



Directors' Report

Dear Members,

The Directors are pleased to present the 23rd Annual Report of CRISIL Limited, along with the audited accounts for the year ended December 31, 2009.

Performance

A summary of the Company's financial performance in 2009 is given below:

(Rs. in Lakh)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Total Income for the year was	46,445.36	40,389.03
Profit before depreciation and taxes was	20,422.09	18,696.71
Deducting depreciation of	1,387.93	1,184.38
Profit before tax was	19,034.16	17,512.33
Deducting taxes of	4,000.44	3,774.52
Profit after tax was	15,033.72	13,737.81
The proposed appropriations are:		
Dividend	7,225.00	5,057.50
Corporate Dividend Tax	1,227.89	859.52
General Reserve	1,503.37	1,373.78
Balance carried forward is	22,741.09	17,663.64

Dividend

The Directors recommend, for approval of the members at the Annual General Meeting to be held on April 16, 2010, payment of final dividend of 250 per cent (Rs. 25 per share) for the year under review. During the year, the Company paid first, second and third interim dividends of 250 per cent each. The total dividend for the year works out to 1000 per cent (Rs.100 per share) as against 700 per cent (Rs.70 per share) in 2008.

Review of Operations

A. RATINGS

Highlights

- Assigned over 7400 new ratings in 2009 including 2268 Bank Loan Ratings (BLRs), and 5178 Small and Medium Enterprise (SME) Ratings
- Launched a first-of-its-kind publication, *India's Top 50 Microfinance Institutions*, profiling the leading microfinance institutions in India

- Assigned India's first-ever rating for securitisation of microfinance receivables
- Introduced CreditAlerts to provide insights to market participants on trends in specific sectors
- Extended operations at Global Analytical Centre (GAC) to 24/6 to provide real-time support to Standard & Poor's (S&P) during US market hours; operations at GAC have grown considerably during the year

Business Environment

The business environment for ratings continued to remain positive in 2009. The corporate bond market revived marginally on account of a slowdown in overseas funding and limited opportunities for raising equity. BLRs continued to show robust growth in the year. With an increasing acceptance from bankers, SME ratings also grew rapidly.

GAC continues to provide a range of analytical and data services to S&P. GAC's trend of increasing collaborations with S&P across businesses, has continued in 2009 despite the global economic slowdown.

The environment is expected to remain buoyant in 2010 as well with corporates likely to resume some of their deferred capital expenditure programmes. Infrastructure companies are also expected to turn to the bond markets for funds. The BLR market is likely to remain strong in 2010, as banks strive to become Basel II compliant. The demand for SME ratings is, likewise, expected to remain robust in 2010.

GAC's operations are expected to continue the growth momentum in 2010 as well with the recovery in global credit markets fuelling the need for additional support.

Operations

CRISIL Ratings maintained its market leadership in 2009 backed by a strong growth in BLRs (2268 ratings assigned as against 845 in 2008) and SME ratings (5178 ratings assigned as against 2518 ratings assigned in 2008). CRISIL's BLR teams were ramped up substantially. The business development and delivery processes were augmented during the year to keep pace with the sharp increase in BLR volumes. Strong quality control measures have been set in place; this includes following a focused, process-driven approach, use of quality checklists, and training for analytical teams. While revenues from structured finance and financial sector issuances were subdued for most of 2009, these were made up for by a spurt of corporate sector bond issuances in the year.

During the year, CRISIL Ratings assigned India's first-ever rating for securitisation of microfinance receivables. It also launched a unique publication, *India's Top 50 Microfinance Institutions*. The inaugural edition of the publication, profiling key players in the microfinance space, was released by Mr. Umesh Chandra Sarangi, Chairman, National Bank for Agriculture and Rural Development (NABARD), the regulator for microfinance institutions (MFIs) in India. The publication draws heavily on CRISIL's deep understanding of the sector, and has been launched as part of CRISIL's Financial Awareness Initiative for the Indian market. The publication has been appreciated by regulators, practitioners, lenders and donors.

CRISIL conducted regular outreach programmes for the benefit of investors and market participants. Its commentaries, such

as those on bank asset quality, retail asset quality, outlook for banking and insurance sector, and the credit quality of corporate India, received extensive media coverage. Commentaries on the outlook for corporate India and non-banking finance companies also found mention in the international media.

The CRISIL-CNBC Emerging India Awards 2009, received over 300,000 nominations from SMEs all over the country. CRISIL also evaluated more than 162 nominations for the CNBC-Awaaz-CRISIL-CREDAI Real Estate Awards 2009, a major event in the real estate sector.

CRISIL Ratings has enhanced the transparency in its rating processes by strengthening its methodologies. It has intensified surveillance of rated credits, and revamped its structured finance rationales to provide more information and decision-making tools to investors. It has also introduced CreditAlerts to highlight trends in specific sectors, and the likely implications of these trends on the credit quality of companies in that sector. CreditAlerts are shared extensively with investors and the media, and are also available on the CRISIL website.

GAC, with its proven expertise in managing complex assignments, initiated several new projects during the year, supporting S&P's focus on deeper, sharper, and quicker analyses. GAC launched night shift operations (six days a week) to provide real-time support to S&P during US market hours. GAC has improved its operating efficiencies through process re-engineering and automation. With the global economy now showing signs of revival, the demand for GAC's high-end, in-depth analytics, is expected to increase over the near term. GAC is well positioned to strengthen its relationship with S&P, and maintain its growth trajectory.

B. RESEARCH

B.1. IREVNA

Highlights

- Maintained leadership in high-end financial research and analytics outsourcing, despite the global recession
- Acquired new clients, and expanded service offerings, in addition to growing key accounts
- Widened its global business development footprint



Business Environment

The turmoil in the global financial markets impacted Irevna's business for most of the year. Most financial services firms (Irevna's major client base) were restructuring their businesses, reducing headcount and focusing on surviving the crisis, constraining growth for outsourcing. However, the last quarter of 2009 saw a remarkable recovery in demand for Irevna's services as the global financial markets showed first signs of revival. This upturn is expected to gather momentum in 2010.

2010 promises to be a year of growth for Irevna. Its investments in seeding new services and expanding geographical reach will enable Irevna to capture a large portion of growth in demand in the near term. In the medium term, a shortage of talent in client markets is expected to emerge as a key growth driver for Irevna's business.

Operations

Irevna continues to be the global leader in offshore equity, credit and derivatives research services for financial institutions. Despite the unfavorable circumstances in the global financial sector, Irevna has grown its key accounts, acquired several new strategic clients, expanded service offerings and client segments, added clients in new verticals, and widened its global business development footprint.

Irevna has continued to invest in its business and people. It expanded the size of its business development team, and of its footprint to include continental Europe. The delivery centre in Wroclaw, Poland, established in 2009, has begun servicing client needs. The Buenos Aires centre continues to service clients in the Western Hemisphere, and is growing well. The delivery centre in Mumbai has also been expanded, and now services all verticals. Irevna's clients in Europe, the Americas, Asia and Australia can now leverage the delivery centres in Chennai, Mumbai, Buenos Aires and Wroclaw for round-the-clock services, six days a week. Irevna has also launched a concerted effort to improve operational efficiencies and enhance customer interactions and experience. These efforts have been successful and have led to growth in business.

B.2. CRISIL RESEARCH

Highlights

- Introduced CRISIL Independent Equity Research (CRISIL IER), a unique initiative, providing investors with top-quality, independent research on listed Indian companies

- Mandate secured from the Pension Fund Regulatory Development Authority (PFRDA) of India to assist in framing the regulatory framework for the New Pension Scheme
- Launched research reports on real estate, infrastructure and logistics, and outlook on industrial capital expenditure (capex)

Business Environment

The global meltdown in the financial markets in 2008 continued to present market challenges for CRISIL Research in 2009. Cost containment was an area of focus for corporate India, directly impacting the market for traditional research products. However, CRISIL Research responded by communicating and delivering customised value propositions that helped retain customers and attract new clients.

The uncertain market conditions have had a direct impact on the CRISIL Equities and FundServices business. However, improving sentiment in the second half of 2009 brought in opportunities especially for IPO grading services of CRISIL Equities.

The business environment is expected to improve in 2010, backed by growth in the Indian economy. CRISIL Research is positioned to serve market requirements through both standard and customised offerings.

Operations

A landmark event in 2009 was the launch of a pioneering concept in India, the Independent Equity Research (IER), in September 2009. Mr. C. B. Bhave, Chairman, Securities and Exchange Board of India (SEBI), officiated as chief guest at the launch of IER. Through its high quality and independent research, CRISIL IER provides gradings on fundamentals and fair valuations for listed companies. Through IER reports, CRISIL seeks to bridge the paucity of good-quality, unbiased research on listed Indian companies, especially for mid- and small-cap companies. Grading reports were released for 13 companies at the launch, presenting an array of gradings, and a mix of large-, mid-, and small-cap companies. Reports on more companies have been released, subsequently, and have received encouraging response from stakeholders.

CRISIL Research has continued to build on its unique value proposition of macro and micro integrated research. In 2009, CRISIL Research intensified efforts to track and respond to

customer feedback, and to release special reports of topical interest. The transition of research delivery from a physical mode to an online format continued through 2009, to enhance customer experience. Key products – Industry Information Service and Industry Risk Service – have continued to do well, as reflected in fresh subscriptions and renewals that they have received from customers. The research series, titled *Mid-size and Emerging Segment Company Report (MESCOR)*, launched in late 2008, appealed to financial sector clients with its timeliness and relevance. Four new research reports – *Indian Infrastructure, City Real(i)ty, Indian Logistics Industry*, and *Outlook on Industrial Capex* – were also released during the year, and elicited an enthusiastic response from the market.

A focused approach to customised research, combining macro and micro perspectives has helped the business receive repeat assignments from clients, and to establish new high-value relationships.

A number of companies have sought to raise funds through public offerings in the second half of the year, driven by revival in the Indian equity markets. This has helped the IPO gradings business gain momentum.

CRISIL FundServices secured a prestigious mandate from the Pension Fund Regulatory and Development Authority (PFRDA) through competitive bidding, to assist PFRDA in framing regulations for the New Pension Scheme. The business also continues to assist the Employees' Provident Fund Organisation (EPFO), India's largest provident fund, in the performance evaluation of fund managers. CRISIL FundServices also won a number of assignments in the fixed income valuation space.

CRISIL FundServices continues to work closely with market regulator SEBI and Association of Mutual Funds in India (AMFI) in several initiatives including finalising the approach to value fixed income securities.

CRISIL Research continues to reach out to corporates, banks and other financial sector entities, through a combination of knowledge-sharing platforms, tele-investor meets, webinars, one-on-one meetings, and presentations at industry forum. CRISIL Research has sought to enhance its franchise through the year, through commentaries and interviews in the media, and speaking engagements at prominent seminars and conferences. Two flagship events – the CNBC-TV18-CRISIL Mutual Fund Awards,

and the annual Post-Budget India Outlook 2008 seminar – continue to attract attention and media coverage.

C. ADVISORY

CRISIL's infrastructure advisory and risk solutions businesses are housed under a subsidiary – CRISIL Risk and Infrastructure Solutions Limited (CRIS). A review of these two businesses is given below to provide a consolidated view of all CRISIL businesses.

C.1. CRISIL INFRASTRUCTURE ADVISORY BUSINESS

Highlights

- Expanded its international footprint to South Africa, Mozambique, Georgia, Bangladesh and East Asia-Pacific
- Won a large project relating to renewable energy in South Africa
- Worked with the Ministry of Home Affairs, Government of India, on a Public Private Partnership (PPP) model to develop housing for India's paramilitary forces

Business Environment

In the first quarter of 2009, the continued impact of the global financial crisis, and the general elections, resulted in a slowdown in government-initiated infrastructure projects. In subsequent quarters, however, there was a significant turnaround, with governments and donor agencies announcing project decisions at their former pace, although private sector activities revived only in the last quarter. Pricing pressures continued in 2009, with players adopting aggressive pricing strategies at competitive bids.

The outlook for 2010 suggests steady improvement in investor activity. The government's emphasis on infrastructure and its ability to trigger private investments are expected to contribute to growth in 2010. Continued government support in the infrastructure space is expected to catalyse growth of international business opportunities.

Operations

The infrastructure business has performed well under the challenging business environment in 2009. Key growth areas, including the investor-focused business, and the international practice, have performed well. The international footprint has expanded to include South Africa, Mozambique, Georgia, Bangladesh and East Asia-Pacific. The business obtained two new projects in Mauritius, and a large, renewable energy project in



South Africa. The international business maintained stable revenues through 2009, consolidating on the growth achieved in 2008.

The investor-focused business, where clients include infrastructure developers and investors, made significant progress in 2009. It developed strong relationships with private equity investors and infrastructure developers. It also helped two energy developers acquire projects, by providing independent valuation and commercial due diligence services. The business expanded its client base among power utilities and electricity regulators. It is working on landmark projects, such as introducing competition in power distribution in Mumbai, and in setting renewable energy purchase targets for power utilities in India.

The advisory business increased its presence in the Public Private Partnership (PPP) projects segment, by working on enabling frameworks for PPPs, and in developing pilot projects in sectors such as water and sanitation. It was invited to design a long-term solution in infrastructure financing through the 'take out finance' route announced by the Government of India. CRISIL Infrastructure Advisory is working with the Ministry of Home Affairs in developing a PPP model for housing for paramilitary forces in the country.

The business remains focused on increasing the ticket size of its assignments. More than 50 per cent of new businesses obtained in 2009 have been large assignments. It also continued to showcase its expertise through speaking engagements at seminars and workshops through the year.

C.2. CRISIL RISK SOLUTIONS (CRS)

Highlights

- Executed a prestigious mandate to set up an enterprise risk framework for a multilateral infrastructure finance company in Africa
- Developed the CRISIL Retail Scoring Solution (CRESS) software for hosting retail scorecards and related functionalities, and to develop proprietary risk-control maps for banking processes

Business Environment

With most banks becoming increasingly compliant with the Basel II framework, they are now focused on strengthening their risk systems, and moving towards advanced approaches in Basel II. Over the medium term, CRS expects banks and

financial institutions to move from a compliance-based approach in risk management to a best-practices-based approach. Risk management systems will increasingly aid in business decisions and performance management.

Operations

CRS undertook many diverse and challenging assignments in the consulting and solutions space in 2009. CRS products and consulting services are being increasingly viewed together, as a comprehensive end-to-end solution in risk management.

CRS's suite of proprietary software products, Basel II Capital Assessment Model (CAM) and Risk Assessment Model (RAM) software, continue to be the leading products in their segments. In the area of operational risk, CRS developed a powerful value proposition around its CRISIL Operational Risk Evaluator (CORE) software. The business remains focused on setting up robust processes, and successfully renewed its ISO9001:2008 certification.

Among key mandates awarded to CRS in 2009, were implementation of an Integrated Risk Management System for a leading bank in India, creation of a market risk module of CAM software for a foreign bank operating in India, and review of risk practices and implementation of internal risk rating systems for a leading financial institution.

In the consulting space, CRS concluded a prestigious mandate to set up an enterprise risk framework for a multilateral infrastructure finance company in Africa. CRS also worked closely with S&P to jointly complete risk-related assignments in the Asia-Pacific region.

CRS's business development initiatives include sale of new products and services to domestic clients in India, and marketing CRS offerings in countries such as Sri Lanka, Bangladesh and Mauritius. CRS also conducted outreach activities such as workshops and seminars on improvement of risk management practices, including a successful workshop in Mauritius.

D. COLLABORATION WITH STANDARD & POOR'S

CRISIL and its group companies continued its strong collaboration with S&P. Key collaborative initiatives during the year included a successful seminar, 'Unlocking the potential of India's credit markets', held jointly with S&P and the National Stock Exchange (NSE).

CRISIL Infrastructure Advisory collaborated with S&P in its infrastructure initiatives. It was part of an expert panel at a seminar hosted by S&P on 'Developing public sector finance as a new asset class' at the 42nd annual meeting of Asian Development Bank at Bali, Indonesia, in May 2009. As part of this collaboration, it also contributed a thought leadership article and case studies to S&P's publication, *Building Asia's Infrastructure, Building Asia's Public Finance* that were released at the seminar.

CRISIL and S&P held several investor events, including the Mid-Year Market Outlook road shows in India and Singapore. CRS worked with S&P Risk Solutions in delivering solutions to clients in the Asia-Pacific region. S&P and CRISIL also conducted a joint study based on the S&P ESG India Index, exploring the link between corporate governance and company performance. CRISIL presented a paper on the study, at the 'Capital Markets Forum: Responsible Investment in India', an event organised by the NSE.

CRISIL's market development and communications team continued to support S&P's activities in South and Southeast Asia. Key initiatives included media and investor outreach programmes in the region, and included a range of activities to further strengthen S&P's thought leadership in several domains.

E. THE CENTRE FOR ECONOMIC RESEARCH, CRISIL (C-CER)

C-CER's activities in 2009 revolved around three key themes - India Macroeconomics, S&P Asia-Pacific Macroeconomics and Projects. Through the year, C-CER actively positioned CRISIL in the Indian and international media, as the foremost analytics-based voice on the Indian economy.

C-CER guided the quarterly updates on scoring and ranking of emerging economies on the 'investability' of their local currency bond markets under International Finance Corporation's (IFC's) GEMLOC-II assignment - a project managed by CRISIL Infrastructure Advisory. C-CER also assisted CRISIL Infrastructure Advisory in conducting the training for East Asia-Pacific Infrastructure Regulators Forum (EAPIRF) held in Vietnam.

C-CER also advised the Egyptian Institute of Directors (EIoD) and Corporate Governance Institute (Hawakmah) of Dubai International Financial Centre (DIFC) for creation of the ESG Index. In addition, C-CER participated in a Confederation of Indian Industry (CII) initiative to assess companies on their corporate social responsibility performance, as a prelude to an awards presentation.

F. HUMAN RESOURCES

The Human Resources team maintained its focus on attracting, retaining and growing the desired talent at CRISIL.

In 2009, 579 employees were hired as against 754 in 2008. On a consolidated basis, the total headcount across the CRISIL group of companies increased to 2164 as on December 31, 2009, up from 1956 in 2008.

Responding to the need to provide real-time services to global clients in the off-shoring business, CRISIL introduced night shift operations during 2009.

The flagship batch of the CRISIL Certified Analyst Programme (CCAP) completed the two-year programme. This momentous occasion in CRISIL history was marked by a convocation ceremony, presided over by Mr. N. Vaghul (then Chairman of ICICI Bank Ltd.). All interns who successfully completed the programme were offered placements with CRISIL. To further augment the talent pool, CRISIL has successfully launched the third batch of CCAP Programme.

The Irevna Certified Analyst Program (ICAP) was launched in association with the Institute for Financial Management and Research (IFMR) in 2009. The programme will benefit graduate employees working with Irevna, and will help widen and tailor their skill-sets to the needs of the off-shoring business. The first batch of 17 analysts is currently undergoing the 15-month programme.

CRISIL's brand building and thought leadership initiative, the CRISIL Young Thought Leader (CYTL) competition has continued to elicit a positive response.

Employee Engagement

CRISIL remains committed to enhancing employee engagement, through structured communications, rewards and competency enhancement agendas.

The communications plan launched in 2008 ensured a robust dialogue with employees, and enabled the sharing of organisation-wide developments, initiatives and updates. It also provides employees with opportunities to interact with senior management through various fora. These include the MD & CEO's quarterly townhalls, business-specific quarterly townhalls by the respective business leaders, HR interactions with new recruits, and the MD & CEO's regular interactions with a cross-section of employees across groups.



The structured rewards and recognition programme continues to acknowledge and applaud excellence in performance. The MD & CEO's annual awards to honour outstanding contributions celebrated the spirit of excellence best demonstrated by individuals during the year. Long service awards were introduced to recognise the contributions of employees completing 10-, 15-, and 20-year tenures with CRISIL. The programme was further supplemented by introducing the global Standard & Poor's Acknowledging and Celebrating Excellence (ACE) awards to provide CRISIL employees with a global platform recognising superior performances.

The training and development team has followed a structured approach towards people development by understanding the desired competencies, and following them with customised interventions. Business specific trainings programs and interventions have helped create a strong edifice of building a learning organisation. Leadership capability was enhanced through initiatives such as intensive training and coaching sessions. Over 1155 training programmes, and more than 72,395 man hours of training were conducted. These training sessions ranged from technical subjects to functional and behavioral skill-building programmes. A learning centre was set up to monitor the progress and reach of these trainings.

During the year, 80 employees received remuneration of Rs. 2.4 million or more per annum. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Director's Report. In terms of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to the shareholders excluding this annexure. Any shareholder interested in obtaining a copy of the annexure may write to the Company Secretary at CRISIL's registered office.

G. INFORMATION TECHNOLOGY (IT)

CRISIL businesses have acquired the cutting edge in technology, and used IT to gain more insight into how customers use their products, to obtain real-time feedback from customers, generate operational dashboards and tracking metrics, scale up business operations through web-based tools, and to provide research products to customers.

Operational efficiency was enhanced by partnering with IT companies to provide solutions to various business divisions. Through rationalisation of service providers, significant cost savings were achieved during the year.

During 2009, the IT group also managed several revenue-based projects for the Risk, Funds and Advisory businesses.

H. FACILITIES

During the year, CRISIL consolidated all its operations in Mumbai. The operations, spread across more than ten different locations in the city, shifted to a single building at CRISIL House, Hiranandani, Powai. CRISIL House is a 210,000 square-foot aesthetically designed, environment-friendly building, with the latest equipment to ensure comfortable and efficient operations for employees. As part of CRISIL's Corporate Social Responsibility agenda, CRISIL has designed the new premises as a 'green building'.

I. SUBSIDIARIES

CRISIL has been granted an exemption by the Ministry of Corporate Affairs from attaching individual annual reports of its subsidiary companies to its annual report. A statement containing brief financial details of these companies is included in the annual report. The annual accounts of the subsidiary companies and the related information will be made available to shareholders who seek such information.

J. JOINT VENTURE - INDIA INDEX SERVICES AND PRODUCTS LIMITED

India Index Services and Products Limited (IISL), CRISIL's 49:51 joint venture with National Stock Exchange of India Limited (NSEIL), provides a variety of indices and index-related services and products to the capital markets. IISL has a marketing and licensing agreement with Standard & Poor's (S&P), the world's leading provider of investible equity indices.

IISL had a total income of Rs. 14.42 crores and net profit after tax of Rs. 7.86 crore for the year ended March 31, 2009. It declared a dividend of 50 per cent.

In 2009, IISL issued licenses to clients within India for issuing debentures whose returns are based on the S&P CNX Nifty Index. IISL also concluded licensing agreements for issue of structured products based on the S&P CNX Nifty Index outside India. In addition, IISL continues to enter into data sales agreements with global and Indian clients.

In 2009, Barclays Global Investors, N.A., and Nomura Asset Management Company launched Exchange-Traded Funds (ETFs) based on the S&P CNX Nifty Index in USA and Japan, respectively. These ETFs provide investors in these countries opportunities to gain exposure to the Indian markets.

K. DIRECTORS

The Board appointed Mr. Deven Sharma as Chairman of the Board of Directors with effect from October 29, 2009. The Board of Directors appointed Mr. Deven Sharma as an Additional Director with effect from October 29, 2009. He holds the office upto the date of the ensuing Annual General Meeting. Mr. Deven Sharma is the President of Standard & Poor's, a division of The McGraw-Hill Companies. Mr. Deven Sharma's appointment will help cement a closer and more direct association of CRISIL with Standard & Poor's.

Mr. Ravinder Singhania was appointed as the alternate director to Mr. Deven Sharma.

Mr. R. Ravimohan resigned as Chairman of the Board and Director of the Company with effect from August 6, 2009 after serving the Company over the last 15 years.

The Directors place on record their sincere appreciation of the significant contributions made by Mr. R. Ravimohan as Managing Director and CEO and subsequently, as Chairman of CRISIL Ltd.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Ms. Rama Bijapurkar and Mr. H. N. Sinor retire by rotation and being eligible, offer themselves for reappointment.

L. AUDITORS

The Statutory Auditors, M/s. S. R. Batliboi & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting and request that their reappointment be considered.

M. OTHERS

M.1. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The particulars regarding foreign exchange earnings and expenditure appear at Item No. 8 and 9 in the Notes to the Accounts. Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure

of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

M.2. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER THE PROVISIONS CONTAINED IN SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Your Directors hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

Acknowledgements

The Board of Directors wish to thank the employees of CRISIL for their exemplary dedication and the excellence they have displayed in conducting the operations of CRISIL. They also wish to place on record their sincere appreciation of the faith reposed in the professional integrity of CRISIL by customers and investors who have patronised their services. They acknowledge the splendid support provided by market intermediaries. The affiliation with Standard & Poor's has been a source of redoubtable strength. The Board of Directors also wish to place on record their gratitude for the faith reposed in CRISIL by the Securities and Exchange Board of India, the Reserve Bank of India, the Government of India, and various state governments. The role played by the media in highlighting the good work done by CRISIL is deeply appreciated.

On behalf of the Board of Directors,

Deven Sharma
Chairman

Place: Mumbai

Date: February 18, 2010