



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	3,554,086,835	4,050,013,397
TOTAL		3,625,055,275	4,122,263,397
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	1,773,869,090	1,099,008,181
Less: Accumulated Depreciation/Amortization		775,399,236	604,554,675
Net Block		998,469,854	494,453,506
Capital Work-In-Progress (including Capital Advances)		829,817	636,682,868
		999,299,671	1,131,136,374
Investments	D	1,175,057,829	1,814,901,674
Deferred Tax Assets (Net) (Refer Note 6 - Schedule P)		121,763,199	87,908,504
Current Assets, Loans And Advances			
Sundry Debtors	E	964,189,743	694,978,977
Cash and Bank Balances	F	1,219,895,840	1,345,360,048
Loans and Advances	G	782,050,670	618,332,273
Other Current Assets	H	74,950,779	109,724,102
		3,041,087,032	2,768,395,400
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	I	1,283,396,888	1,329,089,698
Provisions	J	428,755,568	350,988,857
		1,712,152,456	1,680,078,555
Net Current Assets		1,328,934,576	1,088,316,845
TOTAL		3,625,055,275	4,122,263,397
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

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

per Shrawan Jalan
Partner

Membership No.: 102102
Mumbai, February 14, 2011

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



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	5,287,120,859	4,416,234,450
Other Income	L	736,222,592	228,301,849
TOTAL		6,023,343,451	4,644,536,299
EXPENDITURE			
Personnel Expenses	M	1,989,045,470	1,595,390,298
Establishment Expenses	N	612,391,462	474,151,290
Other Expenses	O	702,641,687	532,786,491
Depreciation		202,085,414	138,792,701
		3,506,164,033	2,741,120,780
Profit Before Tax		2,517,179,418	1,903,415,519
Tax Expense (Refer Note 4 - Schedule P)			
Current Tax		565,438,050	416,894,000
Fringe Benefit Tax		-	3,308,000
Wealth Tax		694,760	759,960
Deferred Tax Benefit		(33,854,695)	(20,918,303)
Income Tax of earlier years		(88,469)	-
		532,189,646	400,043,657
Profit After Tax and before prior period items		1,984,989,772	1,503,371,862
Prior period expense, net of tax		27,444,953	-
(Refer Note 25- Schedule P)			
Profit After Tax		1,957,544,819	1,503,371,862
Balance brought forward from previous year		2,274,109,516	1,766,363,716
Profit Available for Appropriation		4,231,654,335	3,269,735,578
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		238,766,646	122,788,876
Transfer to General Reserve		195,754,482	150,337,186
Balance carried to Balance Sheet		2,355,337,107	2,274,109,516
		4,231,654,335	3,269,735,578
Basic and Diluted Earnings Per Share - Nominal value of Rs.10		271.61	208.08
Number of Shares used in Computing Earnings Per Share (Refer Note 23-Schedule P)		7,207,093	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.

Firm Registration No.: 301003E For and on behalf of the Board of Directors of CRISIL Limited

Chartered Accountants

per Shrawan Jalan
Partner

Membership No.: 102102

Mumbai, February 14, 2011

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



CASH FLOW STATEMENT

for the year ended December 31, 2010

	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	2,517,179,418	1,903,415,519
Adjustments for :		
Depreciation	202,085,414	138,792,701
Provision for leave encashment	32,277,116	28,779,951
Provision for gratuity (Refer Note 25- Schedule P)	22,472,536	(11,697,236)
Unrealised Foreign exchange loss	7,176,625	4,730,151
Loss / (Profit) on sale of fixed assets	(250,971,101)	6,260,835
Profit on sale of investments	(355,262,165)	(96,467,976)
Provision for bad debts	49,702,921	46,223,090
Interest on deposits	(71,261,822)	(103,316,981)
Foreign Currency Translation Reserve	(2,880,388)	-
Interest on loan to subsidiary	(2,694,835)	(3,472,603)
Dividend Income - Other Investments	(6,603,721)	(3,932,500)
Dividend income from current investments	(23,732,040)	(4,062,840)
Operating profit before working capital changes	2,117,487,958	1,905,252,111
Movements in working capital		
- (Increase)/decrease in sundry debtors	(326,090,312)	57,239,978
- (Increase)/decrease in sundry deposits	81,319,460	(125,816,612)
- (Increase)/decrease in loans	88,570	(2,935,407)
- (Increase)/decrease in advances	39,301,568	(7,693,160)
- (Increase)/decrease in accrued revenue	36,219,356	(35,532,491)
- Increase/(decrease) in sundry creditors	(66,101,765)	243,355,536
- Increase/(decrease) in fee received in advance	39,128,197	83,422,182
- Increase/(decrease) in other liabilities	(22,980,349)	11,809,574
Cash generated from operations	1,898,372,683	2,129,101,711
- Taxes paid	(548,230,556)	(369,624,276)
Net cash generated from operating activities - (A)	1,350,142,127	1,759,477,435
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(93,092,109)	(755,687,962)
Proceeds from sale of fixed assets	318,967,166	5,108,651
Investments in mutual funds	(100,000,000)	(804,062,841)
Sale proceeds from investments in mutual funds	1,016,997,252	950,569,979
Investment in fixed deposits	(865,469,188)	(406,398,250)
Proceeds from fixed deposit maturity/renewal	607,586,055	602,837,790
Payment made for acquisition of Pipal Research Analytics and Information Services India Private Limited	(111,292,051)	-
Investment in National Commodity and Derivative Exchange Limited	(99,000,000)	-

Contd...



CASH FLOW STATEMENT

for the year ended December 31, 2010

	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
Sale proceeds from Investment in National Commodity and Derivative Exchange Limited	374,433,189	-
Investment in Irevna Limited, UK	(144,760,380)	-
Sale proceeds from investments in Gas Strategies Group Limited	58,728,000	-
Interest on deposits	50,211,339	108,761,860
Dividend Income - Other Investments	6,603,721	3,932,500
Dividend income from current investments	23,732,040	4,062,840
Net cash generated from/(used in) investing activities - (B)	1,043,645,034	(290,875,433)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend and dividend tax paid	(1,680,735,331)	(927,981,037)
Payment towards Buy Back of Shares (Refer Note 23-Schedule P)	(796,858,024)	-
Interest on loan to subsidiary	2,694,835	3,472,603
Loan (given) / repaid to Subsidiary (Net)	(302,235,982)	(10,000,000)
Net cash generated from/(used in) financing activities - (C)	(2,777,134,502)	(934,508,434)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(383,347,341)	534,093,568
Cash and cash equivalents - Opening balance	727,316,190	193,222,622
Cash and Cash Equivalents - Closing balance	343,968,849	727,316,190
Net Increase/(decrease) in Cash and Cash Equivalents	(383,347,341)	534,093,568
Components of Cash and Cash Equivalents as at *		
With banks on current account	343,968,849	727,316,190
	343,968,849	727,316,190
*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.

Firm Registration No.: 301003E

Chartered Accountants

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

per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai, February 14, 2011

Rama Bijapurkar

Director

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Managing Director &
Chief Executive Officer

Shrikant Dev

Company Secretary

Mumbai, February 14, 2011

Thomas Schiller

Director

B. V. Bhargava

Director

H.N. Sinor

Director



SCHEDULES

annexed to and forming part of the 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 23, Schedule P)		
TOTAL	70,968,440	72,250,000
SCHEDULE B:		
Reserves and Surplus		
Securities Premium Account		
Opening Balance	474,890,071	474,890,071
Less:- Used towards buy back of equity shares (Refer Note 23, Schedule P)	(474,890,071)	-
TOTAL	-	474,890,071
Capital Reserve	122,232,111	122,232,111
Capital Redemption Reserve		
Opening Balance	-	-
Add:- Transfer on account of buy back of equity shares (Refer Note 23, Schedule P)	1,281,560	-
TOTAL	1,281,560	-
Profit And Loss Account	2,355,337,107	2,274,109,516
General Reserve		
Opening Balance	1,178,781,699	1,028,444,513
Add : Transferred From Profit And Loss Account	195,754,482	150,337,186
Less :Transfer To Capital Redemption Reserve Account (Refer Note 23, Schedule P)	(1,281,560)	-
Less :Used Towards Buy Back Of Equity Shares (Refer Note 23, Schedule P)	(320,686,393)	-
TOTAL	1,052,568,228	1,178,781,699
Hedging Reserve Account	25,548,217	-
Foreign Currency Translation Reserve	(2,880,388)	-
TOTAL	3,554,086,835	4,050,013,397



SCHEDULES

annexed to and forming part of the Accounts

	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	Deductions / Adjustments	Upto December 31, 2010	As on December 31, 2010	As on December 31, 2009
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)	135,940,901	75,794,854	13,785,654	197,950,101	68,869,130	18,347,864	7,679,033	79,537,961	118,412,140	67,071,771
Office Equipments (Refer note below)	170,535,726	131,635,165	2,112,903	300,057,988	69,660,087	28,018,380	1,199,041	96,479,426	203,578,562	100,875,639
Computers	406,936,073	90,703,070	614,762	497,024,381	317,515,858	71,264,154	436,402	388,343,610	108,680,771	89,420,215
Vehicles	41,261,697	13,792,067	13,459,578	41,594,186	29,303,999	9,572,115	12,988,111	25,888,003	15,706,183	11,957,698
Leasehold Improvements	158,656,952	417,020,004	-	575,676,956	29,800,347	65,599,059	-	95,399,406	480,277,550	128,856,605
TOTAL	1,099,008,181	728,945,160	54,084,251	1,773,869,090	604,554,675	202,085,414	31,240,853	775,399,236	998,469,854	494,453,506
Previous Year	1,074,140,647	159,377,167	134,509,633	1,099,008,181	527,636,314	138,792,701	61,874,340	604,554,675	494,453,506	

Note: 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.



SCHEDULES

annexed to and forming part of the Accounts

	(Rupees)			
	December 31, 2010	December 31, 2010	December 31, 2009	December 31, 2009
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
2,056,000 Equity Shares of Irevna Limited, UK, of £1 each, fully paid up (P.Y 8,000,000 Equity Shares of £ 0.001 each) (Purchase of 2,048,000 equity shares of £1 each, during the current year)		840,144,239		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
10,000 Equity Shares (P.Y. Nil) of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up.		111,292,051		-
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
1,875,000 (P.Y. 3,600,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up (Purchase 900,000 share during the year & 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		-		16,185,438
Total Long Term (At Cost) - {A}		1,075,057,829		814,940,836



SCHEDULES

annexed to and forming part of the Accounts

	(Rupees)			
	December 31, 2010	December 31, 2010	December 31, 2009	December 31, 2009
SCHEDULE D: (Contd)				
Investments				
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 Investment Fund - Appreciation (Sold 62,578 Units during the current year)		-		100,000,000
Nil Units (P.Y.15,108,936 Units) of Rs.10 each of Principal Cash Management Fund-Liquid Option Institutional Premium Plan - Dividend Reinvestment (Sold 15,108,936 Units during the current year)		-		151,099,933
Nil Units (P.Y.148,269 Units) of Rs.10 Each of UTI Liquid Cash Plan Institutional - Dividend reinvestment (Sold 148,269 Units during the current year)		-		151,151,946
Nil Units (P.Y.3,510,065 Units) of Rs.10 each of ICICI Prudential Institutional Liquid Plan - Dividend Reinvestment (Sold 3,510,065 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 (Sold 12,294,430 Units during the current year)		-		150,727,255
Investments In Mutual Funds (Quoted)				
1,000,000 Units of Rs 10 Each ICICI Prudential FMP Series 53 - 1 Year Plan D cumulative. (Purchased 1,000,000 Units during the current year)		100,000,000		-
Total Investments in Mutual Funds {B}		100,000,000		999,960,838
Total Investments {A} + {B}		1,175,057,829		1,814,901,674
*Aggregate market value of Company's investment in Unquoted Mutual Funds		100,343,000		1,010,359,771



SCHEDULES

annexed to and forming part of the Accounts

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE E:		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Unsecured, Considered good	38,871,267	55,589,486
- Unsecured, Considered doubtful	38,260,332	37,885,893
Other debts		
- Unsecured, Considered good	925,318,476	639,389,491
Less : Provision for Doubtful Debts	(38,260,332)	(37,885,893)
(Refer Note 12 - Schedule P)		
TOTAL	964,189,743	694,978,977

SCHEDULE F:		
Cash and Bank Balances		
Balances with Scheduled Banks		
On Current Accounts	335,974,528	723,582,976
On Deposit Accounts	875,926,991	618,043,858
On Unpaid Dividend Accounts	7,994,321	3,733,214
Deposit includes Fixed Deposits with Banks Rs.9,982,393 (P.Y. Rs.9,050,586) marked as lien for Guarantees issued by Banks on behalf of the Company. (Refer Note 3 - Schedule P)		
TOTAL	1,219,895,840	1,345,360,048

SCHEDULE G:		
Loans and Advances		
(Unsecured, Considered Good)		
Loans to Staff	20,379,888	20,468,458
Advance Recoverable In Cash or Kind for Value to be Received	54,888,128	94,189,696
Advance Tax (Net of provision)	-	17,807,987
Sundry Deposits	372,046,672	453,366,132
Loan to Subsidiary (Refer Note 13 - Schedule P)	334,735,982	32,500,000
TOTAL	782,050,670	618,332,273

SCHEDULE H:		
Other Current Assets		
Interest Accrued on Fixed Deposits with Banks	26,964,080	5,913,597
Accrued Revenue	5,025,030	42,544,698
Interest Accrued on Loan to Irevna Limited, UK	1,300,312	-
Forward Contract Receivable	25,548,217	-
Assets held for sale (Refer note on Schedule C)	16,113,140	61,265,807
TOTAL	74,950,779	109,724,102



SCHEDULES

annexed to and forming part of the Accounts

	(Rupees)	
	December 31, 2010	December 31, 2009
SCHEDULE I:		
Current Liabilities		
Sundry Creditors (Refer Note 5 - Schedule P) :		
Due to micro, small and medium enterprises	-	-
Others	604,041,367	670,143,132
Fees received in advance	594,902,522	555,774,325
Unclaimed Dividend (to be credited to Investor Education & Protection Fund, as and when due)	7,994,321	3,733,214
Other Liabilities	76,458,678	99,439,027
TOTAL	1,283,396,888	1,329,089,698

SCHEDULE J:		
Provisions		
Proposed Dividend	177,421,100	180,625,000
Corporate Dividend Tax thereon	29,467,427	30,697,219
Provision for Tax (Net of Advance Tax)	5,797	-
Provision for Leave Encashment	164,900,814	132,623,698
Provision for Gratuity (Refer Note 25- Schedule P)	56,960,430	7,042,940
TOTAL	428,755,568	350,988,857

SCHEDULES

annexed to and forming part of the Accounts



	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
SCHEDULE K:		
Income from Operations		
Income from Rating Services	2,840,877,156	2,389,016,014
Income from Research Services	2,446,243,703	2,027,218,436
TOTAL	5,287,120,859	4,416,234,450

SCHEDULE L:		
Other Income		
Interest on Deposits [TDS -Rs 6,021,547 (P.Y.Rs.18,545,398)]	71,261,822	103,316,981
Interest on Loan to Subsidiary [TDS -Rs.195,745 (P.Y.Rs.616,836)]	2,694,835	3,472,603
Profit on sale of Fixed Assets (Net)	250,971,101	-
Dividend Income - Other Investments	6,603,721	3,932,500
Profit from sale of Investments (Net)	355,262,165	96,467,976
Dividend income from Current Investments	23,732,040	4,062,840
Miscellaneous Income	25,696,908	17,048,949
TOTAL	736,222,592	228,301,849

SCHEDULE M:		
Personnel Expenses		
Salaries and Bonus	1,850,301,764	1,501,246,285
Contribution to : Provident Fund	53,663,432	44,062,860
Other Funds	28,483,086	17,292,394
Staff Training and Welfare Expenses	83,505,239	52,882,683
Less : Recoveries from Subsidiaries towards Overhead Allocated	(26,908,051)	(20,093,924)
TOTAL	1,989,045,470	1,595,390,298

SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance - Buildings	62,386,080	64,228,740
Repairs and Maintenance - Others	65,121,325	59,848,424
Electricity	52,648,040	50,289,703
Communication Expenses	57,344,074	61,925,664
Insurance	737,719	1,480,132
Rent	377,882,978	238,796,824
Rates and Taxes	2,229,262	2,520,445
Less : Recoveries from Subsidiaries towards Overhead Allocated	(5,958,016)	(4,938,642)
TOTAL	612,391,462	474,151,290



SCHEDULES

annexed to and forming part of the Accounts

	(Rupees)	
	Year Ended December 31, 2010	Year Ended December 31, 2009
SCHEDULE O:		
Other Expenses		
Printing and Stationery	26,747,996	24,763,358
Conveyance and Travelling	137,199,732	99,194,494
Books and Periodicals	21,850,275	18,374,714
Vehicle Expenses	1,421,061	1,042,450
Remuneration to Non-whole time Directors (Refer Note 7 - Schedule P)	13,303,380	9,776,800
Business Promotion and Advertisement	18,989,323	14,074,817
Foreign Exchange Loss (net)	29,491,424	16,580,033
Professional Fees	347,745,059	179,778,515
Software Purchase & Maintenance Expenses	20,764,613	28,050,949
Provision for Bad Debts	49,702,921	46,223,090
Loss on sale of fixed assets	-	6,260,835
Auditors' Remuneration (Refer Note 10 - Schedule P)	3,069,450	2,591,708
Recruitment Expenses	18,300,560	9,349,473
Sales Commission	18,483,453	76,780,929
Seminars and Conferences	1,166,381	1,440,113
Miscellaneous Expenses	5,978,613	8,070,821
Less : Recoveries from Subsidiaries towards Overhead Allocated	(11,572,554)	(9,566,608)
TOTAL	702,641,687	532,786,491

SCHEDULE P:

Significant Accounting Policies And Notes to the Accounts

1. Nature of Operations

CRISIL is a globally-diversified analytical company providing ratings and research 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. 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.

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.



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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 amortized over the lease term or useful life of the asset, whichever is less. Leasehold improvements are amortized over the period of 8.5 years to 9 years in the current year. 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 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

expense in the Profit and Loss Account on a straight-line basis over the lease term.

2.7 Investments

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

2.8 Revenue Recognition

Revenue is recognized 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

2.6 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



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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 account. The carrying amount of investments 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 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.

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.



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The premium or discount on forward contracts that are entered 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 foreign 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.

2.11 Taxes On Income

Tax expense comprises of current, deferred, and wealth tax. Current income tax and wealth tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act of 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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



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

2.13 Earnings Per Share

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

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

2.14 Provisions

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

2.15 Cash and Cash Equivalents

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



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3. 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	9,982,393	9,050,586
2.	Disputed Income Tax & Sales Tax Demand:		
	(i) Pending before Appellate authorities in respect of which the Company is in appeal	16,070,858	23,359,888
	(ii) Decided in Company'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
TOTAL		66,364,093	139,647,654

4. Income Tax

The tax year of the Company being the year ending March 31, 2011, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2010 and the provision for the nine months upto December 31, 2010. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2010 to March 31, 2011, the ultimate tax liability of which will be determined for the period April 1, 2010 to March 31, 2011.

5. The Company has the process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

6. Components of Deferred Tax Assets and Liabilities are:

		(Rupees)	
		As on Dec 31, 2010	As on Dec 31, 2009
Deferred Tax Liability			
	Depreciation / Amortisation	(67,477,222)	(29,313,871)
	Tax attributable towards tax holiday deduction	(6,500,000)	-
	Disallowance under section 40(a)	-	(728,727)
TOTAL (A)		(73,977,222)	(30,042,598)
Deferred Tax Asset			
	Provision for Leave Encashment	55,498,929	44,590,724
	Provision for Gratuity	15,186,273	2,007,830
	Lease Rent amortisation	32,016,485	18,606,511
	Provision for Bonus and Commission	67,865,625	29,096,571
	Provision for bad debts	14,307,731	14,892,808
	Deferment of Rating fees	8,826,779	8,756,658
	Disallowance under section 40(a)	2,038,599	-
TOTAL (B)		195,740,421	117,951,102
Net Deferred Tax Asset / (Liabilities) (A-B)		121,763,199	87,908,504



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7. Managerial Remuneration:

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Managing Director :		
Salary	13,002,119	11,310,956
Commission	10,670,000	6,800,000
Contribution to Provident Fund	467,964	428,400
Perquisites	490,438	461,586
TOTAL	24,630,521	19,000,942
Non - Whole time Directors:		
Fees paid	1,020,000	1,000,000
Commission	12,283,380	8,776,800
TOTAL	13,303,380	9,776,800

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 included above.

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

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Profit before tax as per Profit and Loss Account	2,517,179,418	1,903,415,519
1. Remuneration to Whole-time Directors	24,630,521	19,000,942
2. Remuneration to Non Whole-time Directors	13,303,380	9,776,800
3. Provision for Doubtful Debts	49,702,921	46,223,090
4. (Profit)/Loss on Sale of Fixed Assets	(250,971,101)	6,260,835
5. Profit from sale of long term Investments (Net)	(338,225,751)	-
Net Profit under Section 198	2,015,619,388	1,984,677,186
Managerial Remuneration Payable to whole-time director upto 5% of the Net Profit (as computed above) Rs.100,780,969 (P.Y. Rs.99,233,859), restricted to :	24,630,521	19,000,942
Commission Payable to non whole-time directors upto 3% of the Net Profit (as computed above) Rs.60,468,581 (P.Y.Rs.59,540,316), restricted to :	12,283,380	8,776,800

The Company depreciates fixed assets at the rates which are higher 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 payment of commission upto 3% of the profit as per section 349 of the Act to non whole time directors

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8. Earnings in foreign currency (on accrual basis):

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Rendering of Rating and Research Services	2,788,221,401	2,341,548,985
Dividend from Subsidiaries / Associates	-	747,500
TOTAL	2,788,221,401	2,342,296,485

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 Nil (P.Y Rs.111,597,474)

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
b) Expenditure in foreign currency		
Foreign travel	58,863,864	26,983,567
Sales Commission	18,545,553	77,204,417
Other Expenses	125,931,994	13,665,835
TOTAL	203,341,411	117,853,819

10. Auditors' Remuneration includes :

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
As auditor	2,667,500	2,425,000
In any other matter:		
Certification work	357,500	125,000
Out of Pocket Expenses	44,450	41,708
TOTAL	3,069,450	2,591,708

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

	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
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)	65,116,590	409,304,280

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

	(Rupees)	
	As on Dec 31, 2010	As on Dec 31, 2009
Irevna LLC, U.S.	215,670,743	189,475,071
Irevna Limited, U.K.	250,332,991	88,381,661
Irevna Poland Sp.Zo.o	4,334,204	-
Standard & Poor's LLC	108,087,894	88,370,218
Standard & Poor's South Asia Services Private Limited	3,508,663	9,791,805
McGraw-Hill Education India Private Limited	345,602	-
McGraw-Hill Education Companies Inc.	-	9,851
TOTAL	582,280,097	376,028,606



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

	(Rupees)	
	As on Dec 31, 2010	As on Dec 31, 2009
CRISIL Risk and Infrastructure Solutions Limited	-	32,500,000
Irevna Limited (UK)	334,735,982	-
Maximum Amount Outstanding During the year	367,235,982	50,219,166

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 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 research, industry reports, customised research assignments, subscription to data services and IPO gradings

Segment Reporting for the year ended December 31, 2010

Particulars	Business segments		TOTAL
	Ratings	Research	
Operating Revenue	2,840,877,156	2,446,243,703	5,287,120,859
Segment Results	1,183,754,363	837,575,106	2,021,329,469
Add / (Less) Unallocables:			
1. Unallocable Income			
Interest Income			73,956,657
Profit on sale of investments			355,262,165
Profit on sale of fixed assets			250,971,101
Others			56,032,669
2. Unallocable Expenditure			(38,287,229)
3. Depreciation			(202,085,414)
Profit Before Tax			2,517,179,418
Tax Expense			(532,189,646)
Profit After Tax but before prior period item			1,984,989,772
Prior period expense, net of tax (Refer Note 25- Schedule P)			27,444,953
Profit After Tax			1,957,544,819
Non-cash expenses other than depreciation and amortisation	88,823,285	43,074,240	131,897,525
Segment Assets*			
Investments	-	968,307,928	968,307,928
Segment Debtors	360,109,568	642,340,507	1,002,450,075
Segment Liabilities*			
Fees Received in advance	404,679,406	190,223,116	594,902,522

Revenue by Geographic Segments

	(Rupees)
Country	
India	2,498,899,458
United Kingdom	1,307,308,826
United States Of America	1,271,276,105
Others	209,636,470
TOTAL	5,287,120,859

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Segment Reporting for the Year ended December 31, 2009

(Rupees)

Particulars	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 investments			96,467,976
Profit on sale of fixed assets			-
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 but before prior period item			1,503,371,862
Prior period expense, net of tax			
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

Revenue by Geographic Segments

(Rupees)

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

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.



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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
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
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd*	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	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

*Company incorporated but yet to commence business operations.

16. Related Party Disclosure

		(Rupees)	
Name of the related party	Nature of transaction	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Standard & Poor's LLC	Professional Services Rendered	814,068,721	714,369,995
	Reimbursement of expenses	1,051,712	12,255
	Amount Receivable	108,087,894	88,370,218
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	-

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Related Party Disclosure (Contd)

		(Rupees)	
Name of the related party	Nature of transaction	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
CRISIL Risk and Infrastructure Solutions Limited	Revenue share paid	175,000	-
	Revenue share received	1,615,297	4,382,333
	Loan given during the year	-	42,500,000
	Loan repaid during the year	32,500,000	32,500,000
	Loan Outstanding	-	32,500,000
	Interest Income	1,394,523	3,472,603
	Expenses Recovered	60,684,151	18,597,585
	Share of overhead expenses received	44,438,621	34,599,178
	Amount Receivable (Net)	11,060,017	6,997,204
	Investment Outstanding	49,999,900	49,999,900
Irevna Limited, UK	Professional Services Rendered	874,969,400	705,583,924
	Sales Commission Expense	4,707,956	56,747,690
	Reimbursement of Expenses	5,563,050	1,310,755
	Amount Receivable (net)	250,332,991	83,641,360
	Investment Outstanding	840,144,239	695,383,859
	Loan	334,735,982	-
	Interest Income	1,300,227	-
Irevna LLC, USA	Professional Services Rendered	506,946,987	400,326,156
	Sales Commission Expense	13,837,597	20,033,239
	Reimbursement of Expenses	-	588,427
	Amount Receivable (net)	215,670,743	187,756,642
CRISIL Credit Information Services Limited	Investment Outstanding	500,000	500,000
CRISIL Irevna Argentina, S.A.	Investment Outstanding	10,501,668	10,501,668
	Professional Fees	78,486,170	-
	Amount Payable (net)	9,400,607	-
CRISIL Irevna Poland Sp.zo.o	Professional Fees	27,796,743	5,200,946
	Amount Payable (net)	2,992,129	-
	Reimbursement of Expenses	7,365,795	-
India Index Services and Products Limited	Dividend Received	4,458,979	3,185,000
	Investment Outstanding	6,369,970	6,369,970
Pipal Research Analytics and Information Services India Private Limited	Investment Outstanding	111,292,051	-
*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 Company as a whole, the amount pertaining to directors is not included above.



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

	(Rupees)	
	Unaudited	
	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

18. Operating Lease

The Company 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 and Loss Account	377,882,978	238,796,824
Future Minimum Lease Payments :		
Not later than One Year	356,023,588	421,533,034
Later than One Year & not later than Five Years	1,834,142,069	2,412,726,949
Later than Five Years	1,740,130,224	1,202,509,669
TOTAL	3,930,295,881	4,036,769,652

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)



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	(Rupees)	
	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009
Current Service cost	14,275,170	12,961,540
Interest cost on defined benefit obligation	4,093,320	2,806,950
Expected return on plan assets	(3,434,500)	(2,574,720)
Net actuarial (gain)/ loss recognised in the year	40,819,410	3,277,670
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Net Gratuity Benefit Expense	55,753,400	16,471,440

Balance Sheet:

Details of Provision for Gratuity Benefit

	(Rupees)	
	As on Dec 31, 2010	As on Dec 31, 2009
Present value of funded obligations	108,091,000	53,926,870
Less: Fair value of plan assets	(51,130,570)	(46,883,930)
Net Liability	56,960,430	7,042,940

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

Opening Defined Benefit Obligation	53,926,870	41,632,929
Current Service Cost	14,275,170	12,961,540
Interest Cost	4,093,320	2,806,950
Actuarial (gain)/loss	43,812,226	1,820,551
Benefits paid	(8,016,586)	(5,295,100)
Closing Defined Benefit Obligation	108,091,000	53,926,870

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

Opening Fair value of plan assets	46,883,930	22,892,753
Expected return on plan assets	3,434,500	2,574,720
Actuarial gain/ (loss)	2,992,816	(1,457,120)
Contribution by employer	5,835,910	28,168,677
Asset acquired on acquisition	-	-
Benefits paid	(8,016,586)	(5,295,100)
Closing Fair Value of Plan Assets	51,130,570	46,883,930

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

	(Rupees)			
	As on Dec 31, 2007	As on Dec 31, 2008	As on Dec 31, 2009	As on Dec 31, 2010
Experience adjustment on plan assets	3,334,554	3,533,558	(1,457,120)	2,992,816
Experience adjustment on plan liabilities	3,252,147	(142,570)	(2,662,050)	(41,461,230)



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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 Company'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	8.50%	7.50%
Expected Employee Turnover		
Age : 21-44 Years	6.5%	6.5%
Age : 44-57 Years	6.0%	6.0%
Expected Employer's Contribution next year (Rupees)	32,500,000	30,000,000

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.

	(Rupees)	
	As on Dec 31, 2010	As on Dec 31, 2009
20. Details of unhedged foreign exposure		
Current Asset	652,667,781	379,493,153
Current Liability	16,727,711	6,458,730

21. CRISIL Limited sold balance 10% stake in Gas Strategies Group Limited in September 2010.

22. 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



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23. 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.
24. On 3rd December 2010, CRISIL Limited acquired 100% ownership in Pipal Research Analytics and Information Services India Private Limited.
25. Prior period item includes gratuity expense Rs.27,444,953 (net of tax).
26. **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

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

per Shrawan Jalan

Partner

Membership No.: 102102

Mumbai, February 14, 2011

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



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

		(Rupees)						
1.	Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Credit Information Services Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland Sp. Zo.o.	Irevna Limited, UK	Irevna LLC, US	Pipal Research Analytics and Information Services (I) Pvt. Ltd.
2.	The financial period of the subsidiary Company ended on	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010
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	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.
	(b) Extent of interest of CRISIL in the capital of the subsidiary	100%	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, 2010 of the subsidiary (Rupees)	50,254,003	(11,085)	5,232,195	2,039,590	(5,562,061)	748,498	2,878,489
	(b) Profits / (losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	78,795,946	(13,962)	4,496,776	1,932,775	712,566	(7,966,442)	-
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, 2010 (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

Rama Bijapurkar
Director

B. V. Bhargava
Director

H.N. Sinor
Director

Thomas Schiller
Director

Roopa Kudva

Managing Director & Chief Executive Officer

Mumbai, February 14, 2011

Shrikant Dev

Company Secretary