

Consolidated financial statements

Consolidated Balance Sheet

Consolidated Profit and Loss Account



CONSOLIDATED BALANCE SHEET

as at December 31, 2010



Particulars	Schedule	(Rupees)	
		December 31, 2010	December 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	70,968,440	72,250,000
Reserves and Surplus	B	3,873,552,940	4,265,863,099
TOTAL		3,944,521,380	4,338,113,099
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	3,098,908,198	1,843,681,824
Less: Accumulated Depreciation/Amortization		850,733,770	642,705,151
Net Block		2,248,174,428	1,200,976,673
Capital Work-In-Progress (including Capital Advances)		854,150	636,682,868
		2,249,028,578	1,837,659,541
INVESTMENTS			
Deferred Tax Assets (Net) (Refer Note 5 - Schedule P)	D	142,329,182	100,747,726
Current Assets, Loans And Advances			
Sundry Debtors	E	1,085,900,744	922,088,397
Cash and Bank Balances	F	1,613,102,807	1,575,661,514
Loans and Advances	G	510,107,447	618,127,947
Other Current Assets	H	221,294,902	110,875,931
		3,430,405,900	3,226,753,789
Less: Current Liabilities And Provisions			
Current Liabilities	I	1,676,889,605	1,615,201,639
Provisions	J	462,393,928	387,092,645
		2,139,283,533	2,002,294,284
Net Current Assets		1,291,122,367	1,224,459,505
TOTAL		3,944,521,380	4,338,113,099
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.

Firm Registration No.: 301003E
Chartered Accountants

per Shrawan Jalan
Partner

Membership No.: 102102
Mumbai, February 14, 2011

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

Rama Bijapurkar
Director

Roopa Kudva
Managing Director &
Chief Executive Officer

Shrikant Dev
Company Secretary
Mumbai, February 14, 2011

Thomas Schiller
Director

B. V. Bhargava
Director

H.N. Sinor
Director



CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended December 31, 2010

Particulars	Schedule	(Rupees)	
		Year Ended December 31, 2010	Year Ended December 31, 2009
INCOME			
Income from Operations	K	6,284,427,569	5,372,723,640
Other Income	L	730,314,730	230,046,844
TOTAL		7,014,742,299	5,602,770,484
EXPENDITURE			
Personnel Expenses	M	2,581,730,350	2,078,587,258
Establishment Expenses	N	712,685,671	549,060,912
Other Expenses	O	838,879,245	752,007,960
Depreciation		212,581,735	148,515,395
TOTAL		4,345,877,001	3,528,171,525
Profit before Tax		2,668,865,298	2,074,598,959
Tax Expense			
Current Tax		628,506,315	484,466,659
Fringe Benefit Tax		-	3,856,288
Wealth Tax		692,020	772,850
Deferred Tax		(42,355,766)	(22,273,438)
Income Tax of earlier years		(88,469)	-
		586,754,100	466,822,359
Profit After Tax and before prior period items		2,082,111,198	1,607,776,600
Prior period expense, net of tax (Refer Note 16 - Schedule P)		27,444,953	-
Profit After Tax		2,054,666,245	1,607,776,600
Balance brought forward from previous year		2,496,718,603	1,885,109,355
Amount Available for Appropriation		4,551,384,848	3,492,885,955
Dividend			
Interim		1,264,375,000	541,875,000
Proposed Final Dividend		177,421,100	180,625,000
TOTAL		1,441,796,100	722,500,000
Dividend Tax on Interim and Proposed final dividend		239,524,456	123,330,166
Transfer to General Reserve		195,754,482	150,337,186
Balance carried to Balance Sheet		2,674,309,810	2,496,718,603
		4,551,384,848	3,492,885,955
Basic and Diluted Earnings Per Share - Nominal value of Rs.10 (Refer Note 14 - Schedule P)		285.09	222.53
Number of Shares used in Computing Earnings Per Share* (Refer Note 14 - Schedule P)		7,207,093	7,225,000
Significant Accounting Policies and Notes to the Accounts	P		

*Weighted Average

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account. As per our report of even date.

For S.R. BATLIBOI & CO.

Firm Registration No.: 301003E

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

Chartered Accountants

per Shrawan Jalan

Rama Bijapurkar

Thomas Schiller

B. V. Bhargava

Partner

Director

Director

Director

Membership No.: 102102

Mumbai, February 14, 2011

Roopa Kudva

Managing Director &
Chief Executive Officer

H.N. Sinor

Director

Shrikant Dev

Company Secretary

Mumbai, February 14, 2011



CONSOLIDATED CASH FLOW STATEMENT

for the year ended December 31, 2010

Particulars	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	2,668,865,298	2,074,598,959
Adjustments for :	-	
Depreciation	212,581,735	148,515,395
Provision for leave encashment	30,646,383	29,983,152
Provision for gratuity (Refer Note 16- Schedule P)	28,191,311	(12,758,357)
Foreign Currency Translation Reserve	4,372,399	1,448,303
Unrealised Foreign exchange loss	5,526,836	6,220,663
(Profit)/ Loss on sale of fixed assets	(251,327,478)	6,411,942
(Profit) on sale of investments	(345,799,613)	(96,467,976)
Provision for bad debts	82,427,271	70,559,890
Interest on deposits	(81,215,474)	(106,525,306)
Dividend income from Other investments	(2,144,742)	(747,500)
Dividend Income from long term investments	(23,732,040)	(4,062,840)
Operating profit before working capital changes	2,328,391,886	2,117,176,325
Movements in working capital		
- (Increase)/decrease in sundry debtors	(280,443,311)	(227,394,475)
- (Increase)/decrease in sundry deposits	91,934,018	(125,616,543)
- (Increase)/decrease in loans	1,747,186	(3,285,268)
- (Increase)/decrease in advances	33,321,256	(3,586,301)
- (Increase)/decrease in accrued income	(24,901,609)	(38,102,615)
- Increase/(decrease) in sundry creditors	(93,152,744)	299,726,187
- Increase/(decrease) in fee received in advance	75,268,820	101,887,109
- Increase/(decrease) in other liabilities	(22,310,037)	55,682,025
Cash generated from operations	2,109,855,465	2,176,486,444
- Taxes paid	(650,368,698)	(434,550,103)
Net cash generated from operating activities - (A)	1,459,486,767	1,741,936,341
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (Refer Note 15- Schedule P)	(498,538,005)	(759,533,751)
Proceeds from sale of fixed assets	323,722,834	7,077,090
Investments in mutual funds	(205,791,252)	(804,062,841)
Investment in National Commodity and Derivative Exchange Limited	(99,000,000)	-
Sale proceeds from Investment in National Commodity and Derivative Exchange Limited	374,433,189	-
Sale proceeds from investments in Gas Strategies Group Limited	58,728,000	-
Sale proceeds from investments in mutual funds	1,130,634,750	909,654,517

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CONSOLIDATED CASH FLOW STATEMENT

for the year ended December 31, 2010

Particulars	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
Payment made for acquisition of Pipal Research Analytics and Information Services India Private Limited	(111,292,051)	-
Investment in fixed deposits	(975,058,928)	(424,205,928)
Proceeds from fixed deposit maturity/renewal	623,410,714	610,913,750
Interest on deposits	54,447,812	112,183,371
Dividend Income from long term investments	23,732,040	747,500
Dividend income from current investments	2,144,742	4,062,840
Net cash generated from/(used in) investing activities - (B)	701,573,845	(343,163,452)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Buy Back of Shares	(796,858,024)	-
Dividend and dividend tax paid	(1,680,735,331)	(928,522,327)
Net cash generated from/(used in) financing activities - (C)	(2,477,593,355)	(928,522,327)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(316,532,743)	470,250,562
Add : Adjustment towards acquisition	2,275,822	-
Net Increase/(decrease) in cash and cash equivalents after divestiture adjustment	(314,256,921)	470,250,562
Cash and cash equivalents - Opening balance	909,593,014	439,342,452
Cash and cash equivalents - Closing balance	595,336,093	909,593,014
Net Increase/(decrease) in Cash and Cash Equivalents	(314,256,921)	470,250,562
Components of cash and cash equivalents as at*		
Cash on hand	175,126	91,584
With banks on current account	595,160,967	909,501,430
	595,336,093	909,593,014

*Cash and cash equivalent includes earmarked unpaid dividend amount (Refer Schedule F)

Significant Accounting Policies and Notes to the Accounts (Refer 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.

Firm Registration No.: 301003E

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai, February 14, 2011

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

Rama Bijapurkar

Director

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H.N. Sinor

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Company Secretary

Mumbai, February 14, 2011



Consolidated financial statements

Schedules annexed to and forming part of the Consolidated Accounts

SCHEDULES

annexed to and forming part of the Consolidated Accounts

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE A:		
Share Capital		
Authorised Capital:		
10,000,000 (P.Y. 10,000,000) Equity Shares of Rs.10 each	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
7,096,844 (P.Y. 7,225,000) Equity Shares of Rs. 10 each fully paid up	70,968,440	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)]		
(Refer Note 14, Schedule P)		
TOTAL	70,968,440	72,250,000
SCHEDULE B:		
Reserves & Surplus		
Securities Premium Account		
Opening Balance	474,890,071	474,890,071
Less:- Used towards buy back of equity shares (Refer Note 14, Schedule P)	(474,890,071)	
TOTAL (A)	-	474,890,071
Capital Reserve (B)	122,232,111	122,232,111
Capital Redemption Reserve		
Opening Balance	-	-
Add:- Transfer on account of buy back of equity shares (Refer Note 14, Schedule P)	1,281,560	-
TOTAL (C)	1,281,560	-
Profit and Loss Account (D)	2,674,309,810	2,496,718,603
General Reserve as per last Balance Sheet		
Opening Balance	1,178,781,699	1,028,444,513
Add : Transfer from Profit and Loss Account	195,754,482	150,337,186
Less :Transfer to Capital Redemption Reserve account (Refer Note 14, Schedule P)	(1,281,560)	-
Less :Used towards buy back of equity shares (Refer Note 14, Schedule P)	(320,686,393)	-
TOTAL (E)	1,052,568,228	1,178,781,699
Foreign Currency Translation Reserve as per last Balance Sheet	(6,759,385)	(7,798,081)
(Add)/Less : Movement during the year	(4,372,399)	1,038,696
TOTAL (F)	(2,386,986)	(6,759,385)
Hedging Reserve Account (G)	25,548,217	-
TOTAL (A+B+C+D+E+F+G)	3,873,552,940	4,265,863,099



SCHEDULES

annexed to and forming part of the Consolidated Accounts

SCHEDULE C: Fixed Assets

	Gross Block at Cost				Accumulated Depreciation/Amortization				Net Block			
	As on January 1, 2010	Additions	Deductions	Adjustments	As on December 31, 2010	Upto January 1, 2010	For the year	On Assets sold	Adjustments	Upto December 31, 2010	As on December 31, 2010	As on December 31, 2009
Intangibles												
Goodwill On Consolidation	691,968,593	133,257,298	-	-	825,225,891	-	-	-	-	-	825,225,891	691,968,593
Customer Relationship	-	202,507,074	-	-	202,507,074	-	1,160,859	-	-	1,160,859	201,346,215	-
Brand	-	25,563,445	-	-	25,563,445	-	203,107	-	-	203,107	25,360,338	-
Non Compete	-	32,525,773	-	-	32,525,773	-	861,413	-	-	861,413	31,664,360	-
Goodwill	-	124,499,661	-	-	124,499,661	-	494,587	-	-	494,587	124,005,074	-
Fixed Assets												
Buildings (Refer note below)	185,676,832	-	24,111,354	-	161,565,478	89,405,254	9,283,842	8,938,266	-	89,750,830	71,814,648	96,271,578
Furniture and Fixtures (Refer note below)	140,183,775	78,792,655	16,505,462	5,187,123	207,658,091	70,436,056	18,791,691	8,912,479	2,567,824	82,883,092	124,774,999	69,747,719
Office Equipments (Refer note below)	173,291,134	135,155,846	2,796,250	10,587,158	316,237,888	71,314,827	28,901,850	1,421,576	4,779,086	103,574,187	212,663,701	101,976,307
Computers	441,787,911	101,641,233	614,762	25,180,448	567,994,830	344,751,897	76,605,399	436,402	22,749,859	443,670,753	124,324,077	97,036,014
Vehicles	50,823,298	16,661,032	21,204,527	-	46,279,803	36,743,777	10,756,089	18,280,943	-	29,218,923	17,060,880	14,079,521
Leasehold Improvements	159,950,281	417,020,004	-	11,879,979	588,850,264	30,053,340	65,522,898	-	3,339,781	98,916,019	489,934,245	129,896,941
TOTAL	1,843,681,824	1,267,624,021	65,232,355	52,834,708	3,098,908,198	642,705,151	212,581,735	37,989,666	33,436,550	850,733,770	2,248,174,428	1,200,976,673
Previous Year	1,820,873,185	163,222,956	140,414,317	-	1,843,681,824	559,849,234	148,515,395	65,659,478	-	642,705,151	1,200,976,673	

Note

1. Adjustment with respect to building, furniture and office equipment are on account of certain premises being classified as held for sale in the current year (Previous Year net written down value Rs.61,265,807). Refer Schedule H.
2. Adjustment column refers to asset and depreciation addition on account of acquisition of 100% ownership in Pipal Research Analytics and Information Services India Private Limited (Refer Note 15, Schedule P)
3. Additions in Intangible Assets is with respect to acquisition of business assets from Pipal Research Corporation, US.

SCHEDULES

annexed to and forming part of the Consolidated Accounts



	(Rupees)			
	December 31, 2010	December 31, 2010	December 31, 2009	December 31, 2009
SCHEDULE D:				
Investments				
A. Long Term (Unquoted - At Cost)				
1,875,000 (P.Y.3,600,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up (Purchased 900,000 shares during the year and Sold 2,625,000 shares during the year)		56,250,000		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
Nil (P.Y. 40,000) Equity Shares of Gas Strategies Group Limited of £1 each, fully paid up. Sold 40,000 Equity Shares during the year		-		25,647,990
Total Long Term (At Cost) - {A}		56,250,001		61,647,991
B. Current Investments (At Cost Or Market Value, whichever is lower) *				
Investments In Mutual Funds (Unquoted)				
Nil Units (P.Y.5,474,352 Units) of Rs.10 each of Sundaram BNP Paribas Money Fund - Institutional Plan (Sold 5,474,352 Units during the current year)		-		95,897,998
Nil Units (P.Y. 62,578 Units) of Rs.10 each of Tata Liquid Super High Inv. Fund - Appreciation (Sold 62,578 Units during the current year)		-		100,000,000
Nil Units (P.Y.1,51,08,936 Units) of Rs.10 each of Principal Cash Management Fund- Liquid Option Institutional Premium Plan - Dividend Reinvestment (Sold 1,51,08,936 Units during the current year)		-		151,099,933
Nil Units (P.Y.1,48,269 Units) of Rs.10 each of UTI Liquid Cash Plan Institutional - Dividend reinvestment (Sold 1,48,269 Units during the current year)		-		151,151,946
Nil Units (P.Y 35,10,065 Units) of Rs.10 each of ICICI Prudential Institutional Liquid Plan - Dividend Reinvestment (Sold 35,10,065 Units during the current year)		-		351,083,706
Nil Units (P.Y 12,294,430 Units)of Rs.10 each HDFC Liquid Fund Premium Plan - Dividend Reinvestment		-		150,727,255



SCHEDULES

annexed to and forming part of the Consolidated Accounts

	(Rupees)			
	December 31, 2010	December 31, 2010	December 31, 2009	December 31, 2009
SCHEDULE D: (Contd)				
Investments				
(Sold 12,294,430 Units during the current year)				
Investments In Mutual Funds (Quoted)		100,000,000		-
10,00,000 Units of Rs 10 each ICICI Prudential FMP Series 53 - 1 Year Plan D cumulative.				
(Purchased 10,00,000 Units during the current year)				
Total Investments in Mutual Funds {B}*		100,000,000		999,960,838
Proportional Share of Investments in Mutual Fund by Joint Venture Company {C} (Unquoted -At Cost Or Market Value, whichever is lower) *		105,791,252		113,637,498
Total Investments {A}+{B}+{C}		262,041,253		1,175,246,327
*Aggregate market value of Company's investment in Mutual Funds		206,208,363		1,123,994,558

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE E:		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Considered good	69,673,389	103,845,678
- Considered doubtful	84,946,679	46,801,844
Other debts		
- Considered good	1,016,227,355	854,354,649
- Considered doubtful	-	-
Less : Reserve for Doubtful Debts	(84,946,679)	(82,913,774)
	1,085,900,744	922,088,397
Amount receivable from following Companies under same management		
Standard & Poor's LLC	112,518,352	85,049,309
Standard & Poor's South Asia Services Private Limited	3,508,663	9,791,805
The McGraw-Hill Companies, Inc	-	9,851
McGraw-Hill Education India Private Limited	345,602	-
	116,372,617	94,850,965



Consolidated financial statements

Schedules annexed to and forming part of the Consolidated Accounts

SCHEDULES

annexed to and forming part of the Consolidated Accounts

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE F:		
Cash & Bank Balances		
Cash on Hand	175,126	91,584
Balances with Scheduled Banks		
On Current Accounts	587,166,646	905,768,216
On Deposit Accounts	1,017,766,714	666,068,500
On Unpaid Dividend Accounts	7,994,321	3,733,214
Deposit includes Fixed Deposits with Banks Rs.63,093,157 (P.Y.Rs.38,464,490) marked as lien for Guarantees issued by Banks on behalf of the Company.		
	1,613,102,807	1,575,661,514
SCHEDULE G:		
Loans and Advances		
(Unsecured, Considered Good)		
Loans to Staff	22,473,838	24,437,194
Advance Recoverable In Cash or kind for value to be received	64,547,157	95,746,746
Advance Taxes paid	27,114,310	18,334,207
Sundry Deposits	395,972,142	479,609,800
	510,107,447	618,127,947
SCHEDULE H :		
Other Current Assets		
Interest Accrued On Fixed Deposit With Banks	33,833,088	7,065,426
Accrued Revenue	67,455,537	42,544,698
Forward Contract Receivable	25,548,217	-
Assets held for sale (Refer Note 1 on Schedule C)	16,113,140	61,265,807
Grant Receivable (Refer Note 17 - Schedule P)	78,344,920	-
	221,294,902	110,875,931
SCHEDULE I:		
Current Liabilities		
Sundry Creditors	780,020,531	855,973,161
Fees received in advance	663,507,639	588,238,819
Unclaimed dividend (to be credited to Investor Education & Protection Fund, when due)	7,994,321	3,733,214
Other Liabilities	147,022,194	167,256,445
Deferred Grant Revenue (Refer Note 17 - Schedule P)	78,344,920	-
	1,676,889,605	1,615,201,639
SCHEDULE J :		
Provisions		
Proposed Dividend	177,421,100	180,625,000
Corporate Dividend Tax thereon	29,467,427	31,106,826
Provision for Tax	1,605,822	14,303,245
Provision for Leave Encashment	186,498,605	152,615,026
Provision for Gratuity (Refer Note 16 - Schedule P)	67,400,974	8,442,548
	462,393,928	387,092,645



SCHEDULES

annexed to and forming part of the Consolidated Accounts

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE K :		
Income From Operations		
Ratings Services	2,840,877,156	2,389,016,014
Advisory Services	515,648,079	599,097,502
Research Services	2,848,807,782	2,323,424,858
Proportionate share in Joint Venture	79,094,552	61,185,266
	6,284,427,569	5,372,723,640
SCHEDULE L :		
Other Income		
Interest on Deposits [TDS Rs.6,211,530] (P.Y Rs.19,117,864)]	75,060,339	106,525,306
Profit on sale of Fixed Assets (Net)	251,327,478	-
Dividend Income - Other Investments	2,144,742	747,500
Profit from sale of Investments (Net)	345,799,613	96,467,976
Dividend income from Current Investments	23,732,040	4,062,840
Miscellaneous Income	26,095,383	17,215,218
Proportionate share in interest income of Joint Venture	6,155,135	5,028,004
	730,314,730	230,046,844
SCHEDULE M :		
Personnel Expenses		
Salaries & Bonus	2,355,811,588	1,932,030,018
Contribution to : Provident Fund	87,719,755	58,942,407
Other Funds (Refer Note 16 - Schedule P)	34,206,861	19,422,510
Staff Training and Welfare Expenses	103,992,146	68,192,323
	2,581,730,350	2,078,587,258
SCHEDULE N :		
Establishment Expenses		
Repairs and Maintenance - Buildings	68,903,656	69,343,582
Repairs and Maintenance - Others	77,282,991	61,307,113
Electricity	58,237,200	54,298,400
Communication expenses	66,520,368	69,735,265
Insurance	3,737,318	4,280,215
Rent (Refer Note 9 - Schedule P)	435,747,372	287,569,871
Rates & Taxes	2,256,766	2,526,466
	712,685,671	549,060,912

SCHEDULES

annexed to and forming part of the Consolidated Accounts



	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE O :		
Other Expenses		
Printing and Stationery	29,576,217	26,540,488
Conveyance and Travelling	214,198,404	165,560,909
Books and Periodicals	28,334,419	21,849,510
Vehicle Expenses	1,419,838	1,042,450
Remuneration to Non-whole time Directors	13,395,770	9,872,369
Business Promotion and Advertisement	23,110,630	16,412,915
Foreign Exchange loss(net)	37,471,017	23,203,928
Professional Fees	335,917,111	334,937,423
Software Purchase & Maintenance Expenses	22,612,779	30,217,846
Provision for Bad Debts	82,427,271	70,559,890
Loss on sale of fixed assets	-	7,877,953
Auditors' Remuneration	5,066,421	5,230,049
Recruitment Expenses	20,641,342	10,431,132
Seminars & Conferences	1,612,936	1,591,220
Miscellaneous Expenses	11,295,356	17,236,049
Proportionate share in administrative and other expense of Joint Venture	11,799,734	9,443,829
	838,879,245	752,007,960

SCHEDULE P:

Significant Accounting Policies and notes to the Consolidated Accounts

1. Nature of Operations

CRISIL is a globally-diversified analytical company providing ratings, research, and risk and policy advisory services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. With sustainable competitive advantage arising from strong brand, unmatched credibility, market leadership across businesses, and large customer base, CRISIL deliver analysis, opinions, and solutions that make markets function better.

2. Principles of consolidation

2.1 The consolidated financial statements include the financial statements of CRISIL Limited consolidated with the financial statements of its wholly owned subsidiaries and joint venture ("Group").

2.2 The financial statements of the Group and its' subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra group balances and intra group transactions and resulting gains/ losses as per Accounting Standard 21 - Consolidated Financial Statements notified by Companies Accounting Standards Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956 ('the Act').

2.3 The consolidated financial statements are prepared by applying uniform accounting policies in use at the group.

2.4 Interests in joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures notified by Companies Accounting Standards Rules, 2006 as amended.



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2.5 The excess of Group's purchase consideration over the net assets as at the date of investment, has been recognised as Goodwill on consolidation.

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

Name of the company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		31-Dec-10	31-Dec-09
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
CRISIL Credit Information Services Limited	India	100%	100%
Irevna Limited, UK	United Kingdom	100%	100%
Irevna LLC, US	United States	100%	100%
India Index Services and Products Limited (Joint Venture)	India	49%	49%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%
CRISIL Irevna Poland Sp.z.o.o.	Poland	100%	100%
Pipal Research Analytics and Information Services India Private Limited	India	100%	-
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd*	China	100%	-

*Company incorporated but yet to commence business operations.

3. Basis of Preparation

The Consolidated Financial Statements ('CFS') are prepared in accordance with Accounting Standard ('AS') 21 "Consolidated Financial Statements", AS-25 "Interim Financial Reporting" and AS- 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared to comply in all material respects with the 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 Group.

3.1 Use of Estimates

The preparation of financial statements in conformity with generally accepted

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

3.2 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.



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3.3 Depreciation

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

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

Leasehold Improvements are amortized over the lease term or useful life of the asset, whichever is less. Leasehold improvements are amortized over the period of 3 years to 9 years in the current year.

3.4 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized 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 the present value at interest rate specific to the asset and in case where the specific rate is not available at the weighted average cost of capital which is adjusted for country risk/currency risk.

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

3.5 Intangibles

Goodwill is amortized on a systematic basis over the best estimate of its useful life. Details of estimated useful life of intangible assets are as under :

Assets	Estimated Useful Life
Goodwill	10 Years
Customer relationship	3 to 10 Years
Brand	10 Years
Non compete	3 Years

3.6 Operating Leases

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

provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

3.8 Revenue Recognition

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

3.7 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,

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. Initial rating fees are deemed to accrue at 94% on the date the rating is awarded and the



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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. Revenue from infrastructure advisory services are recognized as income in the year in which such assessments/assignments are carried out or milestones achieved. Revenue from risk management services comprises of revenue from sale of software and annual maintenance of software.

Grants and subsidies are recognized at fair value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is deferred in the balance sheet and recognized as income over the periods necessary to match it on a systematic basis with the costs which it is intended to compensate

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 account . The carrying amount of investment is determined using weighted average cost method.

3.9 Retirement and other employee benefits

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

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

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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

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

3.10 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 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



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statements, are recognised as income or as expense in the year in which they arise.

Forward Contract

Forward contracts are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date and also to hedge the foreign currency risk of firm commitment or highly probable forecast transactions. The premium or discount on forward contracts that are entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date arising at the inception of each contract, is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as income or as expense for the year.

In relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date or the settlement date where the transaction is settled during the reporting year, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting year in which the exchange rates change.

The Company has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging

Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to profit and loss account for the year.

3.11 Translation of Integral and Non Integral foreign operation

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

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non integral foreign operation are translated at average exchange rates and resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. On disposal of the net investment, this amount is transferred to profit and loss account.

3.12 Taxes On Income

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off



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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 reassesses 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.

3.13 Segment Reporting Policies

Segment Policies:

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

Identification of segments:

The Group's operating businesses are organized 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 Group 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

Unallocable items:

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

3.14 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.15 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.16 Cash and Cash Equivalents

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

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4. Details of Contingent Liabilities and Capital Commitments are as under :

	(Rupees)	
	Year Ended Dec 31,2010	Year Ended Dec 31,2009
1. Bank Guarantee in the normal course of business	63,093,157	38,464,890
2. Disputed Income Tax & Sales Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Group is in appeal	45,988,082	30,166,544
(ii) Decided in Group's favour by Appellate authorities and Department is in further appeal	22,513,543	18,212,021
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	17,797,299	89,025,159
	149,392,081	175,868,614

5. Components of Deferred Tax Asset and Liability are:

	(Rupees)	
	As on Dec 31,2010	As on Dec 31,2009
Deferred Tax Liability		
Depreciation / Amortisation	(68,554,281)	(29,689,226)
Tax attributable towards tax holiday deduction	(6,514,265)	-
Disallowance under section 40(a)	(424,278)	(1,522,583)
	(75,492,824)	(31,211,809)
Deferred Tax Asset		
Provision for Leave Encashment	60,644,153	48,085,409
Provision for Gratuity	16,460,385	2,406,012
Provision for Bonus and Commission	73,314,470	32,231,187
Provision for bad debts	19,802,282	18,365,419
Deferment of Rating fees	8,826,779	8,756,658
Lease Rent amortisation	33,326,234	19,310,095
Depreciation / Amortisation	2,265,475	1,958,747
Long term capital loss	-	47,106
Disallowance under section 40(a)	3,182,228	798,902
	217,822,006	131,959,535
Net Deferred Tax Asset / (Liability)	142,329,182	100,747,726

6. Segment Reporting

Business Segments:

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

- Rating services includes credit ratings for corporates, banks, small and medium enterprises (SME), training in the credit

rating field, credit analysis services, grading services and global analytical services.
- Research segments provides high end equity & corporate research, industry reports, customised research assignments, subscription to data services and IPO gradings.

-The Advisory segment comprise of infrastructure advisory and risk management practice.



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Segment Reporting for the Year ended December 31, 2010

(Rupees)

Particulars	Business segments			TOTAL
	Ratings	Advisory	Research	
Operating Revenue	2,840,877,156	515,648,079	2,927,902,334	6,284,427,569
Segment Results	1,183,754,363	79,806,771	936,747,171	2,200,308,305
Add / (Less) Unallocables:				
1. Unallocable Income				
Interest Income				75,060,339
Profit on sale of Fixed Asset				251,327,478
Profit on sale of investments				345,799,613
Others				58,127,297
2. Unallocable Expenditure				(49,175,999)
3. Depreciation				(212,581,735)
Profit Before Tax				2,668,865,298
Tax Expense				(586,754,100)
Profit After Tax and before prior period items				2,082,111,198
Prior period expense, net of tax				(27,444,953)
Profit After Tax				2,054,666,245
Non-cash expenses other than depreciation and amortisation	88,823,285	34,929,283	44,119,608	167,872,176
Segment Assets* :				
Segment Debtors	360,109,568	215,557,446	595,180,409	1,170,847,423
Segment Liabilities* :				
Fees Received in advance	404,679,405	14,303,125	244,525,109	663,507,639

Revenue by Geographic Segments

(Rupees)

Country	
India	2,924,118,268
United Kingdom	1,567,311,129
United States Of America	1,456,175,418
Others	336,822,754
TOTAL	6,284,427,569

Consolidated financial statements

Schedules annexed to and forming part of the Consolidated Accounts

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Segment Reporting for the Year ended December 31, 2009

(Rupees)

Particulars	Business segments			TOTAL
	Ratings	Advisory	Research	
Operating Revenue	2,389,016,014	599,097,502	2,384,610,124	5,372,723,640
Segment Results	1,007,409,721	130,052,171	861,121,490	1,998,583,382
Add / (Less) Unallocables :				
1. Unallocable Income				
Interest Income				106,525,306
Profit on sale of Fixed Asset				-
Profit on sale of current investments				96,467,976
Others				26,220,745
2. Unallocable Expenditure				(4,683,055)
3. Depreciation				(148,515,395)
Profit Before Tax				2,074,598,959
Tax Expense				(466,822,359)
Profit After Tax and before prior period items				1,607,776,600
Prior period expense, net of tax				-
Profit After Tax				1,607,776,600
Non-cash expenses other than depreciation and amortisation	20,770,218	14,829,854	8,168,808	43,768,880
Segment Assets* :				
Segment Debtors	349,169,666	280,081,519	375,750,986	1,005,002,171
Segment Liabilities* :				
Fees Received in advance	377,381,301	10,479,731	181,069,166	568,930,198

Revenue by Geographic Segments

(Rupees)

Country	
India	2,462,053,264
United Kingdom	1,286,326,050
United States Of America	1,299,735,946
Others	324,608,380
TOTAL	5,372,723,640

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

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7. List of related parties

Parties	Relationship
Related parties where control exists	
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
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
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

Related Party Disclosure

Name of the related party	Nature of transaction	(Rupees)	
		Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Standard & Poor's' LLC	Professional Services Rendered	832,495,699	735,549,171
	Revenue share paid	1,728,135	-
	Reimbursement of expenses	1,051,712	12,255
	Amount Receivable	112,518,352	85,049,309
S&P India, LLC	Dividend	624,189,600	312,094,800
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	12,145,726	7,141,028
	Reimbursement of expenses	6,310,462	18,220,525
	Amount Receivable	3,508,663	9,791,805
Standard & Poor's International LLC, USA	Dividend	120,000,000	60,000,000
	Share Capital Outstanding	6,000,000	6,000,000
The McGraw-Hill Companies, Inc	Expenses Recovered	35,441	61,018
	Amount Receivable	-	9,851
McGraw-Hill Education India Private Limited	Expenses Recovered	377,179	-
	Amount Receivable	345,602	-
Roopa Kudva*	Remuneration paid	24,630,521	19,000,942

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



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8. 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) notified by Companies Accounting Standards Rules, 2006 as amended, the details of interest in the Joint Venture are as under :

	(Rupees)	
	Year Ended Dec 31,2010	Year Ended Dec 31,2009
Assets	169,426,889	122,961,959
Reserves and Surplus	151,399,383	106,994,133
Liabilities	11,657,506	9,597,826
Income	86,332,820	66,213,270
Expenses	15,470,305	10,057,344
Tax Expense	22,353,567	17,611,858
Contingent Liability	9,034,660	3,238,192

9. Operating Lease

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

	(Rupees)	
	Year Ended Dec 31,2010	Year Ended Dec 31,2009
Lease Payment recognised in Profit & Loss Account	435,747,372	287,569,871
Future Minimum Lease Payments :		
Not later than One Year	387,083,281	441,964,906
Later than One Year & not later than Five Years	1,859,368,594	2,429,083,909
Later than Five Years	1,740,130,224	1,202,509,669
	3,986,582,099	4,073,558,484

10. Gratuity and Leave Encashment Benefits

The Group 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

Group 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.



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Profit & Loss Account:

Net employee benefit expense (recognised in Employee Cost)

	Year Ended Dec 31,2010	Year Ended Dec 31,2009
		(Rupees)
Current Service cost	16,653,546	14,085,580
Interest cost on defined benefit obligation	4,774,974	3,128,810
Expected return on plan assets	(3,794,502)	(2,845,210)
Net actuarial (gain)/ loss recognised in the year	39,908,371	4,109,140
Past Service Cost	4,105,740	-
Losses/(Gains) on "Acquisition/Divestiture"	(170,956)	-
Net Gratuity Benefit Expense	61,477,173	18,478,320

Balance Sheet:

Details of Provision for Gratuity Benefit

	As on Dec 31,2010	As on Dec 31,2009
		(Rupees)
Present value of funded obligations	122,357,703	59,956,960
Fair value of plan assets	(54,956,729)	(51,514,412)
Net Liability	67,400,974	8,442,548

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

Opening Defined Benefit Obligation	59,956,957	46,923,957
Current Service Cost	16,653,548	14,085,580
Interest Cost	4,774,974	3,128,810
Plan Amendments	4,105,740	-
Actuarial (gain)/loss	42,889,085	2,629,250
Liabilities assumed on acquisition/(Settled on Divestiture)	5,212,394	-
Benefits paid	(11,234,995)	(6,810,637)
Closing Defined Benefit Obligation	122,357,703	59,956,960

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

Opening Fair value of plan assets	51,514,412	25,723,052
Expected return on plan assets	3,794,502	2,845,210
Actuarial gain/ (loss)	2,980,714	(1,479,890)
Contribution by employer	5,835,906	31,236,680
Asset acquired on acquisition	2,066,199	-
Benefits paid	(11,235,004)	(6,810,640)
Closing Fair Value of Plan Assets	54,956,729	51,514,412

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

	As on Dec 31, 2007	As on Dec 31, 2008	As on Dec 31,2009	As on Dec 31,2010
				(Rupees)
Experience adjustment on plan assets	853,712	3,523,032	(1,479,840)	3,581,797
Experience adjustment on plan liabilities	2,802,726	(299,664)	(3,207,220)	(40,991,052)

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

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2010/2009)	9.25%	9.30%

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 Group's plans is as below:

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Discount Rate	8.20%	8.20%
Estimated rate of return on plan assets	7.50%	7.50%
Expected Employee Turnover		
Age : 21-44 Years	6.50%	6.50%
Age : 44-57 Years	6.00%	6.00%
Expected Employer's Contribution next year	35,000,000	33,000,000

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

11. The accounts of India Index Services and Products Limited is unaudited and the financial statements (excluding notes to accounts) as certified by the management, have been considered in these consolidated financial statements.
12. CRISIL Limited sold balance 10% stake in Gas Strategies Group Limited in September 2010.
13. During the Current Year company has initiated a hedge programme to mitigate foreign exchange (forex) related risk. Initially the hedge programme covered only forex receivable for which CRISIL followed AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates". However, at the later part of the year, CRISIL has increased the hedge programme to cover forecasted revenue as against receivable as a part of risk management strategy. Accounting for revenue hedge is done as per guidelines prescribed under AS 30 "Financial Instruments: Recognition and Measurement" wherein mark to market on forward contracts are routed through hedging reserve account

Forward Contract Outstanding as at 31st December 2010 :

Currency	Amount	Amount in INR
USD	16,000,000	752,973,336
GBP	6,000,000	442,547,500
EUR	3,000,000	187,153,750



SCHEDULES

annexed to and forming part of the Consolidated Accounts

14. In accordance with Sec 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the buy back announcement made by the Company on September 9, 2010 the Company has bought back from the open market through stock exchanges 128,156 equity shares of Rs. 10 each during the year for a total consideration of Rs.796,858,024 which have been subsequently extinguished. Consequently, an amount of Rs.1,281,560 being the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve Account from General Reserve. An amount of Rs. 474,890,071 being the premium on buy back has been appropriated from Securities Premium. An amount of Rs. 320,686,393 being the balance premium on buy back has been appropriated from General Reserve. The Board of Directors, at its meeting held on September 9, 2010 approved the buyback of equity shares of the Company.
15. On 3rd December 2010, CRISIL Limited acquired 100% ownership in Pipal Research Analytics and Information Services India Private Limited.
16. Prior period item includes gratuity expense Rs.27,444,953 (net of tax).
17. CRISIL's subsidiary in Poland has received an in principle approval for sanction of grant amounting to Rs. 78,344,920 . The grant has been awarded under Operational Program - Innovative Economy scheme and will be available to the Company over a period of 5 years, subject to fulfillment of certain conditions.
18. **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.

Firm Registration No.: 301003E

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai, February 14, 2011

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

Rama Bijapurkar

Director

Thomas Schiller

Director

B. V. Bhargava

Director

Roopa Kudva

Managing Director &
Chief Executive Officer

H.N. Sinor

Director

Shrikant Dev

Company Secretary

Mumbai, February 14, 2011



Consolidated financial statements

Schedules annexed to and forming part of the Consolidated Accounts

SCHEDULES

annexed to and forming part of the Consolidated Accounts

Statement pursuant to details to be furnished for subsidiaries as prescribed by the Ministry of Corporate Affairs

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.Zo.o.	Irevna Limited, UK	Irevna LLC, US	Pipal Research Analytics and Information Services (I) Pvt. Ltd.
2. Share Capital	49,999,900 Equity Shares of Re.1 each, fully paid up	50,000 Equity Shares of Rs.10 each, fully paid up	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	2,056,000 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US\$ 200 each, fully paid up	10,000 Equity Shares of Rs.10 each, fully paid up
3. Reserves & Surplus	217,117,140	(94,556)	15,447,452	3,361,835	(4,906,591)	(60,284,539)	(19,186,758)
4. Total Assets	398,780,704	416,474	39,214,853	16,096,823	2,189,273,877	175,241,305	59,252,084
5. Total Liabilities	398,780,704	416,474	39,214,853	16,096,823	2,189,273,877	175,241,305	59,252,084
6. Investments	-	-	-	-	790,231	552,732	-
7. Turnover	520,116,753	-	95,257,546	33,488,498	1,138,492,963	651,876,431	28,694,455
8. Profit/(Loss) Before Taxation	73,541,009	(11,085)	11,676,009	2,715,148	(5,358,994)	1,242,566	2,878,489
9. Tax Expense	23,287,006	-	6,443,814	675,558	203,067	494,068	-
10. Profit After Taxation	50,254,003	(11,085)	5,232,195	2,039,590	(5,562,061)	748,498	2,878,489
11. Dividend Paid	-	-	-	-	-	-	-

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

Rama Bijapurkar

Director

B. V. Bhargava

Director

Thomas Schiller

Director

Roopa Kudva

Managing Director & Chief Executive Officer

Mumbai, February 14, 2011

Shrikant Dev

Company Secretary