

NOTICE OF POSTAL BALLOT TO THE SHAREHOLDERS

(NOTICE ISSUED TO MEMBERS PURSUANT TO SECTION 192A(2) OF THE COMPANIES ACT, 1956)

Dear Member(s),

Notice is hereby given, pursuant to section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the resolutions set out below for the buyback of equity shares of the Company are proposed to be passed by Postal Ballot.

Accordingly, your consent is sought for the proposal as contained in the Resolution attached. An explanatory statement pertaining to the resolution setting out all material facts and the reasons therefore, along with the Postal Ballot Form, are enclosed.

The Company has appointed Dr. K.R. Chandratre, Practicing Company Secretary, to act as the scrutinizer for conducting the postal ballot process, in a fair and transparent manner. The members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in all respects in the enclosed self-addressed, postage pre-paid envelope, so as to reach the scrutinizer at the registered office of the Company on or before the close of working hours on **December 2, 2011**. The scrutinizer will submit his report after completion of the scrutiny and the result of the voting by Postal Ballot will be announced in accordance with the provisions of section 192(A) read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011 on December 7, 2011 at 11:30 A.M. at the Corporate Office of the Company.

SPECIAL RESOLUTION

1. To consider and if deemed fit, to pass through postal ballot, the following resolution as special resolution

“RESOLVED THAT in accordance with Article 72A of the Articles of Association of the Company and the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and in compliance of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which the Board of Directors of the Company (which expression includes a Committee of Directors of the Company constituted for this purpose) is authorized to accept, the consent of the Members be and is accorded for the buyback by the Company of its fully paid-up Equity Shares of a face value of Re. 1/- each to the extent not exceeding 25% of the Company’s paid-up Equity Share Capital during the financial year at such price not exceeding Rs. 1,000/- per equity share as may be determined by the Board from the Open Market through the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the aggregate amount for the Buy-back shall not exceed Rs. 80 crores (“Buy-back”), which is within 25% of the Company’s fully paid-up Equity Share Capital and Free Reserves as per latest standalone Audited Balance Sheet as on December 31, 2010.

RESOLVED FURTHER that the Board of Directors (which expression includes a Committee of Directors of the Company constituted for this purpose) be and is authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buy-back, carry out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, declaration of solvency, extinguishment of share certificates and ‘Certificates of Extinguishment’ required to be filed in connection with the Buy-back on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buy-back to the Securities and Exchange Board of India, Reserve Bank of India, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Registrar of Companies, Depositories and/or other authorities.”

By the order of the Board of Directors
For **CRISIL Limited**

Date: October 18, 2011
Place: Mumbai

Shrikant Dev
Company Secretary

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 1:

As per the requirements of Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, the relevant and material information to enable the shareholders to consider and approve the Special Resolution for buy-back of the Company's shares is set out below.

1. The Board of Directors of the Company at its meeting held on October 18, 2011 approved, subject to the consent of the members of the Company, the proposal for buy-back of the Company's shares.
2. The Company intends to buyback equity shares of face value of Re. 1/- each at a price not exceeding Rs. 1,000/- per equity share (maximum buy-back price) with the total aggregate amount to be utilized not to exceed Rs. 80 crores, which is within the limit prescribed under section 77A, that is 25% of the Company's fully paid-up equity share capital and free reserves as per latest standalone audited balance sheet as on December 31, 2010.
3. The Buy-back is proposed to be implemented by the Company from the Open Market purchases through the Bombay Stock Exchange and the National Stock Exchange of India Limited (collectively referred to as "the Stock Exchanges").
4. There will be no buy-back from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.
5. The buy-back is proposed on account of the Company's strong cash flow and the accumulated cash being more than what is needed to fund growth. The buy-back will :
 - i) effectively utilize surplus cash available with the Company.
 - ii) provide a tax efficient mechanism to return the money to the shareholders.
6. The aggregate paid-up share capital and free reserves of the Company as on December 31, 2010 was Rs. 347.87 crores and under the provisions of the Act, the funds deployed for buy-back shall not exceed 25% of the paid-up capital and free reserves of the Company. Accordingly, the maximum amount that can be utilised in the present buy-back is Rs. 86.97 crores. The aggregate amount proposed to be utilised for the buy-back is Rs. 80 crores, which is within the maximum amount as aforesaid. Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 1,77,42,110 equity shares being 25% of 7,09,68,440 equity shares of face value of Re. 1/- each as per the audited balance sheet as on December 31, 2010 and adjusted for the share sub-division of face value from Rs. 10 to Re. 1 with effect from October 1, 2011.

At the maximum price of Rs. 1000/- per equity share and for the maximum amount not exceeding Rs. 80 crore, the maximum number of equity shares that can be bought back would be 800,000 equity shares, representing 1.13% of the total issued and paid up equity capital of the Company as on date of the notice. Should the average purchase price be lower than maximum price of Rs. 1000/-, the number of equity shares that might be bought back would be more, assuming Buyback for the complete amount of Rs. 80 crore.

The special resolution seeks the approval of the shareholders to authorize the Board to determine the price and number of equity shares to be bought back by the Company within the limits aforesaid.

7. The maximum buy-back price of Rs. 1,000/- has been arrived at after considering many factors, including, but not limited to, the book value, trends in the market price of the equity shares during the last 6 months prior to the date of the Board meeting adjusted for share sub-division, price earnings ratio and impact on other financial parameters and the possible impact of buyback on the earnings per share.
8. The money required for the buy-back will be drawn out of internal funds and free reserves of the Company and will also be met out of the cash/bank balances and/or investments made by the Company in fixed deposits and mutual funds.
9. (a) The aggregate shareholding of the Promoter and Promoter Group viz. S&P India LLC and Standard & Poor's International LLC (collectively referred to as "the Promoters") as on date of this notice is 3,72,09,480 Equity Shares each of Re. 1/- each constituting 52.43% of the total Equity Share Capital of the Company. Depending on the response to the buy-back offer, the percentage holding of the Promoters would increase marginally. Such an increase in the percentage holding/voting rights of the Promoters is not an active acquisition and is incidental to the buyback and falls within the limits prescribed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
 - (b) No shares were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the proposal for Buy-back is approved.
 - (c) The Promoters will not participate in the buy-back.

(d) The aggregate shareholding of the Directors of the Company as on date of the Notice is given in the following table:-

Name of the Director	No. of Shares		% holding as on October 18, 2011
	As on 01.04.2011	As on 18.10. 2011#	
Mr. B.V. Bhargava	-	-	-
Mr. H.N. Sinor	-	-	-
Ms. Rama Bijapurkar	-	-	-
Dr. Nachiket Mor	-	-	-
Mr. Deven Sharma*	-	N.A.	-
Mr. Thomas Schiller	-	-	-
Mr. David Pearce	-	-	-
Mr. Ravi Singhania	-	-	-
Ms. Roopa Kudva (MD and CEO)	16,000	160,000	0.23%

adjusted for sub-division of face value from Rs. 10/- to Re. 1/- with effect from October 1, 2011.

* Mr. Deven Sharma has resigned as Chairman of the Board and Director of the Company with effect from September 30, 2011.

- The Company has sub-divided the nominal face value of the equity shares from Rs.10/- per share to Re.1/- per share and the record date fixed for the said sub-division was September 30, 2011. The sub-division had become effective from October 1, 2011.
- All are Promoters are corporate. None of the Directors of the corporate Promoters are holding any shares of the Company.
- None of the above Directors has purchased or sold any shares of the Company during the period of six months preceding the date of the Board Meeting at which the Buy-back was approved, namely October 18, 2011.
- The Directors do not intend to participate in the Buyback.

10. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share capital and free reserves after the Buyback.
11. Under the Act, the special resolution passed by the shareholders approving the Buy-back will be valid for a maximum period of twelve months from the date of passing of the said special resolution. Subject to the maximum price for Buy-back and maximum validity period of twelve months, the time frame and the price will be determined by the Board (which expression shall also include a Committee of Directors of the Company constituted for this purpose).
12. Under the Act, the Company is not allowed to issue fresh equity shares within six months after the completion of the Buy-back except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.
13. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
14. The Board confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion:
 - a) that, immediately following the date of board meeting and special resolution , there will be no grounds on which the Company could be found unable to pay its debts;
 - b) that, as regards its prospects for the year immediately following the date that, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and
 - c) that in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956(including prospective and contingent liabilities).
15. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares purchased through the Buy-back to the Capital Redemption Reserve account and the detail of such transfer shall be disclosed in its subsequent audited balance sheet.
16. The Company shall not buy locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.
17. The Buy-back from non-resident shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and shareholders of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals

from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

18. The Report dated October 18, 2011 received from M/s S.R. Batliboi & Co; the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

“In connection with the proposed buy-back of equity shares by CRISIL Limited (the ‘Company’) in pursuance of the provisions of sections 77A of the Companies Act, 1956 (the ‘Act’) and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended, and based on the information and explanations and representations given to us which were to the best of our knowledge and belief necessary for this purpose, we report that:

- a) We have enquired into the state of affairs of the Company as at December 31, 2010.
- b) The amount of permissible capital payment (including premium) for the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with section 77A (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended December 31, 2010.

Particulars as on December 31, 2010		Amount (Rs. in crores)	Amount (Rs. in crores)
Paid up capital (70,96,844 shares of Rs. 10 each)	A		7.09
Free Reserves:			
Profit and loss account balance		235.53	
General reserve		105.25	
Total Free Reserves	B		340.78
Total paid up capital and free reserves	(A+B)		347.87
Permissible capital payment (25% of the paid up capital and free reserves)			86.97

- c) The Board of Directors of the Company, in their meeting held on October 18, 2011, have formed their opinion as specified in clause (x) of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
2. We have not performed an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items thereof, for the purpose of this report. Accordingly we do not express such opinion.
 3. This report has been issued at the request of the Company solely for use of the Company in relation to filling information with the explanatory statement to the notice for special resolution for the buyback of equity shares and cannot be used for any other purpose.”
19. All the material documents referred to in the Explanatory statement such as the Memorandum and Articles of Association, relevant Board resolutions for buying back the shares and the Auditors Report on their enquiry into the state of affairs of the Company will be made available for inspection at the Registered office of the Company at Mumbai on all working days, except holidays, between 10.00 am and 1.00 pm upto the date of the declaration of postal ballot results.
20. The Board of the Company recommends the Resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the resolution, save to the extent that like any other shareholder in the same position, their proportion in the post-buyback equity capital will stand enhanced as a result of the buyback.

By the order of the Board of Directors
For CRISIL Limited

Date: October 18, 2011
Place: Mumbai

Shrikant Dev
Company Secretary