

Balance Sheet

As at December 31, 2009

(Amount in Rs.)

	Schedule	December 31, 2009	December 31, 2008
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	A	72,250,000	72,250,000
Reserves and Surplus	B	4,050,013,397	3,391,930,411
TOTAL		4,122,263,397	3,464,180,411
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	1,175,126,681	1,150,259,147
Less: Accumulated Depreciation/Amortisation		680,673,175	603,754,814
Net Block		494,453,506	546,504,333
Capital Work-In-Progress (including Capital Advances)		636,682,868	40,372,073
		1,131,136,374	586,876,406
Investments	D	1,814,901,674	1,864,940,836
Deferred Tax Assets (Net) (Refer Note 6 - Schedule P)		87,908,504	66,990,201
Current Assets, Loans And Advances			
Sundry Debtors	E	694,978,977	803,172,196
Cash and Bank Balances	F	1,345,360,048	1,007,706,020
Loans and Advances	G	618,332,273	523,224,778
Other Current Assets	H	109,724,102	18,370,683
		2,768,395,400	2,352,473,677
Less: Current Liabilities And Provisions			
Current Liabilities	I	1,329,089,698	988,665,679
Provisions	J	350,988,857	418,435,030
		1,680,078,555	1,407,100,709
Net Current Assets		1,088,316,845	945,372,968
TOTAL		4,122,263,397	3,464,180,411
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 Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Place : Mumbai
Date : February 18, 2010

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

Ravinder Singhanian
Director

Roopa Kudva
Managing Director & Chief Executive Officer

Shrikant Dev
Company Secretary

Thomas Schiller
Director

David Pearce
Director

H.N. Sinor
Director

B V Bhargava
Director

Rama Bijapurkar
Director

Nachiket Mor
Director

Profit & Loss Account

For the year ended December 31, 2009

(Amount in Rs.)

	Schedule	Year Ended December 31, 2009	Year Ended December 31, 2008
INCOME			
Income from Operations	K	4,416,234,450	3,783,536,652
Other Income	L	228,301,849	255,366,239
TOTAL		4,644,536,299	4,038,902,891
EXPENDITURE			
Personnel Expenses	M	1,595,390,298	1,326,822,795
Establishment Expenses	N	474,151,290	422,836,123
Other Expenses	O	532,786,491	419,572,592
Depreciation		138,792,701	118,437,614
		2,741,120,780	2,287,669,124
Profit Before Tax		1,903,415,519	1,751,233,767
Tax Expense (Refer Note 4 - Schedule P)			
Income Tax		416,894,000	401,830,000
Fringe Benefit Tax		3,308,000	12,592,000
Wealth Tax		759,960	314,700
Deferred Tax Benefit		(20,918,303)	(37,284,855)
		400,043,657	377,451,845
Profit After Tax		1,503,371,862	1,373,781,922
Balance brought forward from previous year		1,766,363,716	1,121,662,200
Profit Available for Appropriation		3,269,735,578	2,495,444,122
Dividend			
Interim		541,875,000	252,875,000
Proposed Final Dividend		180,625,000	252,875,000
TOTAL		722,500,000	505,750,000
Dividend Tax on Interim and Proposed final dividend		122,788,876	85,952,214
Transfer to General Reserve		150,337,186	137,378,192
Balance carried to Balance Sheet		2,274,109,516	1,766,363,716
		3,269,735,578	2,495,444,122
Basic and Diluted Earnings Per Share - Nominal value of Rs. 10		208.08	190.14
Number of Shares used in Computing Earnings Per Share		7,225,000	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 and Loss Account.

As per our report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Place : Mumbai
Date : February 18, 2010

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

Ravinder Singhania
Director

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B V Bhargava
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Rama Bijapurkar
Director

Nachiket Mor
Director

Cash Flow Statement

For the year ended December 31, 2009

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,903,415,519	1,751,233,767
Adjustments for:		
Depreciation	138,792,701	118,437,614
Provision for leave encashment	28,779,951	(17,266,609)
Provision for gratuity	(11,697,236)	2,498,895
Unrealised Foreign exchange loss	4,730,151	25,673,197
Loss on sale of fixed assets	6,260,835	2,184,622
(Profit) on sale of investments	(96,467,976)	(89,233,303)
Provision for bad debts	46,223,090	16,250,245
Interest on deposits	(103,316,981)	(31,955,543)
Interest on loan to subsidiary	(3,472,603)	(6,320,547)
Dividend Income - Subsidiaries	–	(58,987,500)
Dividend Income - Other Investments	(3,932,500)	(4,419,265)
Dividend income from current investments	(4,062,840)	–
Diminution in value of Investments	–	13,642,499
Operating profit before working capital changes	1,905,252,111	1,721,738,072
Movements in working capital		
- (Increase)/decrease in sundry debtors	57,239,978	(166,854,449)
- (Increase)/decrease in sundry deposits	(125,816,612)	(9,746,074)
- (Increase)/decrease in loans	(2,935,407)	(820,577)
- (Increase)/decrease in advances	(7,693,160)	(8,899,253)
- (Increase)/decrease in accrued revenue	(35,532,491)	(4,607,836)
- Increase/(decrease) in sundry creditors	243,355,536	107,379,537
- Increase/(decrease) in fee received in advance	83,422,182	184,703,952
- Increase/(decrease) in other liabilities	11,809,574	26,326,802
Cash generated from operations	2,129,101,711	1,849,220,174
- Taxes paid	(369,624,276)	(482,834,082)
Net cash generated from operating activities - (A)	1,759,477,435	1,366,386,092

Contd...

Cash Flow Statement

For the year ended December 31, 2009

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(755,687,962)	(204,696,607)
Proceeds from sale of fixed assets	5,108,651	3,095,241
Investments in mutual funds	(804,062,841)	(1,150,000,000)
Sale proceeds from investments in mutual funds	950,569,979	1,090,149,041
Investment in fixed deposits (net)	196,439,540	(802,573,695)
Consideration received towards sale of a subsidiary	–	100,324,000
Investment in CRISIL Irevna Argentina, S.A	–	(10,501,668)
Interest on deposits	108,761,860	20,797,845
Interest on loan to subsidiary	3,472,603	6,320,547
Dividend Income - Subsidiaries	–	58,987,500
Dividend Income - Other Investments	3,932,500	4,419,265
Dividend income from current investments	4,062,840	–
Net cash generated from/(used in) investing activities - (B)	(287,402,830)	(883,678,531)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend and dividend tax paid	(927,981,037)	(505,276,839)
Loan (given) / repaid to CRISIL Risk and Infrastructure Solutions Limited (net)	(10,000,000)	49,700,000
Net cash generated from/(used in) financing activities - (C)	(937,981,037)	(455,576,839)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	534,093,568	27,130,722
Cash and cash equivalents - Opening balance	193,222,622	166,091,900
Cash and Cash Equivalents - Closing balance	727,316,190	193,222,622
Net Increase/(decrease) in Cash and Cash Equivalents	534,093,568	27,130,722
Components of Cash and Cash Equivalents as at *		
Cash on hand	–	137,941
With banks on current account	727,316,190	193,084,681
	727,316,190	193,222,622
*Cash and cash equivalent includes earmarked unpaid dividend amount (Refer Schedule F)		
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 S.R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Place : Mumbai
Date : February 18, 2010

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

Ravinder Singhania
Director

Roopa Kudva
Managing Director & Chief Executive Officer

Shrikant Dev
Company Secretary

Thomas Schiller
Director

David Pearce
Director

H.N. Sinor
Director

B V Bhargava
Director

Rama Bijapurkar
Director

Nachiket Mor
Director



Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	December 31, 2009	December 31, 2008
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:	72,250,000	72,250,000
7,225,000 (P.Y. 7,225,000) Equity Shares of Rs. 10 each fully paid up [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)]		
TOTAL	72,250,000	72,250,000
SCHEDULE B:		
Reserves and Surplus		
Securities Premium Account	474,890,071	474,890,071
Capital Reserve	122,232,111	122,232,111
Profit and Loss Account	2,274,109,516	1,766,363,716
General Reserve		
Balance as per last Balance Sheet	1,028,444,513	891,066,321
Add : Transferred from Profit and Loss Account	150,337,186	137,378,192
	1,178,781,699	1,028,444,513
TOTAL	4,050,013,397	3,391,930,411

Schedules

Annexed to and forming part of the Accounts

SCHEDULE C: Fixed Assets

(Amount in Rs.)

	Gross Block at Cost			Accumulated Depreciation/Amortisation			Net Block			
	As on Jan 1, 2009	Additions	Deductions / Adjustments	As on Dec 31, 2009	Upto Jan 1, 2009	For the Year	Deductions / Adjustments	Upto Dec 31, 2009	As on Dec 31, 2009	As on Dec 31, 2008
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 (Refer note below)	278,609,665	-	92,932,833	185,676,832	107,141,796	13,930,484	31,667,026	89,405,254	96,271,578	171,467,869
Furniture and Fixtures	126,029,487	21,557,262	11,645,848	135,940,901	58,980,769	14,229,958	4,341,597	68,869,130	67,071,771	67,048,718
Office Equipments	146,115,702	28,036,178	3,616,154	170,535,726	56,337,090	14,676,165	1,353,168	69,660,087	100,875,639	89,778,612
Computers	345,536,249	68,311,333	6,911,509	406,936,073	258,616,800	65,733,457	6,834,399	317,515,858	89,420,215	86,919,449
Vehicles	48,962,918	4,816,179	12,517,400	41,261,697	31,086,312	9,582,200	11,364,513	29,303,999	11,957,698	17,876,606
Leasehold Improvements	128,886,626	36,656,215	6,885,889	158,656,952	15,473,547	20,640,437	6,313,637	29,800,347	128,856,605	113,413,079
TOTAL	1,150,259,147	159,377,167	134,509,633	1,175,126,681	603,754,814	138,792,701	61,874,340	680,673,175	494,453,506	546,504,333
Previous Year	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	

Note: Adjustments in building is with respect to certain properties held by the Company being classified as held for sale. Refer Schedule H



Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	December 31, 2009	December 31, 2009	December 31, 2008	December 31, 2008
SCHEDULE D:				
Investments				
A. Long Term (Unquoted - At Cost)				
Investment in Subsidiaries (Companies under same management)				
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. 704,018) Equity Shares of CRISIL Irevna Argentina of ARS 1 each, fully paid up		10,501,668		10,501,668
Other Investments				
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	(13,642,499)	1
40,000 (P.Y. 40,000) Equity Shares of Gas Strategies Group Limited of £1 each, fully paid up		16,185,438		16,185,438
Total Long Term (At Cost) - {A}		814,940,836		814,940,836
B. Current Investments (Unquoted -At Cost Or Market Value, whichever is lower) *				
Investments In Mutual Funds				
Nil units of Rs. 10 each (P.Y. 28,758) of Tata Liquid Fund (Sold 28,758 units during the current year)		–		50,000,000
5,474,352 (P.Y. 8,562,774) units of Rs. 10 each of Sundaram BNP Paribas Money Fund - Institutional Plan (Sold 3,088,422 Units during the current year)		95,897,998		150,000,000
Nil (P.Y.41,898) units of Rs. 10 each of Templeton India Treasury Management Account Super Institutional Plan Growth (Sold 41,898 Units during the current year)		–		50,000,000
Nil (P.Y. 10,000,000) units of Rs. 10 each of DSP Black Rock - FMP 12M series 2 (Sold 10,000,000 Units during the current year)		–		100,000,000
Nil (P.Y. 10,000,000) units of Rs. 10 each HSBC Fixed Term Series 56 (HFTS 56) FMP (Sold 10,000,000 Units during the current year)		–		100,000,000
Nil (P.Y. 10,000,000) units of Rs. 10 each of Tata Fixed Horizon Fund Series 18-Scheme C (Sold 10,000,000 Units during the current year)		–		100,000,000
Nil (P.Y. 10,000,000) units of Rs. 10 each of Kotak FMP 12M Series 8 (Sold 10,000,000 Units during the current year)		–		100,000,000
Nil (P.Y. 10,000,000) units of Rs.10 each of Kotak FMP 12M Series 9 (Sold 10,000,000 Units during the current year)		–		100,000,000

Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	December 31, 2009	December 31, 2009	December 31, 2008	December 31, 2008
SCHEDULE D: (Contd)				
Investments In Mutual Funds				
Nil (P.Y. 10,000,000) units of Rs. 10 each of Fortis Fixed Term Plan-Series 14: Plan A (Sold 10,000,000 Units during the current year)		–		100,000,000
Nil (P.Y. 10,000,000) units of Rs. 10 each HDFC FMP 370D November 2008 (I) (Sold 10,000,000 Units during the current year)		–		100,000,000
62,578 units of Rs. 10 each of Tata Liquid Super High Inv. Fund - Appreciation		100,000,000		100,000,000
1,51,08,936 Units of Rs. 10 each of Principal Cash Management Fund-Liquid Option Institutional Premium Plan - Dividend Reinvestment (Purchased 1,51,08,936 Units during the current year)		151,099,933		–
1,48,269 Units of Rs. 10 each of UTI Liquid Cash Plan Institutional- Dividend reinvestment (Purchased 1,48,269 Units during the current year)		151,151,946		–
35,10,065 Units of Rs. 10 each of ICICI Prudential Institutional Liquid Plan - Dividend Reinvestment (Purchased 35,10,065 Units during the current year)		351,083,706		–
1,22,94,430 Units of Rs. 10 each HDFC Liquid Fund Premium Plan- Dividend Reinvestment (Purchased 1,22,94,430 Units during the current year)		150,727,255		–
Total Investments in Mutual Funds {B}		999,960,838		1,050,000,000
Total Unquoted Investments {A} + {B}		1,814,901,674		1,864,940,836
*Aggregate market value of Company's investment in Unquoted Mutual Funds		1,010,359,771		1,087,676,621
SCHEDULE E:				
Sundry Debtors				
Debts outstanding for a period exceeding six months				
- Unsecured, Considered good		55,589,486		80,860,390
- Unsecured, Considered doubtful		37,885,893		21,911,691
Other debts				
- Unsecured, Considered good		639,389,491		722,311,806
Less: Provision for Doubtful Debts (Refer Note 12 - Schedule P)		(37,885,893)		(21,911,691)
TOTAL		694,978,977		803,172,196
SCHEDULE F:				
Cash and Bank Balances				
Cash on Hand		–		137,941
Balances with Scheduled Banks				
On Current Accounts		723,582,976		191,188,194
On Deposit Accounts		618,043,858		814,483,398
On Unpaid Dividend Accounts		3,733,214		1,896,487
Deposit includes Fixed Deposits with Banks Rs. 9,050,586 (P.Y. Rs. 9,706,376) marked as lien for Guarantees issued by Banks on behalf of the Company. (Refer Note 3 - Schedule P)				
TOTAL		1,345,360,048		1,007,706,020



Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	December 31, 2009	December 31, 2008
SCHEDULE G:		
Loans and Advances		
Unsecured, Considered Good		
Loans to Staff	20,468,458	17,533,051
Advance Recoverable In Cash or Kind for Value to be Received	94,189,696	86,496,536
Advance Tax (Net of provision)	17,807,987	69,145,671
Sundry Deposits	453,366,132	327,549,520
Loan to Subsidiary (Refer Note 13 - Schedule P)	32,500,000	22,500,000
TOTAL	618,332,273	523,224,778
SCHEDULE H:		
Other Current Assets		
Interest Accrued on Fixed Deposits with Banks	5,913,597	11,358,476
Accrued Revenue	42,544,698	7,012,207
Building held for sale (Refer note on Schedule C)	61,265,807	—
TOTAL	109,724,102	18,370,683
SCHEDULE I:		
Current Liabilities		
Sundry Creditors (Refer Note 5 - Schedule P):		
Due to micro, small and medium enterprises	—	—
Others	670,143,132	426,787,596
Fees received in advance	555,774,325	472,352,143
Unclaimed Dividend (to be credited to Investor Education & Protection Fund, as and when due)	3,733,214	1,896,487
Other Liabilities	99,439,027	87,629,453
TOTAL	1,329,089,698	988,665,679
SCHEDULE J:		
Provisions		
Proposed Dividend	180,625,000	252,875,000
Corporate Dividend Tax thereon	30,697,219	42,976,107
Provision for Leave Encashment	132,623,698	103,843,747
Provision for Gratuity	7,042,940	18,740,176
TOTAL	350,988,857	418,435,030

Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
SCHEDULE K:		
Income from Operations		
Income from Rating Services	2,389,016,014	1,887,753,462
Income from Research Services	2,027,218,436	1,895,783,190
TOTAL	4,416,234,450	3,783,536,652
SCHEDULE L:		
Other Income		
Interest on Deposits [TDS -Rs. 18,545,398 (P.Y.Rs. 7,409,010)]	103,316,981	31,955,543
Interest on Loan to Subsidiary [TDS -Rs. 616,836 (P.Y.Rs. 1,302,033)]	3,472,603	6,320,547
Dividend Income - Subsidiaries	–	58,987,500
Dividend Income - Other Investments	3,932,500	4,419,265
Foreign Exchange Gain (Net)	–	40,263,052
Profit from sale of current investments (Net)	96,467,976	89,233,303
Dividend income from current investments	4,062,840	–
Miscellaneous Income	17,048,949	24,187,029
TOTAL	228,301,849	255,366,239
SCHEDULE M:		
Personnel Expenses		
Salaries and Bonus	1,501,246,285	1,249,051,801
Contribution to: Provident Fund	44,062,860	32,589,969
Other Funds	17,292,394	21,476,020
Staff Training and Welfare Expenses	52,882,683	49,803,246
Less: Recoveries from Subsidiaries towards Overhead Allocated	(20,093,924)	(26,098,241)
TOTAL	1,595,390,298	1,326,822,795
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance - Buildings	64,228,740	66,194,374
Repairs and Maintenance - Others	59,848,424	50,130,157
Electricity	50,289,703	44,254,275
Communication Expenses	61,925,664	56,557,596
Insurance	1,480,132	1,042,970
Rent	238,796,824	208,777,994
Rates and Taxes	2,520,445	2,464,841
Less: Recoveries from Subsidiaries towards Overhead Allocated	(4,938,642)	(6,586,084)
TOTAL	474,151,290	422,836,123



Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
SCHEDULE O:		
Other Expenses		
Printing and Stationery	24,763,358	22,145,641
Conveyance and Travelling	99,194,494	128,913,463
Books and Periodicals	18,374,714	18,058,635
Vehicle Expenses	1,042,450	1,166,378
Remuneration to Non-whole time Directors (Refer Note 7 - Schedule P)	9,776,800	11,180,000
Business Promotion and Advertisement	14,074,817	8,686,086
Foreign Exchange Loss (net)	16,580,033	–
Professional Fees	179,778,515	118,965,691
Software Purchase & Maintenance Expenses	28,050,949	15,123,399
Provision for Bad Debts	46,223,090	21,374,633
Loss on sale of fixed assets	6,260,835	2,184,622
Auditors' Remuneration (Refer Note 10 - Schedule P)	2,591,708	2,781,870
Recruitment Expenses	9,349,473	10,521,545
Sales Commission	76,780,929	50,877,741
Seminars and Conferences	1,440,113	3,415,990
Miscellaneous Expenses	8,070,821	2,102,854
Diminution in value of Investments	–	13,642,499
Less: Recoveries from Subsidiaries towards Overhead Allocated	(9,566,608)	(11,568,455)
TOTAL	532,786,491	419,572,592

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 include credit ratings and risk assessment; research on India's economy, industries and companies; investment research outsourcing 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 as amended 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.

Schedules

Annexed to and forming part of the Accounts

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. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets.

2.4 Depreciation

Depreciation is provided using the Straight Line Method ('SLM') 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 or useful life of the asset, whichever is less. 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.



Schedules

Annexed to and forming part of the Accounts

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, global analytical services, credit assessments, special assignments and subscriptions to information products and services. 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 or as per agreement with client.

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.

Profit/(loss) on sale of investment

Profit/(loss) on sale of investment is accounted when the sale/transfer deed is executed . On disposal of such investments, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Profit and Loss statement. The carrying amount of investment is determined using weighted average cost method.

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.

Schedules

Annexed to and forming part of the Accounts

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 reflect 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 geographical locations of customers.

Inter segment transfers

The Company generally accounts for intersegment services and transfers as if the services 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

Unallocable income and expenses include 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.



Schedules

Annexed to and forming part of the Accounts

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. Details of Contingent liabilities are as under:

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Bank Guarantee in the normal course of business	9,050,586	9,695,180
Disputed Income Tax Demand		
Pending before Appellate authorities in respect of which the Company is in appeal	23,359,888	13,125,578
Decided in Company's favour by Appellate Authorities and Department is in further appeal	18,212,021	4,706,559
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for.	89,025,159	87,252,360
TOTAL	139,647,654	114,779,677

4. Income Tax

The tax year of the Company being the year ending March 31, 2010, The provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2009 and the provision for the nine months upto December 31, 2009. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2009 to March 31, 2010, the ultimate tax liability of which will be determined for the period April 1, 2009 to March 31, 2010.

5. 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.

Schedules

Annexed to and forming part of the Accounts

6. Components of Deferred Tax Assets and Liabilities are:

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Deferred Tax Liability		
Depreciation/Amortisation	(29,313,871)	(29,600,641)
Disallowance under section 40(a)	(728,727)	–
TOTAL (A)	(30,042,598)	(29,600,641)
Deferred Tax Asset		
Provision for Leave Encashment	44,590,724	41,314,706
Provision for Gratuity	2,007,830	434,033
Lease Rent Amortisation	18,606,511	14,456,507
Provision for Bonus and Commission	29,096,571	22,815,377
Provision for Bad debts	14,892,808	8,198,976
Deferment of Rating fees	8,756,658	9,186,846
Disallowance under section 40(a)	–	184,397
TOTAL (B)	117,951,102	96,590,842
NET DEFERRED TAX ASSET / (LIABILITIES) (A-B)	87,908,504	66,990,201

7. Managerial Remuneration:

	Year Ended December 31, 2009	Year Ended December 31, 2008
Managing Director		
Salary	11,310,956	9,605,360
Commission	6,800,000	9,589,631
Contribution to Provident Fund	428,400	333,000
Perquisites	461,586	396,812
TOTAL	19,000,942	19,924,803
Non - Whole time Directors		
Fees paid	1,000,000	1,160,000
Commission	8,776,800	10,020,000
TOTAL	9,776,800	11,180,000

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.



Schedules

Annexed to and forming part of the Accounts

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

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Profit before tax as per Profit and Loss Account	1,903,415,519	1,751,233,767
Remuneration to Whole-time Directors	19,000,942	19,924,803
Remuneration to Non Whole-time Directors	9,776,800	11,180,000
Provision for Doubtful Debts	46,223,090	16,250,245
(Profit)/Loss on Sale of Fixed Assets	6,260,835	2,184,622
Loss on sale of long term investment	–	915,738
Provision for Diminution in value of Investment	–	13,642,499
Net Profit under Section 198	1,984,677,186	1,815,331,674
Managerial Remuneration Payable to whole-time director upto 5% of the Net Profit (as computed above) Rs. 99,233,859 (P.Y. Rs. 90,766,584), restricted to:	19,000,942	19,924,803
Commission Payable to non whole-time directors upto 3% of the Net Profit (as computed above) Rs. 59,540,316 (P.Y. Rs. 54,459,950), restricted to:	8,776,800	10,020,000

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 are 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.

8. Earnings in foreign currency (on accrual basis)

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Rendering of Rating, Advisory and Research Services	2,341,548,985	2,067,993,896
Dividend from Subsidiaries/Associates	747,500	58,987,500
TOTAL	2,342,296,485	2,126,981,396

9. 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. 111,597,474 (P.Y. Rs. 44,029,495)

b) Expenditure in foreign currency

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Foreign travel	26,983,567	50,677,148
Sales Commission	77,204,417	41,478,863
Other Expenses	13,665,835	8,371,218
TOTAL	117,853,819	100,527,229

Schedules

Annexed to and forming part of the Accounts

10. Auditors' Remuneration includes:

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
As auditor	2,425,000	2,500,000
In any other matter:		
Certification work	125,000	200,000
Out of Pocket Expenses	41,708	81,870
TOTAL	2,591,708	2,781,870

11. Amount remitted during the year in foreign currency, on account of dividends:

	Year Ended December 31, 2009	Year Ended December 31, 2008
Number of shareholders	2	2
Number of equity shares of Rs. 10 each held by them on which dividend was paid	3,720,948	3,720,948
Amount remitted (Rs.)	409,304,280	223,256,880

12. Sundry debtors includes amount receivable from following Companies under same management:

	As on December 31, 2009	As on December 31, 2008
Irevna LLC, U.S.	189,475,071	249,277,748
Irevna Limited, U.K.	88,381,661	209,547,947
Standard & Poor's LLC	88,370,218	65,438,298
Standard & Poor's South Asia Services Pvt. Ltd.	9,791,805	–
McGraw-Hill Education Companies Inc.	9,851	11,963,663
TOTAL	376,028,606	536,227,656

13. Loans and advances in the nature of loans given to companies under same management:

	As on December 31, 2009	As on December 31, 2008
CRISIL Risk and Infrastructure Solutions Limited	32,500,000	22,500,000
Maximum Amount Outstanding During the year	50,219,166	77,719,181



Schedules

Annexed to and forming part of the Accounts

14. Segment Reporting

Business Segments

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

Rating services include credit ratings for corporates, banks, small and medium enterprises (SME), training in the credit rating field, credit analysis services, grading services and global analytical services.

Research segments provide high end equity research, industry reports, customised research assignments, subscription to data services and IPO gradings.

Segment Reporting for the Year ended December 31, 2009:

(Amount in Rs.)

	Business segments		Total
	Ratings	Research	
Operating Revenue	2,389,016,014	2,027,218,436	4,416,234,450
Segment Results	1,007,409,721	812,421,949	1,819,831,670
Add/(Less) Unallocables:			
1. Unallocable Income			
Interest Income			106,789,584
Profit on sale of current investments			96,467,976
Others			23,802,039
2. Unallocable Expenditure			(4,683,049)
3. Depreciation			(138,792,701)
Profit Before Tax			1,903,415,519
Tax Expense			(400,043,657)
Profit After Tax			1,503,371,862
Non-cash expenses other than depreciation and amortisation	20,770,218	8,496,782	29,267,000
Segment Assets*:			
Investments	–	712,255,497	712,255,497
Segment Debtors	349,169,666	383,695,204	732,864,870
Segment Liabilities*:			
Fees Received in advance	377,381,301	159,084,403	536,465,704

Schedules

Annexed to and forming part of the Accounts

Revenue by Geographic Segments:

(Amount in Rs.)

Country	
India	2,074,685,465
United Kingdom	1,157,447,660
United States Of America	1,096,712,290
Others	87,389,035
TOTAL	4,416,234,450

Segment Reporting for the Year ended December 31, 2008:

	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			
Interest Income			38,276,090
Profit on sale of current investments			89,233,303
Others			83,108,414
2. Unallocable Expenditure			(34,647,793)
3. Depreciation			(118,437,614)
Profit Before Tax			1,751,233,767
Tax Expense			(377,451,845)
Profit After Tax			1,373,781,922
Non-cash expenses other than depreciation and amortisation	16,224,241	17,108,719	33,332,960
Segment Assets*:			
Investments	–	712,255,497	712,255,497
Segment Debtors	254,331,472	570,752,415	825,083,887
Segment Liabilities*:			
Fees Received in advance	370,501,696	101,850,447	472,352,143



Schedules

Annexed to and forming part of the Accounts

Revenue by Geographic Segments:

(Amount in Rs.)

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

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, except as disclosed above, 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.

15. List of Related Parties

Parties	Relationship
Related parties where control exists	
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
Gas Strategies Group Limited	Subsidiary (till December 10, 2008)
Alphatania Limited	Subsidiary of Gas Strategies Group Limited (till December 10, 2008)
Gas Matters Limited	Subsidiary of Gas Strategies Group Limited (till December 10, 2008)
Gas Strategies Consulting Limited	Subsidiary of Gas Strategies Group Limited (till December 10, 2008)
Overview Outreach Limited	Subsidiary of Gas Strategies Group Limited (till December 10, 2008)
Irevna Limited, UK	Subsidiary
Irevna LLC, USA	Subsidiary of Irevna Limited, UK
CRISIL Credit Information Services Limited	Subsidiary
CRISIL Irevna Poland Sp.zo.o	Subsidiary of Irevna Limited, UK
CRISIL Irevna Argentina S.A.	Subsidiary
Other Related parties	
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
India Index Services and Products Limited	Joint Venture
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

Schedules

Annexed to and forming part of the Accounts

16. Related Party Disclosure

(Amount in Rs.)

Name of the related party	Nature of transaction	Year Ended December 31, 2009	Year Ended December 31, 2008
Standard & Poor's LLC	Professional Services Rendered	714,369,995	534,665,498
	Reimbursement of expenses	12,255	7,273,764
	Amount Receivable	88,370,218	65,438,298
S&P India, LLC	Dividend	312,094,800	218,466,360
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	7,141,028	617,215
	Reimbursement of expenses	18,220,525	3,731,383
	Amount Receivable	9,791,805	4,348,598
Standard & Poor's International LLC, USA	Dividend	60,000,000	42,000,000
	Share Capital Outstanding	6,000,000	6,000,000
The McGraw-Hill Companies, Inc	Expenses Recovered	61,018	20,382
	Amount Receivable	9,851	–
McGraw-Hill Education India Private Limited	Professional Services Rendered	–	14,920,206
	Reimbursement of expenses	–	25,066,049
	Amount Receivable	–	11,963,663
CRISIL Risk and Infrastructure Solutions Limited	Revenue share paid	–	2,019,750
	Revenue share received	4,382,333	175,000
	Loan given during the year	42,500,000	32,500,000
	Loan repaid during the year	32,500,000	82,200,000
	Loan Outstanding	32,500,000	22,500,000
	Interest Income	3,472,603	6,320,547
	Expenses Recovered	18,597,585	30,733,088
	Share of overhead expenses received	34,599,178	38,706,271
	Amount Receivable/(Payable)	6,997,204	13,907,163
Investment Outstanding	49,999,900	49,999,900	
Irevna Limited, UK	Professional Services Rendered	705,583,924	799,398,274
	Sales Commission Expense	56,747,690	37,491,481
	Reimbursement of Expenses	1,310,755	4,433,974
	Amount Receivable (net)	83,641,360	205,117,259
	Investment Outstanding	695,383,859	695,383,859

Contd...



Schedules

Annexed to and forming part of the Accounts

(Amount in Rs.)

Name of the related party	Nature of transaction	Year Ended December 31, 2009	Year Ended December 31, 2008
Irevna LLC, USA	Professional Services Rendered	400,326,156	362,991,958
	Sales Commission Expense	20,033,239	13,386,260
	Reimbursement of Expenses	588,427	–
	Amount Receivable (net)	187,756,642	247,957,473
Gas Strategies Group Limited (till December, 10, 2008)	Reimbursement of expenses paid/payable	–	3,864,866
	Corporate Recharge	–	5,546,510
	Dividend Received	–	58,987,500
	Investment Outstanding	16,185,438	16,185,438
CRISIL Credit Information Services Limited	Investment Outstanding	500,000	500,000
CRISIL Irevna Argentina, S.A.	Equity Shares Subscribed	–	10,501,668
	Investment Outstanding	10,501,668	10,501,668
CRISIL Irevna Poland Sp.zo.o	Reimbursement of expenses received	5,200,946	–
India Index Services and Products Limited	Dividend Received	3,185,000	1,911,000
	Investment Outstanding	6,369,970	6,369,970
*Roopa Kudva	Remuneration paid	19,000,942	19,924,803

*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.

17. 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:

(Amount in Rs.)

	Unaudited	
	As at December 31, 2009	As at December 31, 2008
Assets	122,961,959	89,447,554
Reserves and Surplus	106,994,133	71,256,570
Liabilities	9,597,826	11,820,983
Income	66,213,270	72,103,730
Expenses	10,057,344	10,143,589
Tax Expense	17,611,858	20,159,149
Contingent Liability	3,238,192	751,530

Schedules

Annexed to and forming part of the Accounts

18. Operating Lease

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

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Lease Payment recognised in Profit and Loss Account	238,796,824	208,777,994
Future Minimum Lease Payments:		
Not later than one year	421,533,034	183,384,506
Later than One Year and not later than five Years	2,412,726,949	681,879,458
Later than five Years	1,202,509,669	203,578,140
TOTAL	4,036,769,652	1,068,842,104

19. 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)

(Amount in Rs.)

	Year Ended December 31, 2009	Year Ended December 31, 2008
Current Service cost	12,961,540	8,472,162
Interest cost on defined benefit obligation	2,806,950	2,843,718
Expected return on plan assets	(2,574,720)	(1,255,655)
Net actuarial (gain)/ loss recognised in the year	3,277,670	8,626,613
Losses/(Gains) on "Acquisition/Divestiture"	–	2,128,317
NET GRATUITY BENEFIT EXPENSE	16,471,440	20,815,155

Balance Sheet:

Details of Provision for Gratuity Benefit

	As at December 31, 2009	As at December 31, 2008
Present value of funded obligations	53,926,870	41,632,929
Less: Fair value of plan assets	(46,883,930)	(22,892,753)
NET LIABILITY	7,042,940	18,740,176



Schedules

Annexed to and forming part of the Accounts

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

(Amount in Rs.)

	As at December 31, 2009	As at December 31, 2008
Opening Defined Benefit Obligation	41,632,929	25,583,884
Current Service Cost	12,961,540	8,472,162
Interest Cost	2,806,950	2,843,718
Actuarial (gain)/loss	1,820,550	11,878,760
Benefits paid	(5,295,100)	(7,145,595)
CLOSING DEFINED BENEFIT OBLIGATION	53,926,869	41,632,929

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

	As at December 31, 2009	As at December 31, 2008
Opening Fair value of plan assets	22,892,753	9,342,603
Expected return on plan assets	2,574,720	1,255,655
Actuarial gain/ (loss)	(1,457,120)	3,252,147
Contribution by employer	28,168,680	18,316,260
Asset acquired on acquisition	–	(2,128,317)
Benefits paid	(5,295,100)	(7,145,595)
CLOSING FAIR VALUE OF PLAN ASSETS	46,883,933	22,892,753

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

	As at December 31, 2009	As at December 31, 2008
Experience adjustment on plan assets	(1,457,120)	3,533,558
Experience adjustment on plan liabilities	(2,662,050)	(142,570)

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

	Year Ended December 31, 2009	Year Ended December 31, 2008
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2009/2008)	9.30%	9.25%

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.

Schedules

Annexed to and forming part of the Accounts

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

	Year Ended December 31, 2009	Year Ended December 31, 2008
Discount Rate	8.20%	7.20%
Estimated rate of return on plan assets	7.50%	7.50%
Expected Employee Turnover		
Age: 21-44 Years	6.5%	2.0%
Age: 44-57 Years	6.0%	1.0%
Expected Employer's Contribution next year (Rupees)	30,000,000	20,000,000

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.

20. Details of unhedged foreign exposure

(Amount in Rs.)

	As at December 31, 2009	As at December 31, 2008
Current Asset	379,493,153	627,645,428
Current Liability	6,458,730	—

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

22. 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

Place : Mumbai
Date : February 18, 2010

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

Ravinder Singhania
Director

Roopa Kudva
Managing Director & Chief Executive Officer

Shrikant Dev
Company Secretary

Thomas Schiller
Director

David Pearce
Director

H.N. Sinor
Director

B V Bhargava
Director

Rama Bijapurkar
Director

Nachiket Mor
Director

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

(Amount in Rs.)

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. The financial period of the subsidiary Company ended on	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009
3. a) Number of shares in the subsidiary held by CRISIL Limited at the above date	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 Share of US\$ 200 each, fully paid up
b) Extent of interest of CRISIL in the capital of the subsidiary	100%	100%	100%	100%	100%	100%
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, 2009 of the subsidiary (Rupees)	78,795,946	(13,962)	4,496,776	1,798,672	712,566	(7,966,442)
b) Profits/ (Losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	89,677,961	(11,848)	5,718,482	(476,427)	(15,294,101)	(22,060,524)
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, 2009 (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

Ravinder Singhania
DirectorRama Bijapurkar
DirectorDavid Pearce
DirectorThomas Schiller
DirectorNachiket Mor
DirectorH. N. Sinor
DirectorRoopa Kudva
Managing Director &
Chief Executive OfficerShrikant Dev
Company Secretary

Place: Mumbai

Date: February 18, 2010