(18)	2%	507
Foreign								
1. CRISIL Irevna Argentina S.A.	2%	1,976	1%	483	7%	(682)	-1%	(199)
2. CRISIL Irevna Poland SP.Zo.o.*	1%	664	-	125	-	17	1%	142
3. CRISIL Irevna UK Limited	31%	35,515	19%	6,813	1%	(78)	25%	6,741
4. CRISIL Irevna US LLC*	-	539	-2%	(782)	-2%	178	-2%	(604)
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.*	1%	837	1%	189	-	29	1%	218
6. Coalition Development Limited	5%	5,699	23%	8,509	1%	(86)	31%	8,423
7. Coalition Development Singapore Pte Limited*	1%	736	1%	274	-	40	1%	314
Total elimination/adjustment	-17%	(19,404)	-17%	(6,472)	-12%	1,088	-20%	(5,384)
TOTAL	100%	113,625	100%	36,310	100%	(9,463)	100%	26,847

*"-." denotes less than 1%



CRISIL Limited

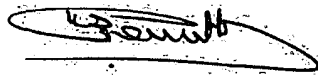
Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

51 Personnel expenses to the extent of Rs. 265 lakhs (P.Y. Rs. 679 lakhs) is considered for capitalisation as intangible assets.

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

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

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



Khushroo B. Panthaky
Partner
Membership No.: 42423

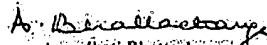
Date: February 12, 2019
Place: Mumbai



M. Damodaran
Director
[DIN: 02106990]

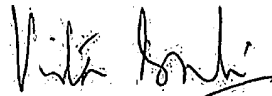


John L. Berisford
Chairman
[DIN: 07554902]



Arundhati Bhattacharya
Director
[DIN: 02011213]


Date: February 12, 2019
Place: Mumbai



Vinita Bali
Director
[DIN: 00032940]



Ashu Suyash
Managing Director and
Chief Executive Officer




Sanjay Chakravarti
Chief Financial Officer



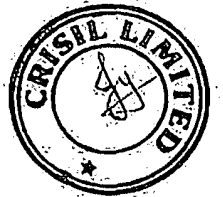
Gish Paranjpe
Director
[DIN: 02172725]



Ewout Steenbergen
Director
[DIN: 07956962]



Minal Bhosale
Company Secretary



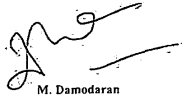
Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rupees in lakhs)

Sl. No.	1	2	3	4	5	6	7	8	9
Name of the subsidiary	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland SP.Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna US LLC	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Limited	Coalition Development Singapore Pte Limited	Pragmatix Services Private Limited
The date since when subsidiary was acquired/ investment in subsidiary	4-Aug-00	21-May-07	14-Nov-08	19-Oct-04	19-Oct-04	22-Jul-10	3-Jul-12	3-Jul-12	24-Jan-18
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	March 31, 2019 **
Reporting currency	INR	ARS	PLN	GBP	USD	CNY	GBP	SGD	INR
Exchange rate as on the last date (Rs.)	1.00	1.84	18.75	88.96	70.36	10.25	88.96	51.32	1.00
Share capital	500	89	9	4,441	-	247	151	-	314
Reserves & surplus	4,415	1,887	655	31,074	539	590	5,548	736	1,209
Total assets	9,226	1,365	928	38,633	14,164	1,099	12,991	1,600	1,157
Total liabilities	9,226	1,365	928	38,633	14,164	1,099	12,991	1,600	1,157
Investments	-	-	-	26,662	6	-	-	-	-
Turnover	9,609	5,665	2,819	30,362	34,406	2,037	28,114	4,996	2,365
Profit before taxation	(1,521)	633	168	6,903	644	246	10,326	305	744
Tax expense	(407)	150	43	84	1,426	57	1,817	31	219
Profit after taxation	(1,114)	483	125	6,819	(782)	189	8,509	274	525
Dividend Paid	-	-	-	-	-	-	6,272	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%

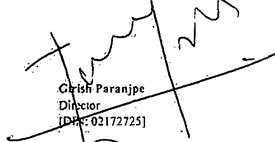
* - in amounts' columns denote amount less than Rs: 50,000

** An application with National Company Law Tribunal has been filed, for changing the financial year in line with the Holding Company.

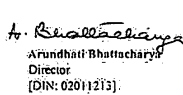
For and on behalf of the Board of Directors of CRISIL Limited

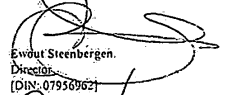

M. Damodaran
Director
[DIN: 02106990]

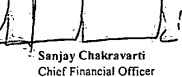

Vinita Bali
Director
[DIN: 00032940]


Chirish Paranjpe
Director
[DIN: 02172725]

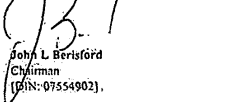

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]


Arundhati Bhattacharya
Director
[DIN: 02011213]


Ewout Steenbergen
Director
[DIN: 07950962]


Sanjay Chakravarti
Chief Financial Officer


Minal Bhosale
Company Secretary


John L. Berisford
Chairman
[DIN: 07554902]

Date: February 12, 2019
Place: Mumbai

