

## Balance Sheet as at December 31, 2008

Particulars	Schedule	Rupees	
		December 31, 2008	December 31, 2007
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	72,250,000	72,250,000
Reserves and Surplus	B	3,391,930,411	2,609,850,703
<b>TOTAL</b>		<b>3,464,180,411</b>	<b>2,682,100,703</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	C	1,150,259,147	950,956,551
Less: Accumulated Depreciation/Amortisation		603,754,814	525,444,287
Net Block		546,504,333	425,512,264
Capital Work-In-Progress (including Capital Advances)		40,372,073	80,385,012
		586,876,406	505,897,276
<b>INVESTMENTS</b>	D	<b>1,864,940,836</b>	<b>1,863,750,605</b>
DEFERRED TAX ASSETS (Net) (Refer Note 8 – Schedule P)		66,990,201	29,705,346
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Sundry Debtors	E	803,172,196	678,241,189
Cash and Bank Balances	F	1,007,706,020	179,248,631
Loans and Advances	G	523,468,293	440,932,292
Other Current Assets	H	18,370,683	2,848,664
		2,352,717,192	1,301,270,776
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	I	988,909,194	669,849,444
Provisions	J	418,435,030	348,673,856
		1,407,344,224	1,018,523,300
<b>NET CURRENT ASSETS</b>		<b>945,372,968</b>	<b>282,747,476</b>
<b>TOTAL</b>		<b>3,464,180,411</b>	<b>2,682,100,703</b>
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

## Profit and Loss Account for the year ended December 31, 2008

Rupees

Particulars	Schedule	Year Ended December 31, 2008	Year Ended December 31, 2007
<b>INCOME</b>			
Income from Operations	K	3,783,536,652	2,553,227,620
Other Income	L	255,366,239	155,572,587
<b>TOTAL</b>		<b>4,038,902,891</b>	<b>2,708,800,207</b>
<b>EXPENDITURE</b>			
Staff Expenses	M	1,326,822,795	1,010,458,688
Establishment Expenses	N	422,836,123	277,810,931
Other Expenses	O	419,572,592	372,407,660
Depreciation		118,437,614	133,387,378
		2,287,669,124	1,794,064,657
Profit Before Tax		1,751,233,767	914,735,550
Tax Expense (Refer Note 6 – Schedule P)			
Income Tax		401,830,000	224,000,000
Fringe Benefit Tax		12,592,000	11,450,000
Wealth Tax		314,700	500,000
Deferred Tax		(37,284,855)	(32,215,000)
Income Tax of earlier years		–	4,292,968
		377,451,845	208,027,968
Profit After Tax			
Continuing Operation		1,373,781,922	701,269,488
Discontinued Operation (Refer Note 4 – Schedule P)		–	5,438,094
		1,373,781,922	706,707,582
Balance brought forward from previous year		1,121,662,200	455,830,953
Profit Available for Appropriation		2,495,444,122	1,162,538,535
Dividend			
Interim		252,875,000	–
Proposed Final Dividend		252,875,000	180,625,000
Total		505,750,000	180,625,000
Dividend Tax		85,952,214	33,706,767
Transfer to General Reserve		137,378,192	70,670,758
Balance carried to Balance Sheet		1,766,363,716	877,536,010
		2,495,444,122	1,162,538,535
Basic and Diluted Earnings Per Share – Nominal value of Rs. 10			
Including Discontinued Operations		190.14	99.50
Excluding Discontinued Operations		190.14	98.73
Number of Shares used in Computing Earnings Per Share		7,225,000	7,102,546
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 and Loss Account.			

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

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

	Year Ended December 31, 2008	Year Ended December 31, 2007
Rupees		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before tax	1,751,233,767	914,735,550
Adjustments for:		
Depreciation/amortisation	118,437,614	133,387,378
Provision for leave encashment	(17,266,609)	61,659,177
Provision for gratuity	2,498,895	6,929,545
(Profit)/loss on sale of fixed assets	2,184,622	(44,919,917)
(Profit)/loss on sale of investments	(89,233,303)	(2,304,789)
(Increase)/decrease in accrued income	(4,607,836)	(2,404,371)
Provision for bad debts	16,250,245	17,275,193
Interest on deposits and loans	(31,955,543)	(15,532,052)
Dividend income	(63,406,765)	(66,857,719)
Diminution in value of Investments	13,642,499	-
Rental income	-	(3,793,548)
Operating profit before working capital changes	1,697,777,586	998,174,447
Movements in working capital		
- (Increase)/decrease in sundry debtors	(141,181,252)	(217,877,390)
- (Increase)/decrease in sundry deposits	(9,746,074)	(232,020,960)
- (Increase)/decrease in loans	(820,577)	(7,211,984)
- (Increase)/decrease in advances	(8,899,253)	(17,773,410)
- Increase/(decrease) in sundry creditors	107,379,537	152,144,520
- Increase/(decrease) in fee received in advance	184,703,952	110,461,387
- Increase/(decrease) in other liabilities	26,326,802	10,469,874
Cash generated from operations	1,855,540,721	796,366,484
- Taxes paid	(482,834,082)	(268,824,790)
Net cash generated from operating activities - (A)	1,372,706,639	527,541,694

Rupees

	Year Ended December 31, 2008	Year Ended December 31, 2007
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(204,696,607)	(215,559,084)
Proceeds from sale of fixed assets	3,095,241	58,264,093
Investment in CRISIL Credit Information Services Limited	-	(500,000)
Investments in mutual funds (net)	(1,150,000,000)	(700,000,000)
Sale proceeds from investments in mutual funds	1,090,149,041	152,304,789
Investment in fixed deposits (net)	(802,573,695)	5,269,044
"Purchase consideration for transfer of Advisory Business to CRISIL Risk and Infrastructure Solutions Limited, a wholly-owned subsidiary (Refer Note 4 – Schedule P)"	-	96,241,235
Consideration received towards sale of a subsidiary	100,324,000	-
Investment in CRISIL Irevna Argentina, S.A	(10,501,668)	-
Interest on deposits and loans	20,797,845	15,798,402
Dividend income	63,406,765	66,857,719
Rental income	-	3,793,548
Net cash generated from/(used in) investing activities – (B)	(889,999,078)	(517,530,254)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase in share capital	-	4,695,600
Increase in securities premium	-	188,880,510
Dividend and dividend tax paid	(507,173,326)	(118,552,905)
Loan given to CRISIL Risk and Infrastructure Solutions Limited	(32,500,000)	(120,500,000)
Loan repaid by CRISIL Risk and Infrastructure Solutions Limited	82,200,000	48,300,000
Net cash generated from/(used in) financing activities – (C)	(457,473,326)	2,823,205
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	25,234,235	12,834,645
Cash and cash equivalents – Opening balance	166,091,900	76,098,665
Add : Adjustments on account of amalgamation of subsidiaries	-	77,158,590
Cash and Cash Equivalents – Closing balance	191,326,135	166,091,900
Net Increase/(decrease) in Cash and Cash Equivalents	25,234,235	12,834,645
Components of Cash and Cash Equivalents as at		
Cash on hand	137,941	214,824
With banks on current account	191,188,194	165,877,076
	191,326,135	166,091,900
Note : Assets and liabilities acquired as a result of amalgamation of Subsidiaries with the Company have been excluded from the current year cash flow statement as the transaction is non-cash in nature.		
Significant accounting policies and notes to the Accounts	Schedule P	
The schedules referred to above and notes to accounts form an integral part of the Cash flow statement.		

As per our report of even date.

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

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

Mumbai, February 23, 2009

R. Ravimohan  
ChairmanRoopa Kudva  
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B. V. Bhargava  
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Rama Bijapurkar  
H. N. Sinor  
Nachiket Mor

Director

## Schedules annexed to and forming part of the Accounts

	December 31, 2008	December 31, 2007
Rupees		
<b>SCHEDULE A:</b>		
<b>Share Capital</b>		
<b>Authorised Capital:</b>		
10,000,000 (P.Y. 10,000,000) Equity Shares of Rs. 10 each	100,000,000	100,000,000
<b>Issued, Subscribed and Paid Up:</b>		
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)]		
<b>Total</b>	<b>72,250,000</b>	<b>72,250,000</b>
<b>SCHEDULE B:</b>		
<b>Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	474,890,071	286,009,561
Add : Additions during the year towards issue of shares under Employee Stock Option Plan	-	188,880,510
	474,890,071	474,890,071
<b>General Reserve</b>		
Balance as per last Balance Sheet	891,066,321	820,395,563
Add : Transferred from Profit and Loss Account	137,378,192	70,670,758
	1,028,444,513	891,066,321
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	122,232,111	-
Add : Capital Reserve arising on Amalgamation of a subsidiary (Refer Note 3 – Schedule P)	-	122,232,111
	122,232,111	122,232,111
<b>Profit and Loss Account</b>		
Profit and Loss Account balance	1,766,363,716	877,536,010
Less : Adjustments on account of transitional provision of Accounting Standard 15 (Revised) on employment benefits	-	(47,039,044)
Add : Addition on account of amalgamation of subsidiaries (Refer Note 3 – Schedule P)	-	291,165,234
	1,766,363,716	1,121,662,200
<b>Total</b>	<b>3,391,930,411</b>	<b>2,609,850,703</b>

## SCHEDULE C:

## Fixed Assets

Rupees

	Gross Block at Cost				Accumulated Depreciation/Amortisation				Net Block		
	As on Jan 1, 2008	Additions	Amalgamation (Note 1 below)	Deductions / Adjustments	As on Dec 31, 2008	Upto Jan 1, 2008	For the year (Note 1 below)	Deductions / Adjustments	Upto Dec 31, 2008	As on Dec 31, 2008	As on Dec 31, 2007
Intangibles											
Goodwill	8,959,000	-	-	-	8,959,000	8,959,000	-	-	8,959,000	-	-
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	-	-
Fixed Assets											
Buildings	278,609,665	-	-	-	278,609,665	93,211,313	13,930,483	-	107,141,796	171,467,869	185,398,352
Furniture and Fixtures	105,390,813	32,520,232	-	11,881,558	126,029,487	56,566,626	12,444,506	10,030,363	58,980,769	67,048,718	48,824,187
Office Equipments	99,616,479	55,147,220	-	8,647,997	146,115,702	51,669,920	10,898,703	6,231,533	56,337,090	89,778,612	47,946,559
Computers	303,974,328	57,627,091	-	16,065,170	345,536,249	217,745,218	56,904,809	16,033,227	258,616,800	86,919,449	86,229,110
Vehicles	43,255,537	14,519,606	-	8,812,225	48,962,918	26,631,243	12,287,033	7,831,964	31,086,312	17,876,606	16,624,294
Leasehold Improvements	43,991,229	84,895,397	-	-	128,886,626	3,501,467	11,972,080	-	15,473,547	113,413,079	40,489,762
Total	950,956,551	244,709,546	-	45,406,950	1,150,259,147	525,444,287	118,437,614	40,127,087	603,754,814	546,504,333	425,512,264
Previous Year	838,455,710	135,679,754	53,571,729	76,750,642	950,956,551	426,619,386	133,387,378	16,392,443	525,444,287	425,512,264	

Note: 1. Represents adjustment on account of amalgamation of subsidiaries (Refer Note 3 – Schedule P)

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
<b>SCHEDULE D:</b>				
<b>Investments</b>				
<b>A. Long Term (Unquoted – At Cost)</b>				
<b>Investment in Subsidiaries</b>				
49,999,900 (P.Y. 49,999,900) Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re. 1 each, fully paid up		49,999,900		49,999,900
8,000,000 (P.Y. 8,000,000) Equity Shares of Irevna Limited, UK, of £ 0.001 each, fully paid up		695,383,859		695,383,859
50,000 (P.Y. 50,000) Equity Shares of CRISIL Credit Information Services Limited of Rs. 10 each, fully paid up		500,000		500,000
704,018 (P.Y. Nil) Equity Shares of CRISIL Irevna Argentina of ARS 1 each, fully paid up		10,501,668		–
<b>Other Investments</b>				
637,000 (P.Y. 637,000) Equity Shares of India Index Services and Products Limited of Rs. 10 each, fully paid up		6,369,970		6,369,970
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 each, fully paid up (360,000 Equity shares sold during the year)		16,185,438		161,854,376
<b>Total Long Term (At Cost) – {A}</b>		<b>814,940,836</b>		<b>963,750,605</b>
<b>B. Current Investments (At Cost Or Market Value, whichever is lower) *</b>				
<b>Investments In Mutual Funds</b>				
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 Liquidity 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 Fund (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

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
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
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) Fortis 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
Total Investments {A} + {B}		1,864,940,836		1,863,750,605
*Aggregate market value of Company's investment in Mutual Funds		1,087,676,621		940,971,949
<b>SCHEDULE E:</b>				
<b>Sundry Debtors</b>				
Debts outstanding for a period exceeding six months				
– Unsecured, Considered good		80,860,390		29,777,988
– Unsecured, Considered doubtful		21,911,691		5,661,447
Other debts				
– Unsecured, Considered good		722,311,806		648,463,201
Less : Provision for Doubtful Debts (Refer Note 14 – Schedule P)		(21,911,691)		(5,661,447)
Total		803,172,196		678,241,189
<b>SCHEDULE F:</b>				
<b>Cash and Bank Balances</b>				
Cash on Hand		137,941		214,824
Balances with Scheduled Banks				
On Current Accounts		191,188,194		165,877,076
On Deposit Accounts		814,483,398		11,909,703
On Unpaid Dividend Accounts		1,896,487		1,247,028
Deposit includes Fixed Deposits with Banks Rs. 9,706,376 (P.Y. Rs. 11,841,231) marked as lien for Guarantees issued by Banks on behalf of the Company.				
Total		1,007,706,020		179,248,631

	Rupees	
	December 31, 2008	December 31, 2007
<b>SCHEDULE G:</b>		
<b>Loans and Advances</b>		
Unsecured, Considered Good		
Loans to Staff	17,533,051	16,712,474
Advance Recoverable In Cash or Kind for Value to be Received	86,496,536	33,168,083
Advance Tax (Net of provision)	69,145,671	1,048,289
Sundry Deposits	327,549,520	317,803,446
Loan to CRISIL Risk & Infrastructure Solutions Limited (Refer Note 15 – Schedule P)	22,743,515	72,200,000
<b>Total</b>	<b>523,468,293</b>	<b>440,932,292</b>
<b>SCHEDULE H:</b>		
<b>Other Current Assets</b>		
Interest Accrued on Fixed Deposits with Banks	11,358,476	444,293
Accrued Revenue	7,012,207	2,404,371
<b>Total</b>	<b>18,370,683</b>	<b>2,848,664</b>
<b>SCHEDULE I:</b>		
<b>Current Liabilities</b>		
Sundry Creditors (Refer Note 7 – Schedule P)	442,031,111	334,651,574
Fees received in advance	472,352,143	287,648,191
Unclaimed Dividend (to be credited to Investor Education & Protection Fund, as and when due)	1,896,487	1,247,028
Other Liabilities	72,629,453	46,302,651
<b>Total</b>	<b>988,909,194</b>	<b>669,849,444</b>
<b>SCHEDULE J:</b>		
<b>Provisions</b>		
Proposed Dividend	252,875,000	180,625,000
Corporate Dividend Tax thereon	42,976,107	30,697,219
Provision for Leave Encashment	103,843,747	121,110,356
Provision for Gratuity	18,740,176	16,241,281
<b>Total</b>	<b>418,435,030</b>	<b>348,673,856</b>

	Rupees	
	Year Ended December 31, 2008	Year Ended December 31, 2007
<b>SCHEDULE K:</b>		
<b>Income from Operations</b>		
Income from Rating Services	1,887,753,462	1,300,783,882
Income from Advisory Services	-	87,688,472
Income from Research Services	1,895,783,190	1,164,755,266
<b>Total</b>	<b>3,783,536,652</b>	<b>2,553,227,620</b>
<b>SCHEDULE L:</b>		
<b>Other Income</b>		
Interest on Deposits [TDS – Rs. 7,409,010 (P.Y. Rs. 2,423,692)]	31,955,543	10,482,736
Interest on Loan to Subsidiary [TDS – Rs. 1,302,033 (P.Y. Rs. 1,040,223)]	6,320,547	5,049,316
Profit on sale of Fixed Assets (Net)	-	46,286,865
Dividend Income – Subsidiaries	58,987,500	59,422,219
Dividend Income – Other Investments	4,419,265	7,435,500
Foreign Exchange Gain (Net)	40,263,052	-
Profit on sale of investments (Net)	89,233,303	2,304,789
Rental Income	-	3,793,548
Miscellaneous Income	24,187,029	20,797,614
<b>Total</b>	<b>255,366,239</b>	<b>155,572,587</b>
<b>SCHEDULE M:</b>		
<b>Staff Expenses</b>		
Salaries and Bonus	1,232,473,016	931,256,797
Contribution to Provident & Other Funds	54,065,989	40,361,472
Staff Training and Welfare Expenses	66,382,031	63,307,156
Less : Recoveries from Subsidiaries towards Overhead Allocated	(26,098,241)	(24,466,737)
<b>Total</b>	<b>1,326,822,795</b>	<b>1,010,458,688</b>
<b>SCHEDULE N:</b>		
<b>Establishment Expenses</b>		
Repairs and Maintenance – Buildings	66,194,374	27,432,119
Repairs and Maintenance – Others	50,130,157	39,114,247
Electricity	44,254,275	28,223,125
Communication Expenses	56,557,596	46,567,264
Insurance	1,042,970	1,714,191
Rent	208,777,994	137,339,906
Rates and Taxes	2,464,841	2,990,055
Less : Recoveries from Subsidiaries towards Overhead Allocated	(6,586,084)	(5,569,976)
<b>Total</b>	<b>422,836,123</b>	<b>277,810,931</b>

	Rupees	
	Year Ended December 31, 2008	Year Ended December 31, 2007
<b>SCHEDULE O:</b>		
<b>Other Expenses</b>		
Printing and Stationery	22,145,641	19,984,911
Conveyance and Travelling	128,913,463	139,941,971
Books and Periodicals	18,058,635	15,913,070
Vehicle Expenses	1,166,378	1,422,860
Remuneration to Non-whole time Directors (Refer Note 9 – Schedule P)	11,180,000	9,200,000
Business Promotion and Advertisement	8,686,086	8,515,798
Foreign Exchange Loss (net)	–	50,187,045
Professional Fees	118,965,691	81,466,676
Software Purchase & Maintenance Expenses	15,123,399	24,476,649
Provision for Bad Debts	16,250,245	7,028,395
Bad Debts written off	5,124,388	10,246,798
Loss on sale of fixed assets	2,184,622	–
Auditors' Remuneration (Refer Note 12 – Schedule P)	2,781,870	2,170,530
Recruitment Expenses	10,521,545	9,198,234
Sales Commission	50,877,741	–
Seminars and Conferences	3,415,990	3,192,568
Miscellaneous Expenses	2,102,854	1,551,399
Diminution in value of Investments	13,642,499	–
Less : Recoveries from Subsidiaries towards Overhead Allocated	(11,568,455)	(12,089,244)
<b>Total</b>	<b>419,572,592</b>	<b>372,407,660</b>

**SCHEDULE P:****Significant Accounting Policies And Notes to the Accounts****1 Nature of Operations**

CRISIL Limited ('the Company') offers domestic and international customers a unique combination of local insights and global perspectives, delivering independent information, opinions and solutions that help them make better informed business and investment decisions, improve the efficiency of markets and market participants. Its integrated range of capabilities includes credit ratings and risk assessment; research on India's economy, industries and companies; investment research out sourcing and fund services.

**2 Statement of Significant Accounting Policies****2.1 Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the 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 Company

## 2.2 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.

## 2.3 Fixed Assets

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.

## 2.4 Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act, whichever is higher.

Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings	5.00%	1.63%
Furniture & Fixtures	10.00%	6.33%
Office Equipments	10.00%	4.75%
Computers	33.33%	16.21%
Vehicles	33.33%	9.50%

Leasehold Improvements are amortised over the lease term.

Fixed assets having original cost of less than Rs. 5,000 individually, are depreciated fully in the year/period of purchase.

## 2.5 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.

## 2.6 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 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 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. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Act.

## 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.

## 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 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.

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.

## 2.12 Segment Reporting Policies

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

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.

## 2.13 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.

#### 2.14 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.

#### 2.15 Cash and Cash Equivalents

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

### 3 Amalgamation

During the previous year, Pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature at Bombay and High Court of Judicature at Madras vide their orders dated July 27, 2007 and July 9, 2007 respectively, CRISIL Research and Information Services Limited, Global Data Services of India Limited, CRISIL Properties Limited and Irevna Research Services Limited have been amalgamated with CRISIL Limited effect from April 1, 2007. All the subsidiaries amalgamated as aforesaid were wholly owned by the Company and hence no shares were exchanged to effect the amalgamation of the companies as aforesaid. The amalgamation has been accounted as per the 'pooling of interests' method prescribed by AS 14–Accounting for Amalgamation issued by the ICAI.

Following assets, liabilities and reserves were amalgamated with Company's assets, liabilities and reserves:

Particulars	CRISIL Research and Information Services Limited	Global Data Services Of India Limited	Irevna Research Services Limited	CRISIL Properties Limited	Total
Fixed Assets (Net)	426,122	–	36,753,164	–	37,179,286
Deferred Tax Asset	3,622,937	200,448	–	–	3,823,385
Current Assets, Loans and Advances					
Sundry Debtors	–	–	331,815,934	–	331,815,934
Cash and Bank Balances	6,766,475	5,480,865	64,876,489	34,761	77,158,590
Loans and Advances	4,717,134	436,050	35,245,849	373,677	40,772,710
Other Current Assets	45,940	137,282	–	–	183,222
Total	11,529,549	6,054,197	431,938,272	408,438	449,930,456
Current Liabilities and Provisions					
Current Liabilities	2,618,814	349,385	39,083,124	–	42,051,323
Provisions	8,678,647	507,793	10,889,653	–	20,076,093
Total	11,297,461	857,178	49,972,777	–	62,127,416
Net Current Assets	232,088	5,197,019	381,965,495	408,438	387,803,040
Profit and Loss Account	1,781,219	2,897,467	286,486,548	–	291,165,234
Capital Reserve	–	–	122,232,111	–	122,232,111

#### 4 Transfer of Advisory Business to CRISIL Risk and Infrastructure Solutions Limited

During the previous year, Pursuant to Board of Director's and shareholder's approval dated April 27, 2007, the Company transferred its Advisory business to CRISIL Risk and Infrastructure Solutions Limited, wholly owned subsidiary, for a consideration of Rs. 96,241,233 with effect from April 1, 2007. All assets and liabilities of the said business including employees were transferred at book value to CRISIL Risk and Infrastructure Solutions Limited. Following assets and liabilities relating to the aforesaid business were transferred at book value as on April 1, 2007:

Particulars	Rupees
Fixed Assets (Net)	13,818,494
Current Assets Loans & Advances	129,083,375
Total Assets (A)	142,901,869
Current Liabilities	20,512,976
Provisions	26,147,658
Total Liabilities (B)	46,660,634
Net Asset (A) – (B)	96,241,235

#### 5 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	9,695,180	11,841,231
2. Disputed Income Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	13,125,578	35,732,889
(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
	114,779,677	177,940,226

#### 6 Income Tax

The tax year of the Company being the year ending March 31, 2009, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2008 and the provision for the nine months upto December 31, 2008. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2008 to March 31, 2009, the ultimate tax liability of which will be determined for the period April 1, 2008 to March 31, 2009.

7 The Company has initiated the process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid / payable are required to be furnished.

## 8 Components of Deferred Tax Assets and Liabilities are:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Deferred Tax Liability		
Depreciation / Amortisation	(29,600,641)	(30,504,541)
Total (A)	(29,600,641)	(30,504,541)
Deferred Tax Asset		
Provision for Leave Encashment *	41,314,706	45,614,168
Provision for Gratuity	434,033	3,116,612
Lease Rent amortisation	14,456,507	–
Provision for Bonus and Commission	22,815,377	7,128,630
Provision for bad debts	8,198,976	1,844,991
Deferment of Rating fees	9,186,846	2,505,486
Disallowance under section 40(a)	184,397	–
Total (B)	96,590,842	60,209,887
Net Deferred Tax Asset / (Liabilities) (A–B)	66,990,201	29,705,346
* Includes opening reserve adjustment of Rs. 23,866,961 and effect of amalgamation of subsidiaries of Rs. 3,823,385		

## 9 Managerial Remuneration:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Whole time Directors:		
Salary	9,605,360	10,041,356
Commission	9,589,631	6,450,000
Contribution to Provident Fund	333,000	524,063
Perquisites	396,812	1,708,052
	19,924,803	18,723,471
Non – Whole time Directors:		
Sitting Fees	1,160,000	1,280,000
Commission	10,020,000	7,920,000
	11,180,000	9,200,000

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.

Computation of net profit in accordance with Section 349 of the Companies Act, 1956, for calculation of commission payable to Directors:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Profit before tax as per Profit and Loss Account	1,751,233,767	914,735,550
1. Remuneration to Whole-time Directors	19,924,803	18,723,471
2. Remuneration to Non Whole-time Directors	11,180,000	9,200,000
3. Provision for Doubtful Debts	16,250,245	5,661,447
4. (Profit)/Loss on Sale of Fixed Assets	2,184,622	(46,286,865)
5. Loss on sale of long term investment	915,738	-
6. Capital Surplus on Sale of Assets	-	38,103,140
7. Provision for Diminution in value of Investment	13,642,499	-
Net Profit under Section 198	1,815,331,674	940,136,743
Managerial Remuneration Payable to whole-time director upto 5% (P.Y 8%) of the Net Profit (as computed above) Rs. 90,766,584 (P.Y. Rs. 75,210,939), restricted to:	19,924,803	18,723,471
Commission Payable to non whole-time directors upto 3% of the Net Profit (as computed above) Rs. 54,459,950 (P.Y. Rs. 28,204,102), restricted to:	10,020,000	7,920,000

The Company depreciates fixed assets based on estimated useful life that are lower than the rates prescribed in Schedule XIV of the Act. Accordingly no adjustments is made on account of depreciation in computation of profit as per section 349 of the Act.

The Company has obtained approval from Ministry of Corporate Affairs for increase in commission payable to non whole-time directors.

In the current year, there was one whole time director as against two whole time directors in the previous year and hence managerial remuneration ceiling for the current year is 5% as against 8% in the previous year.

#### 10 Earnings in foreign currency (on accrual basis):

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Rendering of Rating, Advisory and Research Services	2,067,993,896	1,455,982,272
Dividend from Subsidiaries	58,987,500	59,422,219

#### 11 Payments in Foreign Currency

- a) Value of imports calculated on C.I.F basis

The value of imports calculated on C.I.F basis for capital goods was Rs. 44,029,495 (P.Y Rs. Nil)

## b) Expenditure in foreign currency

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Foreign travel	50,677,148	52,077,917
Professional fees	3,560,437	2,256,551
Sales Commission	41,478,863	–
Other Expenses	4,810,781	9,750,364
	100,527,229	64,084,831

## 12 Auditors' Remuneration includes:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
As auditor	2,500,000	2,162,500
In any other matter:		
Certification work	200,000	–
Out of Pocket Expenses	81,870	8,030
	2,781,870	2,170,530

## 13 Amount remitted during the year in foreign currency, on account of dividends:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Number of shareholders	2	1
Number of equity shares of Rs 10 each held by them on which dividend was paid	3,720,948	600,000
Amount remitted (Rs)	223,256,880	9,000,000

## 14 Sundry debtors includes amount receivable from following Companies under same management:

	As on Dec 31, 2008 (Rs)	As on Dec 31, 2007 (Rs)
Irevna LLC, U.S.	249,277,748	149,883,711
Irevna Limited, U.K.	209,547,947	339,860,529
Standard & Poor's LLC	65,438,298	75,460,832
McGraw-Hill Education India Private Limited	11,963,663	11,638,039
	536,227,656	576,843,111

## 15 Loans and advances in the nature of loans given to companies under same management:

	As on Dec 31, 2008 (Rs)	As on Dec 31, 2007 (Rs)
CRISIL Risk and Infrastructure Solutions Limited	22,743,515	72,200,000
Maximum Amount Outstanding During the year	77,719,181	110,500,000

## 16 Segment Reporting

## Business Segments:

The Company has two major business segments: Ratings and Research. 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.

In the previous year, the Advisory segment comprising infrastructure advisory and risk management practice has been transferred to a wholly owned subsidiary with effect from April 1, 2007.

## Segment Reporting for the Year ended December 31, 2008

Rupees

Particulars	Business segments		Total
	Ratings	Research	
Operating Revenue	1,887,753,462	1,895,783,190	3,783,536,652
Segment Results	908,105,261	785,596,106	1,693,701,367
Add / (Less) Unallocables:			
1. Unallocable Income			210,617,807
2. Unallocable Expenditure			(34,647,793)
3. Depreciation			(118,437,614)
Profit Before Tax			1,751,233,767
Non-cash expenses other than depreciation and amortisation	1,091,422	391,109	1,482,531
Segment Debtors	238,223,102	564,949,094	803,172,196

## Revenue by Geographic Segments

Rupees

Country	
India	1,738,722,887
United Kingdom	1,067,674,842
United States Of America	916,498,979
Others	60,639,944
Total	3,783,536,652

## Segment Reporting for the Year ended December 31, 2007

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,300,783,882	87,688,472	1,164,755,266	2,553,227,620
Segment Results	548,700,515	8,871,000	369,395,878	926,967,393
Add / (Less) Unallocables:				
1. Unallocable Income				181,488,586
2. Unallocable Expenditure				(60,333,051)
3. Depreciation				(133,387,378)
Profit Before Tax				914,735,550
Non-cash expenses other than depreciation and amortisation	18,198,549	3,354,249	21,852,654	43,405,452
Segment Debtors	168,411,999	–	509,829,190	678,241,189

## Revenue by Geographic Segments

Rupees

Country	
India	1,104,664,046
United Kingdom	816,670,338
United States Of America	575,341,129
Others	56,552,107
Total	2,553,227,620

## 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 and disclosed as Recoveries in Schedules to the Profit and Loss Account.

## 17 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
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
Gas Strategies Group Limited	Subsidiary (till December 10, 2008)

Parties	Relationship
Alphatania Limited	Subsidiary (till December 10, 2008)
Gas Matters Limited	Subsidiary (till December 10, 2008)
Gas Strategies Consulting Limited	Subsidiary (till December 10, 2008)
Overview Outreach Limited	Subsidiary (till December 10, 2008)
Irevna Research Services Limited	Subsidiary (till April 1, 2007)
CRISIL Research & Information Services Limited	Subsidiary (till April 1, 2007)
CRISIL Properties Limited	Subsidiary (till April 1, 2007)
Global Data Services Of India Limited	Subsidiary (till April 1, 2007)
Irevna Limited, UK	Subsidiary
Irevna LLC, USA	Subsidiary
India Index Services and Products Limited	Joint Venture
CRISIL Credit Information Services Limited	Subsidiary
CRISIL Irevna Poland Sp.Z.o.o	Subsidiary
CRISIL Irevna Argentina S.A.	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)

## 18 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	534,665,498	521,813,568
	Reimbursement of expenses	7,273,764	10,170,218
	Amount Receivable	65,438,298	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
CRISIL Research and Information Services Limited	Professional Fees paid	-	13,800,000
Global Data Services of India Limited	Professional Fees Paid	-	2,700,000
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
CRISIL Research and Information Services Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
CRISIL Properties Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
Irevna Research Services Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		

Rupees

Name of the related party	Nature of transaction	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Global Data Services of India Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
CRISIL Risk and Infrastructure Solutions Limited	Revenue share received	175,000	1,939,773
	Revenue share paid	2,019,750	1,780,924
	Loan given during the year	32,500,000	120,500,000
	Loan repaid during the year	82,200,000	48,300,000
	Loan Outstanding	22,743,515	72,200,000
	Interest Income	6,320,547	5,049,316
	Expenses Recovered	30,733,088	29,991,864
	Share of overhead expenses received	38,706,271	33,305,408
	Consideration received towards sale of advisory division	-	96,241,233
	Amount Receivable / (Payable)	13,907,163	9,773
	Investment Outstanding	49,999,900	49,999,900
Irevna Limited, UK	Professional Services Rendered	799,398,274	676,749,765
	Sales Commission Expense	37,491,481	-
	Reimbursement of Expenses	4,433,974	-
	Amount Receivable	205,117,259	339,860,529
	Investment Outstanding	695,383,859	695,383,859
Irevna LLC, USA	Professional Services Rendered	362,991,958	236,302,550
	Sales Commission Expense	13,386,260	-
	Amount Receivable	247,957,473	149,883,711
Gas Strategies Group Limited (Till December 10, 2008)	Professional Services Rendered	-	473,658
	Reimbursement of expenses paid / payable	3,864,866	-
	Corporate Recharge	5,546,510	8,820,550
	Dividend Received	58,987,500	59,422,219
	Investment Outstanding	16,185,438	161,854,376
CRISIL Credit Information Services Limited	Equity Shares Subscribed	-	500,000
	Investment Outstanding	500,000	500,000
CRISIL Irevna Argentina, S.A.	Equity Shares Subscribed	10,501,668	-
	Investment Outstanding	10,501,668	-
India Index Services and Products Limited	Dividend Received	1,911,000	955,500
	Investment Outstanding	6,369,970	6,369,970
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.

- 19 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:

	Unaudited	
	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
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	-

## 20 Operating Lease

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Lease Payment recognised in Profit and Loss Account	208,777,994	137,339,906
Future Minimum Lease Payments:		
Not later than one year	183,384,506	188,695,624
Later than One Year and not later than 5 Years	681,879,458	692,606,106
Later than 5 Years	203,578,140	285,521,476
	1,068,842,104	1,166,823,206

## 21 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 and Loss Account:**

## Net employee benefit expense (recognised in Employee Cost)

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Current Service cost	8,472,162	1,818,744
Interest cost on defined benefit obligation	2,843,718	737,537
Expected return on plan assets	(1,255,655)	(426,385)
Net actuarial (gain)/ loss recognised in the year	8,626,613	5,187,990
Losses/(Gains) on "Acquisition/Divestiture"	2,128,317	4,387,898
Net Gratuity Benefit Expense	20,815,155	11,705,784

**Balance Sheet:**

## Details of Provision for Gratuity Benefit

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Present value of funded obligations	41,632,929	25,583,884
Less: Fair value of plan assets	(22,892,753)	(9,342,603)
Net Liability	18,740,176	16,241,281

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Opening Defined Benefit Obligation	25,583,884	14,442,026
Current Service Cost	8,472,162	1,818,744
Interest Cost	2,843,718	737,537
Actuarial (gain)/loss	11,878,760	5,045,420
Liabilities assumed on acquisition/(Settled on Divestiture)	-	5,721,298
Benefits paid	(7,145,595)	(2,181,141)
Closing Defined Benefit Obligation	41,632,929	25,583,884

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Opening Fair value of plan assets	9,342,603	9,889,380
Expected return on plan assets	1,255,655	426,385
Actuarial gain/ (loss)	3,252,147	(142,570)
Contribution by employer	18,316,260	17,149
Asset acquired on acquisition	(2,128,317)	1,333,400
Benefits paid	(7,145,595)	(2,181,141)
Closing Fair Value of Plan Assets	22,892,753	9,342,603

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Experience adjustment on plan assets	3,533,558	3,334,554
Experience adjustment on plan liabilities	(142,570)	3,252,147

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%	2%
Age : 44-57 Years	1%	1%
Expected Employer's Contribution next year (Rupees)	20,000,000	16,000,000

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

22 Unhedged foreign currency exposure (net) as at December 31, 2008 Rs. 627,675,428 (P.Y Rs. 565,613,516 )

23 CRISIL Limited sold 90% of its stake in Gas Strategies Group Limited on December 10, 2008.

24 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 section 212 of the Companies Act, 1956 relating to Subsidiary Company

1	Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	December 31, 2008	CRISIL Credit Information Services Limited	December 31, 2008	CRISIL Irevna Argentina S.A.	December 31, 2008	CRISIL Irevna Poland Sp.Z.o.o	December 31, 2008	Irevna Limited, UK	December 31, 2008	Irevna LLC, US	December 31, 2008
2	The financial period of the subsidiary Company ended on	49,999,900 Equity Shares of Re. 1 each, fully paid up	100%	50,000 Equity Shares of Rs. 10 each, fully paid up	100%	741,072 Equity Shares of ARS 1 each, fully paid up	100%	100 Equity Shares of PLN 500 each, fully paid up	100%	8,000,000 Equity Shares of Pence 0.1 each, fully paid up	100%	1 Equity Shares of US\$ 200 each, fully paid up	100%
3	(a) Number of shares in the subsidiary held by CRISIL Limited at the above date												
	(b) Extent of interest of CRISIL in the capital of the subsidiary												
4	Net aggregate amount of the profits/ (losses) of the subsidiary so far it concerns the members of CRISIL as is not dealt with the Company's Accounts :												
	(a) Profits / (losses) for the period ended December 31, 2008 of the subsidiary (Rupees)	89,677,961		(11,848)		5,718,482		(476,427)		(15,294,101)		(22,060,524)	
	(b) Profits/(losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	45,028,554		(57,661)		-		-		3,494,792		(32,238,522)	
5	Net aggregate amount of the Profits /(Losses) of the subsidiary so far as dealt with or provision is made for those losses in CRISIL Limited accounts												
	(a) For the subsidiary's Financial period ended December 31, 2008 (Rupees)	-		-		-		-		-		-	
	(b) For the previous year since it became a subsidiary of CRISIL Limited (Rupees)	-		-		-		-		-		-	

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

R. Ravimohan  
ChairmanThomas Schiller  
B. V. Bhargava  
David Pearce  
Rama Bijapurkar  
H. N. Sinor  
Nachiket MorRoopa Kudva  
Managing Director & CEO

Director

Shrikant Dev  
Company Secretary  
Mumbai, February 23, 2009