

Consolidated Balance Sheet as at December 31, 2008

Rupees

Schedule	December 31, 2008	December 31, 2007
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	72,250,000	72,250,000
Reserves and Surplus	3,502,877,969	2,692,189,394
TOTAL	3,575,127,969	2,764,439,394
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	1,896,991,685	1,859,509,671
Less: Accumulated Depreciation/Amortisation	635,967,734	567,772,791
Net Block	1,261,023,951	1,291,736,880
Capital Work-In-Progress (including Capital Advances)	40,372,073	80,520,801
	1,301,396,024	1,372,257,681
INVESTMENTS	1,184,370,027	975,273,968
DEFERRED TAX ASSETS (Net) (Refer Note 4 – Schedule P)	78,341,745	32,733,011
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	771,474,475	897,366,321
Cash and Bank Balances	1,292,118,774	424,204,195
Loans and Advances	526,014,827	407,213,076
Other Current Assets	17,165,574	3,912,618
	2,606,773,650	1,732,696,210
Less: CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	1,156,069,591	958,887,408
Provisions	439,683,886	389,634,068
	1,595,753,477	1,348,521,476
NET CURRENT ASSETS	1,011,020,173	384,174,734
TOTAL	3,575,127,969	2,764,439,394
Significant Accounting Policies and Notes to the Accounts	P	
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.		

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountantsper Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Consolidated Profit and Loss Account for the Year Ended December 31, 2008

Rupees

Schedule	December 31, 2008	December 31, 2007
INCOME		
Income from Operations	K	5,145,604,237
Other Income	L	216,242,520
TOTAL		5,361,846,757
EXPENDITURE		
Staff Expenses	M	1,911,619,168
Establishment Expenses	N	518,265,626
Other Expenses	O	925,085,101
Depreciation		136,423,009
TOTAL		3,491,392,904
Profit before Tax		1,870,453,853
Tax Expense		
Income Tax		495,225,078
Fringe Benefit Tax		15,147,815
Wealth Tax		447,210
Deferred Tax		(46,110,722)
Income Tax of earlier years		-
		464,709,381
Profit After Taxation		1,405,744,472
Balance brought forward from previous year		1,208,770,066
Amount Available for Appropriation		2,614,514,538
Dividend		
Interim		252,875,000
Proposed Final Dividend		252,875,000
TOTAL		505,750,000
Dividend Tax		86,276,991
Transfer to General Reserve		137,378,192
Balance carried to Balance Sheet		1,885,109,355
		2,614,514,538
Basic and Diluted Earnings Per Share – Nominal value of Rs. 10		194.57
Number of Shares used in Computing Earnings Per Share		7,225,000
Significant Accounting Policies and Notes to the Accounts	P	
The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.		

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
Chairman

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Director

Consolidated Cash Flow Statement for the year ended December 31, 2008

Rupees

	Year Ended December 31, 2008	Year Ended December 31, 2007
A. Cash Flow from Operating Activities:		
Profits Before Taxation from ordinary activities	1,870,453,853	1,106,353,432
Adjustments for :		
Depreciation/amortisation	136,423,009	156,924,494
Provision for leave encashment	(23,301,145)	62,436,850
Provision for gratuity	2,254,241	8,548,546
Currency translation	(18,777,678)	(4,769,175)
(Profit) / loss on sale of fixed assets	7,592,281	(45,659,366)
Profit on sale of investments	(90,149,041)	(2,304,789)
(Increase)/ decrease in accrued income	(2,037,712)	(2,404,371)
Provision for bad debts	57,127,587	29,440,471
Interest on deposits and loans	(36,816,478)	(14,607,012)
Dividend income	(2,508,265)	(6,480,000)
Diminution in value of investments	13,642,499	-
Loss on sale of investment in subsidiary	60,403,834	-
Rental income	-	(3,793,548)
Operating profit before working capital changes	1,974,306,985	1,283,685,532
Movements in working capital		
- (Increase)/decrease in sundry debtors	(27,655,575)	(259,732,948)
- (Increase)/decrease in sundry deposits	(18,281,382)	(228,701,182)
- (Increase)/decrease in loans	5,401,988	(11,265,979)
- (Increase)/decrease in advances	(11,685,540)	(5,264,513)
- Increase/(decrease) in sundry creditors	95,665,882	129,382,594
- Increase/(decrease) in fee received in advance	201,559,973	112,919,962
- Increase/(decrease) in other liabilities	6,543,054	16,150,305
Cash generated from operations	2,225,855,385	1,037,173,771
- Taxes paid	(579,275,316)	(328,323,851)
Net cash generated from operating activities - (A)	1,646,580,069	708,849,920

Rupees

	Year Ended December 31, 2008	Year Ended December 31, 2007
B. Cash flow from investing activities :		
Purchase of fixed assets	(219,389,399)	(253,226,703)
Proceeds from sale of fixed assets	4,378,127	64,340,554
Investments in mutual funds (net)	(1,150,000,000)	(725,631,468)
Sale proceeds from investments in mutual funds	1,043,058,473	152,304,789
Consideration received towards sale of a subsidiary (net)	100,324,000	-
Investment in fixed deposits (net)	(821,569,787)	7,868,238
Interest on deposits and loans	25,601,234	13,784,292
Dividend income	2,508,265	6,480,000
Rental income	-	3,793,548
Net cash generated from/(used in) investing activities – (B)	(1,015,089,087)	(730,286,750)
C. Cash flow from financing activities :		
Increase in share capital	-	4,695,600
Increase in securities premium	-	188,880,510
Dividend and dividend tax paid	(507,498,103)	(125,118,335)
Net cash generated from/(used in) financing activities – (C)	(507,498,103)	68,457,775
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	123,992,879	47,020,945
Less : Adjustment towards sale of subsidiary	(78,297,546)	-
Net Increase/(decrease) in cash and cash equivalents after divesture adjustment	45,695,333	47,020,945
Cash and cash equivalents – Opening balance	391,750,632	344,729,687
Cash and cash equivalents – Closing balance	437,445,965	391,750,632
Net Increase/(decrease) in Cash and Cash Equivalents	45,695,333	47,020,945
Components of cash and cash equivalents as at		
Cash on hand	305,407	314,348
With banks on current account	437,140,558	391,436,284
Significant Accounting Policies and Notes to the Accounts	P	
The schedules referred to above and notes to accounts form an integral part of the Cash flow statement.		

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Schedules annexed to and forming part of the Consolidated Accounts

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE A:		
Share Capital		
Authorised Capital:		
10,000,000 (P.Y. 10,000,000) Equity Shares of Rs. 10 each	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
7,225,000 (P.Y. 7,225,000) Equity Shares of Rs. 10 each fully paid up	72,250,000	72,250,000
[Of the above, 600,000 (P.Y. 600,000) Equity Shares are held by Standard & Poor's International LLC, USA and 3,120,948 (P.Y. 3,120,948) Equity Shares are held by S&P India, LLC (a wholly owned subsidiary of The McGraw-Hill Companies, Inc.- The Ultimate Holding Company)]		
	72,250,000	72,250,000
SCHEDULE B:		
RESERVES & SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	474,890,071	286,009,561
Add : Additions during the year towards issue of shares under ESOP	-	188,880,510
	474,890,071	474,890,071
General Reserve as per last Balance Sheet		
Balance as per last Balance Sheet	891,066,321	820,395,563
Add : Transfer from Profit and Loss Account	137,378,192	70,670,758
	1,028,444,513	891,066,321
Capital Reserve		
Balance as per last Balance Sheet	122,232,111	-
Add : Addition on account of amalgamation of subsidiaries	-	122,232,111
	122,232,111	122,232,111
Profit and Loss Account		
Balance as per last Balance Sheet	1,885,109,355	1,259,400,281
Less: Adjustments account of transitional provision of Accounting Standard 15 (Revised) on employment benefits	-	(50,630,215)
	1,885,109,355	1,208,770,066
Currency Translation Reserve		
Balance as per last Balance Sheet	(7,798,081)	(4,769,175)
	3,502,877,969	2,692,189,394

SCHEDULE C:

Fixed Assets

Rupees

	Gross Block at Cost			Accumulated Depreciation/Amortisation				Net Block		
	As on Jan 01, 2008	Additions	Deductions	As on Dec 31, 2008	Upto Jan 01, 2008	For the year	On Assets sold	Upto Dec 31, 2008	As on Dec 31, 2008	As on Dec 31, 2007
Intangibles										
Goodwill	12,500,457	-	3,541,457	8,959,000	10,071,293	391,314	1,503,607	8,959,000	-	2,429,164
Goodwill On Consolidation	818,149,752	-	126,181,159	691,968,593	-	-	-	-	691,968,593	818,149,752
Trademarks	65,430,000	-	-	65,430,000	65,430,000	-	-	65,430,000	-	-
Copyrights	1,729,500	-	-	1,729,500	1,729,500	-	-	1,729,500	-	-
Patents	236,763	-	236,763	-	219,052	77,064	296,116	-	-	17,711
Fixed Assets										
Land & Buildings	278,609,665	-	-	278,609,665	93,211,313	13,930,483	-	107,141,796	171,467,869	185,398,352
Furniture & Fixtures	113,652,786	33,747,153	14,741,252	132,658,687	59,659,593	13,613,170	12,231,159	61,041,604	71,617,083	53,993,193
Office Equipments	122,481,944	56,429,306	29,034,050	149,877,200	57,544,598	14,462,584	14,053,863	57,953,319	91,923,881	64,937,346
Computers	340,324,565	66,072,564	26,714,111	379,683,018	242,258,717	64,851,467	25,339,800	281,770,384	97,912,634	98,065,848
Vehicles	53,961,820	16,566,107	12,631,860	57,896,067	30,380,437	15,669,545	9,711,500	36,338,482	21,557,585	23,581,383
Leasehold Improvements	52,432,419	86,722,997	8,975,461	130,179,955	7,268,288	13,427,382	5,092,021	15,603,649	114,576,306	45,164,131
Total	1,859,509,671	259,538,127	222,056,113	1,896,991,685	567,772,791	136,423,009	68,228,066	635,967,734	1,261,023,951	1,291,736,880
Previous Year	1,619,874,639	297,598,203	57,963,171	1,859,509,671	450,130,280	156,924,494	39,281,983	567,772,791	1,291,736,880	

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
SCHEDULE D:				
Investments				
A. Long Term (Unquoted – At Cost)				
3,600,000 (P.Y. 3,600,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs. 10 each, fully paid up		36,000,000		36,000,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency Of US \$ 1 each, fully paid up	13,642,500		13,642,500	
Less: Provision for diminution in value of Investment	13,642,499	1	–	13,642,500
40,000 (P.Y. 400,000) Equity Shares of Gas Strategies Group Limited of £1 per share, fully paid up		25,647,990		–
Total Long Term (At Cost) – {A}		61,647,991		49,642,500
B. Current Investments (At Cost Or Market Value, whichever is low) *				
Investments In Mutual Funds				
28,758 units of Rs. 10 each (P.Y. 28,758) of Tata Liquid Fund		50,000,000		50,000,000
NIL units of Rs. 10 each (P.Y. 8,116,159) of HSBC Cash Fund Growth Plan (Sold 8,116,159 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 2,867,742) of DSP Black Rock Fund Growth Plan (Sold 2,867,742 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,666,442) of LIC MF Liquid Fund Growth Plan (Sold 3,666,442 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of HDFC FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 82,019) of UTI Liquid Cash Plan Growth Option (Purchased 37,727 and Sold 1,19,746 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of Prudential ICICI FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,385,179) of Reliance Liquid Fund – Treasury Plan – Institutional Option – Growth (Sold 5,385,179 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of ABN AMRO Fixed Term Plan–Series 8:Yearly Plan B (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 6,413,591) of Kotak Liquid Institutional Premium Plan (Sold 6,413,591 units of Rs. 10 each during the current year)		–		100,000,000
8,562,774 (P.Y. 3,088,422) units of Rs. 10 each of Sundaram BNP Paribas Money Fund – Institutional Plan (Purchased 5,474,352 units of Rs. 10 each during the year)		150,000,000		50,000,000
NIL units of Rs. 10 each (P.Y. 4,105,731) of ING Liquid Fund (Sold 4,105,731 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,912,149) of Principal Mutual Fund (Sold 3,912,149 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,167,363) of HDFC Liquid Fund – Premium Plan Growth (Sold 3,167,363 units of Rs. 10 each during the current year)		–		50,000,000

Rupees

	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
41,897.992 units of Rs. 10 each (P.Y. NIL) Templeton India Treasury Management Account Super Institutional Plan Growth		50,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) DSP Black Rock – FMP 12M series 2		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) HSBC Fixed Term Series 56 (HFTS 56) FMP		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Tata Fixed Horizon Fund Series 18–Scheme C		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Kotak FMP 12M Series 8		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Kotak FMP 12M Series 9		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) ABN AMRO Fixed Term Plan – Series 14: Plan A		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) HDFC FMP 370D November 2008 (1)		100,000,000		
62,578 units of Rs. 10 each (P.Y. NIL) Tata Liquid Super High Inv. Fund – Appreciation		100,000,000		
Total Investments in Mutual Funds {B}*		1,050,000,000		900,000,000
Proportional Share of Investments in Mutual Fund by Joint Venture Company {C}		72,722,036		25,631,468
Total Investments {A}+{B}+{C}		1,184,370,027		975,273,968
*Aggregate market value of Company's investment in Mutual Funds		1,183,324,427		940,971,949
SCHEDULE E:				
Sundry Debtors				
Debts outstanding for a period exceeding six months				
– Considered good		95,145,240		102,790,743
– Considered doubtful		30,178,021		13,292,165
Other debts				
– Considered good		676,329,235		794,575,578
– Considered doubtful		–		–
Less : Reserve for Doubtful Debts		(30,178,021)		(13,292,165)
		771,474,475		897,366,321
SCHEDULE F:				
Cash & Bank Balances				
Cash on Hand		305,407		314,348
Balances with Scheduled Banks				
On Current Accounts		437,140,558		391,436,284
On Deposit Accounts		852,776,322		31,206,535
On Unpaid Dividend Accounts		1,896,487		1,247,028
Deposit includes Fixed Deposits with Banks Rs. 32,628,427 (P.Y. Rs. 18,514,627) marked as lien for Guarantees issued by Banks on behalf of the Company.				
		1,292,118,774		424,204,195

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE G:		
Loans and Advances		
Unsecured, Considered Good		
Loans to Staff	21,151,926	26,762,003
Advance Recoverable In Cash or kind for value to be received	92,160,445	41,489,723
Advance Taxes paid (Net of Provision for Taxes)	58,709,199	-
Sundry Deposits	353,993,257	338,961,350
	526,014,827	407,213,076
SCHEDULE H:		
Other Current Assets		
Other Current Assets		
Interest Accrued On Fixed Deposit With Banks	12,723,491	1,508,247
Accrued Revenue	4,442,083	2,404,371
	17,165,574	3,912,618
SCHEDULE I:		
Current Liabilities		
Sundry Creditors	556,246,974	534,624,628
Fees received in advance	486,351,710	304,354,630
Unclaimed dividend (to be credited to Investor Education & Protection Fund, when due)	1,896,487	1,247,028
Other Liabilities	111,574,420	118,661,122
	1,156,069,591	958,887,408
SCHEDULE J:		
Provisions		
Proposed Dividend	252,875,000	180,625,000
Corporate Dividend Tax thereon	42,976,107	30,697,219
Provision for Tax (net of advance tax)	-	13,432,166
Provision for Leave Encashment	122,631,874	145,933,019
Provision for Gratuity	21,200,905	18,946,664
	439,683,886	389,634,068

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE K:		
Income From Operations		
Ratings Services	1,887,753,462	1,300,783,882
Advisory Services	996,253,081	1,066,968,793
Research Services	2,194,752,914	1,639,731,807
Proportionate share in Joint Venture	66,844,780	35,841,554
	5,145,604,237	4,043,326,036
SCHEDULE L:		
Other Income		
Interest received on refund of Income Tax	-	8,770
Interest on Deposits (TDS -Rs. 8,135,015 P.Y Rs. 1,367,028)	36,816,478	14,607,012
Profit on sale of fixed assets , Net	133,467	45,659,366
Dividend Income	2,508,265	6,480,000
Foreign Exchange Gain	57,112,068	-
Profit on sale of investments (net)	90,149,041	2,304,789
Rental Income	-	3,793,548
Miscellaneous Income	24,264,251	16,867,614
Proportionate share in interest income of Joint Venture	5,258,950	1,881,205
	216,242,520	91,602,304
SCHEDULE M:		
Staff Expenses		
Salaries & Bonus	1,744,901,985	1,382,964,436
Contribution to Provident and Other Funds	78,754,755	53,250,630
Staff Training and Welfare Expenses	87,962,428	83,753,075
	1,911,619,168	1,519,968,141
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance – Buildings	71,449,762	31,594,939
Repairs and Maintenance – Others	57,804,860	46,451,201
Electricity	48,597,311	36,518,788
Communication expenses	70,179,659	69,386,253
Insurance	6,454,188	7,907,754
Rent (Refer Note 9 – Schedule P)	261,288,551	187,814,066
Rates & Taxes	2,491,295	11,540,029
	518,265,626	391,213,030

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE O:		
Other Expenses		
Printing and Stationery	40,691,760	35,623,762
Conveyance and Travelling	247,589,749	246,938,761
Books and Periodicals	23,538,776	22,412,859
Vehicle Expenses	1,206,378	1,422,860
Remuneration to Non-whole time Directors	11,247,958	9,290,000
Business Promotion and Advertisement	16,853,897	14,558,942
Foreign Exchange loss (net)	-	61,398,067
Professional Fees	342,789,765	427,773,668
Software Purchase & Maintenance Expenses	18,222,484	30,035,582
Provision for Bad Debts	57,127,587	19,193,673
Bad Debts written off (net)	5,673,154	13,802,003
Loss on sale of fixed assets	7,592,281	-
Auditors' Remuneration	5,954,397	6,138,181
Recruitment Expenses	16,427,006	25,360,472
Seminars & Conferences	29,429,254	19,594,576
Miscellaneous Expenses	17,217,810	9,469,235
Proportionate share in administrative and other expense of Joint Venture	9,476,512	17,456,602
Diminution in value of Investments	13,642,499	-
Loss on sale of investment in subsidiary	60,403,834	-
	925,085,101	960,469,243

SCHEDULE P:**Significant Accounting Policies And Notes To The Consolidated Accounts****1 Principles of consolidation**

- 1.1 The consolidated financial statements include the financial statements of CRISIL Limited consolidated with the financial statements of its wholly owned subsidiaries and joint venture ("Group").
- 1.2 The financial statements of the Company and its' subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra group balances and intra group transactions as per Accounting Standard 21 – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India ('ICAI').
- 1.3 In case of foreign subsidiaries, revenue items are converted at the average yearly foreign exchange rates and the balance sheet items are converted at closing rates.
- 1.4 Interests in joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
- 1.5 The excess of Company's purchase consideration over the net assets as at the date of investment, has been recognised as Goodwill on consolidation.

- 1.6 The list of subsidiary companies and joint venture and the Holding Company viz. CRISIL's holding directly or through Subsidiaries therein are as under:

Name of the company	Reference	Country Of Incorporation	Ownership in % either directly or through Subsidiaries	
			31-Dec-08	31-Dec-07
CRISIL Research & Information Services Limited	Note 1	India	–	100%
CRISIL Risk and Infrastructure Solutions Limited		India	100%	100%
CRISIL Properties Limited	Note 1	India	–	100%
Global Data Services Of India Limited	Note 1	India	–	100%
CRISIL Credit Information Services Limited		India	100%	100%
Gas Strategies Group Limited	Note 2	United Kingdom	–	100%
Alphatania Limited	Note 2	United Kingdom	–	100%
Gas Matters Limited	Note 2	United Kingdom	–	100%
Gas Strategies Consulting Limited	Note 2	United Kingdom	–	100%
Overview Outreach Limited	Note 2	United Kingdom	–	100%
Irevna Research Services Limited	Note 1	India	–	100%
Irevna Limited, UK		United Kingdom	100%	100%
Irevna LLC, US		United States	100%	100%
India Index Services and Products Limited (Joint Venture)		India	49%	49%
CRISIL Irevna Argentina S. A.		Argentina	100%	–
CRISIL Irevna Poland Sp.Z.o.o		Poland	100%	–
Note 1 : Amalgamated with CRISIL wef 1st April, 2007				
Note 2 : Sale of majority stake on 10th December, 2008				

2 Basis of Preparation

The Consolidated Financial Statements ('CFS') are prepared in accordance with Accounting Standard ('AS') 21 "Consolidated Financial Statements", AS-25 "Interim Financial Reporting" and AS- 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956 ('Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group.

2.1 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

- 2.2 Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

2.3 Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, details of which are as under:

Assets	Estimated Useful Life
Buildings	20 Years
Furniture & Fixtures	4 to 16 Years
Office Equipments	2 to 10 Years
Computers	3 to 5 Years
Vehicles	3 Years

2.4 Impairment

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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

2.5 Intangibles

Goodwill is amortised on a systematic basis over the best estimate of its useful life. Costs relating to Trademarks and Copyrights are amortised on a straight-line method over a period of four years.

2.6 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

2.7 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

2.8 Revenue Recognition

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.

Income from Operations

Income from Operations comprises of income from initial rating and surveillance services, credit assessments, special assignments, advisory services and subscriptions to information products. Initial rating fees are deemed to accrue at 94 % on the date the rating is awarded and the balance 6% is recorded equally over 11 months subsequent to the month in which the rating was awarded. Surveillance fee and subscription to information products are accounted on a time proportion basis. Fees received for credit assessments, advisory services

and special assignments are fully recognised as income in the year in which such assessments/assignments are carried out or milestones achieved.

Interest Income

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

Dividend Income

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

2.9 Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities or trusts.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

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.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

In respect of foreign subsidiaries retirement benefits are governed and accrued as per local statutes.

2.10 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in reporting currency by applying to the foreign currency amounts, the average exchange rates for the month prior to the month in which the transaction takes place.

Conversion

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference

Exchange differences, arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

2.11 Translation of Integral and Non Integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non integral foreign operation are translated at exchange rates of the dates of transactions and resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

2.12 Taxes On Income

Tax expense comprises of current, deferred, and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act of 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. With respect to foreign subsidiaries tax expense is recorded and recognised as per local statute.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a Deferred Tax Asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which Deferred Tax Asset can be realised. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.13 Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment transfers:

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

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:

The Corporate and Other Segment includes general corporate income and expense items which are not allocated to any business segment.

2.14 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, 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.

2.15 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.16 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.

3 Details of Contingent liabilities are as under:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
1. Bank Guarantee in the normal course of business	39,193,212	18,514,827
2. Disputed income tax demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	18,227,777	36,266,312
(ii) Decided in Company's favour by Appellate authorities and Department is in further appeal	4,706,559	12,369,953
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	87,252,360	117,996,153
	149,379,908	185,147,245

4 Components of Deferred Tax Assets and Liability are:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Deferred Tax Liability		
Depreciation / Amortisation	(28,416,131)	(31,286,875)
Deferred Tax Asset		
Provision for Leave Encashment*	43,673,546	45,628,167
Provision for Gratuity	1,074,782	3,116,612
Provision for Bonus and Commission	25,995,693	8,855,630
Provision for bad debts	11,243,773	3,913,991
Deferment of Rating fees	9,186,846	2,505,486
Lease Rent amortisation	15,248,844	–
Disallowance under section 40(a)	334,392	–
	106,757,876	64,019,886
Net Deferred Tax Asset / (Liability)	78,341,745	32,733,011

5 Segment Reporting

Business Segments:

The Company is India's leading Rating, Research, Risk and Policy advisory group. CRISIL Ratings is full service rating agency that offers a comprehensive range of rating services. CRISIL Research comprises of analysing the Indian and Global environment with an objective of facilitating the client to make a well informed economic decision. CRISIL's equity research provides high-end customised equity research and analytics and knowledge process outsourcing to the world's leading financial institution, investment banks, private equity firms and consulting companies, helping them to achieve sustainable competitive advantage the most reliable opinions on risk by combining its understanding of risk and the science of building risk frameworks, with a contextual understanding of business. The advisory segment comprises of infrastructure advisory, risk management solutions and gas market advisory practice.

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

- Rating services includes credit Ratings for corporates, banks, small and medium enterprises (SME), training in the credit Rating field, credit analysis services and grading services.
- Research segments provides high end equity research, industry reports, customised research assignments , subscription to data services and IPO gradings.
- The Advisory segment comprise of infrastructure advisory, risk management and gas market advisory practice.

Segment Reporting for the Year ended December 31, 2008

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,887,753,462	996,253,081	2,261,597,694	5,145,604,237
Segment Results	908,105,261	216,629,320	819,848,201	1,944,582,782
Add / (Less) Unallocables:				
1. Unallocable Income				157,345,707
2. Unallocable Expenditure				(95,051,627)
3. Depreciation				(136,423,009)
Profit Before Tax				1,870,453,853
Non-cash expenses other than depreciation and amortisation	11,953,888	9,370,000	14,756,796	36,080,684
Segment Debtors	238,223,100	178,807,934	354,443,441	771,474,475

Revenue by Geographic Segments

Country	Rupees
India	2,149,407,078
UK	1,715,024,311
US	1,089,874,760
Others	191,298,088
Total	5,145,604,237

Segment Reporting for the Year ended December 31, 2007

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,300,783,882	1,066,968,793	1,675,573,361	4,043,326,036
Segment Results	550,517,854	209,411,368	441,586,180	1,201,515,402
Add / (Less) Unallocables:				
1. Unallocable Income				122,095,575
2. Unallocable Expenditure				(60,333,051)
3. Depreciation				(156,924,494)
Profit Before Tax				1,106,353,432
Non-cash expenses other than depreciation and amortisation	18,198,549	4,734,638	21,852,654	44,785,841
Segment Debtors	168,411,999	263,985,189	464,969,133	897,366,321

Revenue by Geographic Segments

Country	Rupees
India	1,414,436,452
UK	1,802,076,570
US	733,543,276
Others	93,269,738
Total	4,043,326,036

Notes to Segmental Results:

Fixed Assets used in the Company's business or Liabilities contracted have not been identified to any of the reportable segments, as the Fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practical to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of the available data is not feasible.

The Company recovered certain common expenses from subsidiaries based on management estimates and the same form a part of the segment results .

6 List of related parties

Parties	Relationship
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC, USA	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
McGraw-Hill Education India Private Limited	Fellow Subsidiary
R Ravimohan	Managing Director & Chief Executive Officer (till July 27, 2007)
Roopa Kudva	Managing Director & Chief Executive Officer (with effect from July 27, 2007)

Related Party Disclosure

Rupees

Name of the related party	Nature of transaction	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Standard & Poor's' LLC	Professional Services Rendered	563,666,959	521,813,568
	Reimbursement of expenses	7,273,764	10,170,218
	Amount Receivable	59,770,825	75,460,832
S&P India, LLC	Dividend	218,466,360	78,023,700
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	617,215	
	Reimbursement of expenses	3,731,383	
	Amount Receivable	4,348,598	
Standard & Poor's International LLC, USA	Dividend	42,000,000	15,000,000
	Share Capital Outstanding	6,000,000	6,000,000
The McGraw-Hill Companies, Inc	Expenses Recovered	20,382	-
McGraw-Hill Education India Private Limited	Professional Services Rendered	14,920,206	11,882,138
	Reimbursement of expenses	25,066,049	6,752,359
	Amount Receivable	11,963,663	11,638,039
R. Ravimohan	Remuneration paid	-	7,677,464
	Number of stock options exercised	-	30,000
Roopa Kudva	Remuneration paid	19,924,803	11,046,007
	Number of stock options exercised	-	24,000

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors is not ascertainable and, therefore, not included above.

- 7 The Company has 49% interest in India Index Services and Products Limited (a joint venture in India with National Stock Exchange). As per the Accounting Standard relating to Financial Reporting of Interest in Joint Venture (AS 27) issued by the Institute of Chartered Accountants of India, the details of interest in the Joint Venture are as under:

Rupees

	Unaudited	
	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Assets	89,447,554	51,963,649
Reserves and Surplus	71,256,570	31,691,355
Liabilities	11,820,983	13,902,295
Income	72,103,730	37,722,759
Expenses	10,143,589	18,050,335
Tax Expense	20,159,149	6,489,293
Contingent Liability	751,530	-

8 Operating Lease

The Company has taken certain office premises on operating lease basis. Details as regards payments and future commitments are as under:

Rupees

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Lease Payment recognised in Profit & Loss Account	261,288,551	178,054,372
Future Minimum Lease Payments:		
Not later than one year	219,013,366	215,094,314
Later than One Year & not later than 5Years	708,090,528	705,226,656
Later than 5 Years	203,578,140	285,521,476
	1,130,682,034	1,205,842,446

9 Gratuity and Leave Encashment Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Profit & Loss Account:

Net employee benefit expense (recognised in Employee Cost)

Rupees

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Current Service cost	9,544,786	2,397,582
Interest cost on defined benefit obligation	3,153,094	872,437
Expected return on plan assets	(1,426,980)	(545,866)
Net actuarial (gain)/ loss recognised in the year	9,569,979	7,454,215
Losses/(Gains) on "Acquisition/Divestiture"	(39,494)	4,387,898
Net Gratuity Benefit Expense	20,801,385	14,566,266

Balance Sheet:

Details of Provision for Gratuity Benefit

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Present value of funded obligations	46,923,957	29,261,994
Fair value of plan assets	(25,723,052)	(10,315,331)
Net Liability	21,200,905	18,946,663

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

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Opening Defined Benefit Obligation	29,261,994	17,695,533
Current Service Cost	9,544,786	2,397,582
Interest Cost	3,153,094	872,437
Actuarial (gain)/loss	12,811,600	4,830,803
Liabilities assumed on acquisition/(Settled on Divestiture)	-	5,721,298
Benefits paid	(7,847,517)	(2,255,659)
Closing Defined Benefit Obligation	46,923,957	29,261,994

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

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Opening Fair value of plan assets	10,315,331	13,067,154
Expected return on plan assets	1,426,980	545,866
Actuarial gain/ (loss)	3,241,621	(2,623,412)
Contribution by employer	18,547,143	247,982
Asset acquired on acquisition	39,494	1,333,400
Benefits paid	(7,847,517)	(2,255,659)
Closing Fair Value of Plan Assets	25,723,052	10,315,331

Details of experience adjustment on plan assets and liabilities are as follows:

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Experience adjustment on plan assets	3,523,032	853,712
Experience adjustment on plan liabilities	(299,664)	2,802,726

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

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2008/ 2007)	9.25%	7.50%

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

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

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Discount Rate	7.20%	8.50%
Estimated rate of return on plan assets	7.50%	7.50%
Expected Employee Turnover		
Age : 21-44 Years	2.00%	2.00%
Age : 44-57 Years	1.00%	1.00%
Expected Employer's Contribution next year	23,000,000	18,700,000

With respect to foreign subsidiaries Gratuity and other retiral benefits are provided as per local statute.

- 10 CRISIL Limited sold 90% of its stake in Gas Strategies Group Limited on December 10,2008.
- 11 The accounts of Gas Strategies Group Limited, India Index Services and Products Limited and CRISIL Irevna Poland Sp.Z.o.o are unaudited and financial statements (excluding notes to accounts) as certified by the management, have been considered in these consolidated financial statements.
- 12 Previous year comparatives
Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

STATEMENT PURSUANT TO DETAILS TO BE FURNISHED FOR SUBSIDIARIES AS PRESCRIBED BY THE MINISTRY OF CORPORATE AFFAIRS

Rupees

1	Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Credit Information Services Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland Sp.Z.o.o	Irevna Limited, UK	Irevna LLC, US
2	Share Capital	49,999,900 Equity Shares of Re. 1 each, fully paid up	50,000 Equity Shares of Rs. 10 each, fully paid up	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	8,000,000 Equity Shares of Pence 0.1 each, fully paid up	1 Equity Shares of US\$ 200 each, fully paid up
3	Reserves & Surplus	88,067,191	(69,509)	5,718,482	(476,427)	(57,121)	(53,066,595)
4	Total Assets	283,861,808	441,727	27,165,215	905,511	249,796,825	206,897,340
5	Total Liabilities	283,861,808	441,727	27,165,215	905,511	249,796,825	206,897,340
6	Investments	-	-	-	-	789,451	571,703
7	Turnover	498,976,427	-	97,236,339	-	980,243,502	534,564,319
8	Profit/(Loss) Before Taxation	134,509,985	(11,848)	8,855,752	(476,427)	(11,648,993)	(21,758,360)
9	Tax Expense	44,832,024	-	3,137,270	-	3,645,108	302,164
10	Profit After Taxation	89,677,961	(11,848)	5,718,482	(476,427)	(15,294,101)	(22,060,524)
11	Dividend Paid	-	-	-	-	-	-

CRISIL Limited sold 90% of its stake in Gas Strategies Group Limited on December 10, 2008. Consequently information with respect to Gas Strategies Group Limited and its subsidiaries comprising of Alphatania Limited, Gas Matters Limited, Gas Strategies Consulting Limited and Overview Outreach Limited are not included above.

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

R. Ravimohan Chairman	Thomas Schiller B. V. Bhargava David Pearce Rama Bijapurkar H. N. Sinor Nachiket Mor
Roopa Kudva Managing Director & CEO	Director
Shrikant Dev Company Secretary Mumbai, February 23, 2009	