



Contents

02 CRISIL at a Glance 04 About CRISIL Businesses 06 Events 08 Publications 10 CRISIL for Sustainable Development 14 Board of Directors
18 Directors' Report 28 Management Discussion and Analysis Report 34 Auditors' Certificate for Corporate Governance
35 Report of the Directors' on Corporate Governance 45 CRISIL Group Ten Year Highlights 46 General Information for Members 51 Auditors'
Report 54 Balance Sheet 55 Profit and Loss Account 56 Cash Flow Statement 58 Schedules annexed to and forming part of the Accounts
83 Auditors' Report on Consolidated Statements 84 Consolidated Balance Sheet 85 Consolidated Profit and Loss Account 86 Consolidated
Cash Flow Statement 88 Schedules annexed to and forming part of the Consolidated Accounts 107 Notice 111 Proxy Form and Attendance Slip



SIMPLE

COMPLEX

HIGHLY COMPLEX

CRISIL Complexity Levels

In an initiative aimed at strengthening Indian capital markets through greater transparency for investors, CRISIL began classifying capital market instruments based on their complexity in March 2008.

CRISIL Complexity Levels, launched by India's Finance Minister P. Chidambaram, reflect the relative ease of understanding and analysing the risk elements in capital market instruments.

Instruments are classified into three categories: simple, complex and highly complex. This initiative, a **global first**, is on a voluntary and **pro bono** basis and is available free on www.crisil.com.

CRISIL'S MISSION IS TO MAKE MARKETS FUNCTION BETTER, HELP CLIENTS
MANAGE AND MITIGATE THEIR BUSINESS AND FINANCIAL RISKS, AND SHAPE
PUBLIC POLICY.

As a pioneer and a market leader, CRISIL has facilitated the development of India's financial markets.

The market today is flooded with numerous types of financial instruments, all attractively packaged and vying for investor attention. Many are so complex that investors often fail to fully understand the risks and the returns that they offer.

Bridging this gap for investors and the markets is CRISIL.

In an initiative aimed at strengthening Indian capital markets through greater transparency for investors, CRISIL began classifying capital market instruments based on their complexity. This initiative, CRISIL Complexity Levels, a global first, and a voluntary, pro bono service was launched in March 2008.

CRISIL's independent, credible, and reliable opinions continue to guide our clients in managing and mitigating their credit and business risks. But we believe that our business extends much beyond our clients. We want to ensure that the benefits of capital markets are not confined to a select few. Towards this end, our initiatives are geared at empowering every participant in the capital market, from the most sophisticated to the simplest.

CRISIL educates. CRISIL develops. CRISIL grows.



CRISIL at

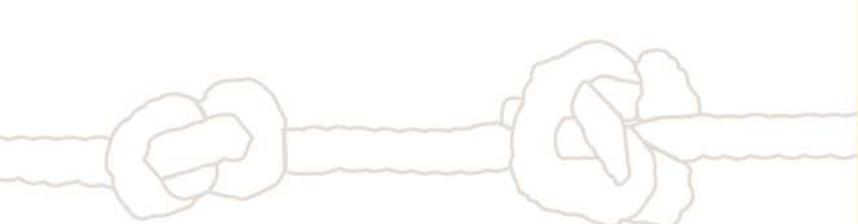
Who we are

CRISIL is India's leading Ratings, Research, Risk and Policy Advisory Company. CRISIL's majority shareholder is Standard & Poor's. Standard & Poor's, a subsidiary of The McGraw-Hill Companies, is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data.

We offer domestic and international customers a unique combination of local insights and global perspectives, delivering independent information, opinions and solutions that help them make better informed business and investment decisions, improve the efficiency of markets and market participants, and help shape infrastructure policy and projects. Our integrated range of capabilities includes credit ratings and risk assessment; research on India's economy, industries and companies; investment research outsourcing; fund services; risk management and infrastructure advisory services.

Our Mission

We aim to make markets function better, help clients manage and mitigate their business and financial risks and shape public policy. Our core values of integrity, innovation, analytical rigour, independence, and commitment are key enablers of this mission.



a Glance

Our Vision

We aim to be the preferred provider of independent, credible and reliable business research, ratings, fund services, and risk and infrastructure advisory solutions, facilitating more informed economic decision-making by Indian and global entities in the Indian market and in emerging global markets.

Our People

Our people make us what we are today. Our group-wide 1956-strong talent pool has shaped our growth trajectory and spearheaded our move into new domains. Our multidisciplinary skill base spans financial modelling, macro-micro linkages, credit and equity research, risk modelling, policy and transaction advisory, and econometrics. We leverage these skill-sets and domain expertise to offer clients superior analytical services and effective, workable solutions.

About CRISIL

{ Ratings }

CRISIL Ratings provides the widest coverage on credit quality in India, with credit ratings outstanding on more than 1500 entities, and credit evaluations on more than 2300 small and medium enterprises (SMEs). In all, CRISIL has rated more than 6000 entities (excluding SMEs) with total debt aggregating more than USD 470 billion (Rs. 23 trillion).

CRISIL Ratings has 70 per cent penetration in the domestic bond market, and a share of about 50 per cent in the bank loan rating market. CRISIL Ratings rates almost every kind of organisation, including industrial companies, banks, non-banking financial companies, microfinance institutions, insurers, mutual funds, infrastructure entities, state governments, and urban local bodies. It also rates securitised paper.

CRISIL's Global Analytical Centre (GAC) supports Standard & Poor's Global Resource Management initiative. GAC provides Standard & Poor's resources to improve workflow efficiencies, handles end-to-end analytical processes, processes information, and executes complex modelling assignments.

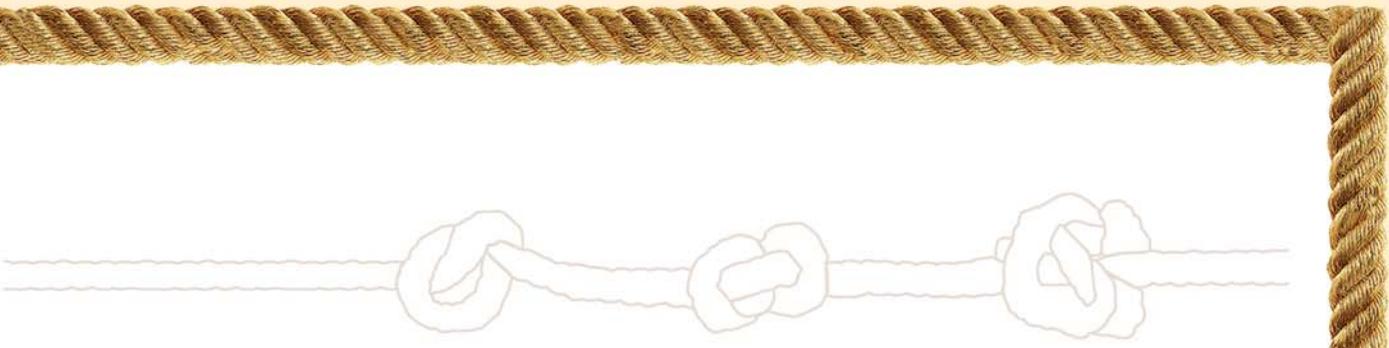
{ Research }

Irevna, now a division of CRISIL Limited, pioneered the concept of offshore investment research for the world's leading investment banks and financial institutions. Irevna is the most experienced and diversified provider of analytical services to the financial services industry, supporting equity research, equity strategy, credit research, quantitative research, derivatives IT and structuring. With delivery centres in Chennai and Mumbai in India, Buenos Aires in Argentina and Wroclaw in Poland, Irevna is well positioned to address client needs across global markets.

CRISIL Research is India's largest independent, integrated research house. It meets the business research requirements of more than 600 domestic and international clients, including 90 per cent of India's commercial banks. With more than 18 years of experience in analysing the Indian and the global business environment, the largest analytical pool in India, and the largest primary source network, CRISIL Research offers unparalleled width and depth of research spanning the entire Economy – Industry – Company spectrum. Through its IPO Grading initiative, CRISIL Research has also established a presence in the equity research domain, and is poised to expand CRISIL's footprint significantly in this area.

CRISIL FundServices is the leading provider of research and rankings for India's mutual funds industry. Widely acknowledged as the industry standard, CRISIL FundServices has played a significant role in shaping investor confidence and facilitating the introduction of best practices in the industry.

Businesses



{ Advisory }

CRISIL's advisory businesses were transferred to a subsidiary, **CRISIL Risk and Infrastructure Solutions Limited (CRIS)** in 2007, in line with global best practices of fire-walling these operations from Ratings and Research. CRIS now houses **CRISIL Infrastructure Advisory** and **CRISIL Risk Solutions**.

CRISIL Infrastructure Advisory is India's premier provider of consulting services in the infrastructure space. It operates primarily in the policy, regulatory, strategy, market, commercial and financial domains. In India, it has a strong presence in the Energy, Transportation and Urban Infrastructure sectors. In these sectors, it is the preferred consultant to Governments, leading organisations, financial institutions, multilateral lending agencies and regulators. Its growing footprint beyond India covers other emerging markets such as Africa, Middle East and Southeast Asia. Anticipating large investments in infrastructure in the emerging markets, CRISIL Infrastructure Advisory is increasingly aligning its services to support the flow of investments.

CRISIL Risk Solutions is India's leading provider of risk solutions for banks, financial institutions, mutual funds and corporates. It provides risk management services, consulting and software products, in the areas of credit, market, and operations risk. It partners closely with leading public and private sector banks and entities in the financial services and insurance sectors, implementing enterprise-wide risk management solutions and helping them prepare for Basel II compliance. In 2008, CRISIL Risk Solutions was listed among India's top risk solutions suppliers in an Indian Banks' Association survey.

Events

Launch of the S&P ESG India Index

(L to R) Ms. Roopa Kudva, Managing Director and Chief Executive Officer, CRISIL; Dr. Subir Gokarn, Chief Economist, Standard & Poor's Asia Pacific; Ms. Rachel Kyte, Director, Environment and Social Development Department, International Finance Corporation; Mr. T. N. Ninan, Editor and Chief Executive Officer, Business Standard; Ms. Alka Banerjee, Vice President, Global Equity, Index Services, Standard & Poor's; Ms. Celeste Cole, Project Manager, Consulting Services, KLD Research & Analytics; Dr. Sunil Sinha, Head and Senior Economist, CRISIL



India Outlook 2008

(L to R) Dr. Subir Gokarn, Chief Economist, Standard & Poor's Asia Pacific; Mr. Ajay Dwivedi, Director -Research, CRISIL



CNBC-TV18~CRISIL Mutual Fund of the Year Awards 2008

Winners and Chief Guest, Mr. C. B. Bhave, Chairman, SEBI with dignitaries from CRISIL and CNBC-TV18



Note: All designations and titles are as of the dates of the events

Launch of CRISIL Complexity Levels

(L to R) Mr. R. Ravimohan, Managing Director and Region Head, South Asia, Standard & Poor's; Shri P. Chidambaram, Hon'ble Union Finance Minister; Ms. Roopa Kudva, Managing Director and Chief Executive Officer, CRISIL; Mr. Uday Kotak, Vice Chairman and Managing Director, Kotak Mahindra Bank



Discussion Forum – Asset Quality of Retail Loan Portfolio: Cause for Concern?

(L to R) Mr. Tarun Bhatia, Head – Corporate and Government Ratings, CRISIL; Mr. Atul Pande, Managing Director, Cholamandalam DBS Finance Limited; Mr. Raman Uberoi, Senior Director – Ratings, CRISIL; Mr. Rajiv Sabharwal, Senior General Manager, ICICI Bank Limited; Mr. Prasad Koparkar, Head – Structured Finance Ratings, CRISIL



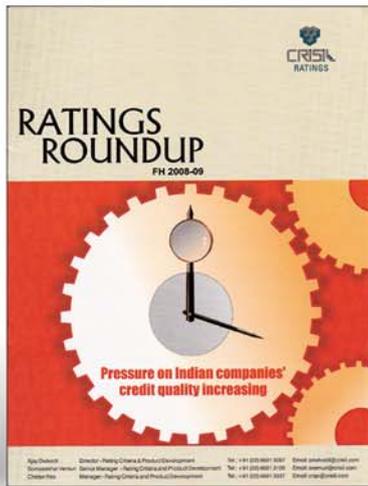
CRISIL, ICICI Foundation & IFMR Trust – MoU Signing

(L to R) Dr. Nachiket Mor, President, ICICI Foundation; Ms. Bindu Ananth, President, IFMR Trust; Ms. Roopa Kudva, Managing Director and Chief Executive Officer, CRISIL



Note: All designations and titles are as of the dates of the events

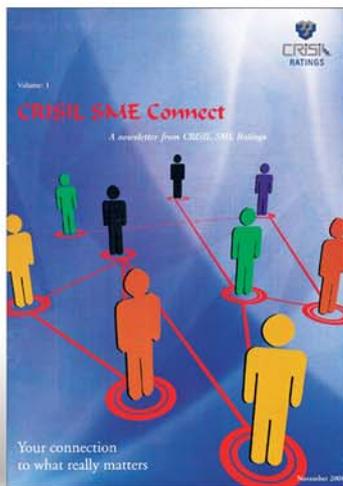
Publications



CRISIL Ratings Roundup – Pressure on Indian Companies' Credit Quality Increasing



CRISIL BLR Connect



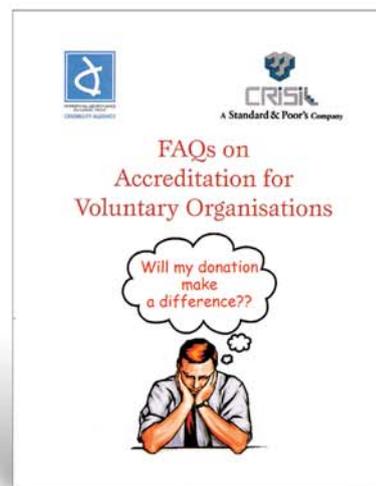
CRISIL SME Connect



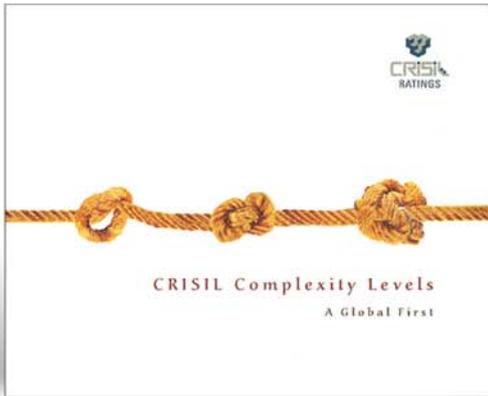
CRISIL Research – Indian Infrastructure: Risk & Investment Opportunities



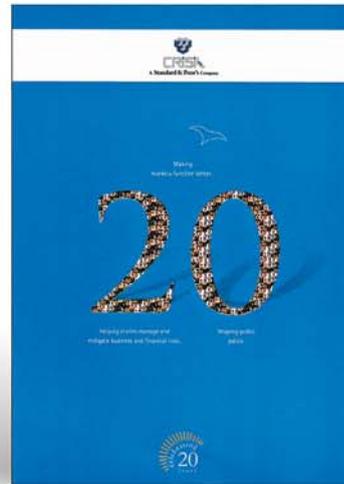
CRISIL Research – Opinion – Fertiliser Imports



CRISIL FAQs on Accreditation for Voluntary Organisations



CRISIL Complexity Levels



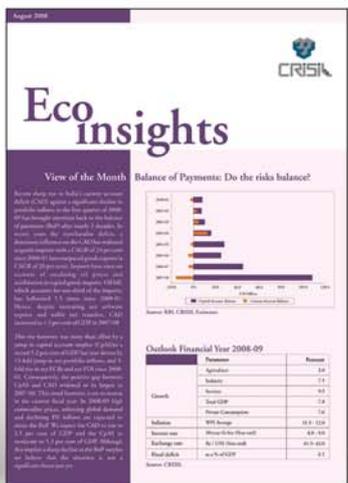
Special Edition Commemorating 20 years of CRISIL



CRISIL Insight – Annual Defaults & Ratings Transition Study



CRISIL Insight – Liquidity Pressures In Reality Could Lead to Shakeout



CRISIL Ecoinsights



CRISIL Insight – Retail Assets: A Case for Caution Not Alarm

CRISIL for Sustainable Development



Over the years, CRISIL has undertaken several initiatives that could legitimately be categorised as Corporate Social Responsibility (CSR) initiatives. However, these were not driven by any explicit strategy. Greater awareness and appreciation of the need for a unifying strategy in order to have the maximum impact led to the initiation of a formal sustainable development programme in 2008.

Drawing on analysis of successful CSR programmes, four principles were used as a foundation for the programme. First, successful sustainable development programmes tend to be closely aligned with business strategy and operations. Second, either their outcomes or efforts going into them, preferably both, are measurable. Third, there isn't necessarily a trade-off between efforts into these programmes and the financial performance. Fourth, they legitimately encompass the interests of all

stakeholders in the company, internal and external.

Five initiatives have been launched under the programme. Wherever possible, existing activities have been streamlined with an appropriate initiative.

1. Creating financial awareness in society
2. Making and facilitating donations to the needy
3. Accreditation of Non-Governmental Organisations (NGOs)
4. Conservation of environment
5. Environmentally-friendly office building project

These initiatives are collectively expected to fulfil four objectives critical to their success: broad-based involvement within the organisation, alignment with individual business and corporate objectives, feasibility and sustainability.

At the organisational level, CRISIL has set up dedicated teams for each of the identified areas to implement and monitor the various programmes undertaken.

I. FINANCIAL AWARENESS

The financial marketplace offers the investor numerous investment options across asset classes. These include many complex instruments that have been introduced in recent years. A lack of understanding of these products, their features and the underlying risk, could result in large unforeseen losses for their investors, resulting in a necessity to create awareness of inherent risks by imparting education on money management, savings and affordable credit as well as debt counselling.

CRISIL has always been at the forefront of investor education in the institutional segment, through initiatives such as discussion forums, meetings, dissemination of literature and sharing of knowledge through the mass English and local language media and on the web for easy access. In 2008, CRISIL achieved a global first with the launch of CRISIL Complexity Levels, a voluntary, pro bono service. CRISIL's financial awareness drive also strives for greater financial inclusion, across all levels of investor classes. CRISIL is partnering with a number of stakeholders, including government authorities, media houses and business houses, to work in this direction.

The financial awareness agenda is classified into the following categories:

1. CRISIL Complexity Levels
2. Creating and disseminating information, and Outreach

1. CRISIL Complexity Levels – A Global First

In an initiative aimed at strengthening Indian capital markets through greater transparency for investors, CRISIL, in March 2008, launched the CRISIL Complexity Levels service. Under this, financial instruments are classified into three categories: simple, complex and highly complex. The levels reflect the relative ease of understanding and analysing the risk elements in capital market instruments for investors. The initiative, a global first, is on a voluntary and pro bono basis and is available free of charge on www.crisil.com.

CRISIL Complexity Levels help the investor determine the degree of sophistication and due diligence required to understand the risk factors involved in each type of instrument. Complexity is distinct from risk: saying that an instrument is simple is not to say that it is less risky, but that the risk will be easier to understand in a simple instrument than in a complex one.

To determine the complexity of a financial product, CRISIL uses four parameters: ease of calculation of payout and returns, clarity on timing of cash flows, number of counterparties involved in the transaction, and familiarity of market participants with the product.

CRISIL updates and expands the coverage list every six months and makes it available on the CRISIL website. Every CRISIL rating release and rating report provides a link to the list of instruments and their associated complexity levels. In the future, CRISIL also plans to add new classes of instruments such as futures, options, OTC derivatives and credit derivatives, to cover the entire gamut of instruments in the market.

By leading more investors to invest in instruments that are appropriate for them, CRISIL Complexity Levels can help in the orderly long-term growth and development of India's financial markets.

2. Creating and disseminating information, and Outreach

Almost 95 per cent of Indians have never received formal education in managing their money. Further, there is arguably no single dependable source of information on the financial markets. CRISIL strongly believes that updated information on money management can vastly equip people to deal with financial challenges that modern life constantly throws at them. CRISIL also understands that for a financial awakening among investors, issuers and other stakeholders, information should be made available easily and comprehensively.

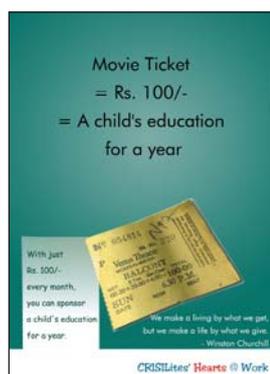
To achieve these objectives, CRISIL plans to simplify the world of money for the common man as well as the numerous intermediaries in the market through educative literature on money management, debt counselling, savings, affordable credit, and many other topics. It plans to use third-party distribution channels to disseminate this content.

II. MAKING and FACILITATING DONATIONS

CRISIL's initiative towards making and facilitating donations is branded as **CRISILites' Hearts @ Work**. The objective is to nurture 'a culture of giving to society' within each CRISILite and to help them discover the pride in 'giving' while making a difference to the lives of the underprivileged. CRISIL regularly identifies credible partners whose goals align with its vision and values, and facilitates donations to these worthy organisations.

CRISIL recognises that one of the biggest hurdles in attracting voluntary donations for social causes is the lack of confidence in NGOs and absence of feedback on utilisation of the donated funds.

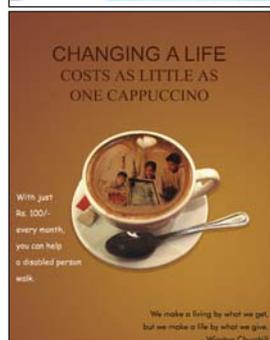
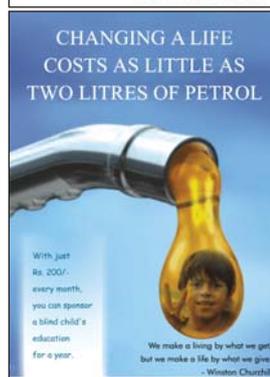
CRISIL has therefore tied up with credible partners to action this agenda.



The key programmes conducted in 2008 under this initiative were:

Facilitating regular monetary contribution towards social causes:

CRISIL partnered with GivelIndia, a non-profit organisation that offers a platform to reach over 100 accredited NGOs, which have been scrutinised for their transparency and credibility. CRISIL launched its 'payroll programme' in association with GivelIndia, wherein employees voluntarily commit a fixed monthly amount as a donation to a cause of their choice. The campaign was a grand success, with 618 employees (over 30 per cent of CRISILites) having committed monthly contributions, and this number is growing.



Pre-Diwali clothes collection drive:

The drive saw CRISILites, their friends and family members donating clothes to bring some cheer in the lives of lesser privileged fellow citizens during

the festive season. CRISIL distributed articles of clothing to over 11 NGOs across multiple locations.

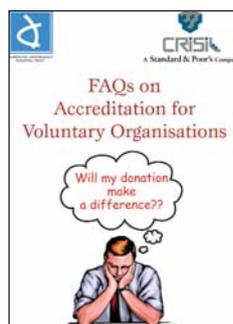
Donation of CRISIL's computers: CRISIL donated over 100 computers to NGOs across the country, in order to promote computer literacy among the underprivileged children and youth. CRISIL will continue to donate computers regularly.

Irevna's 'Heal the World' initiative: Through this initiative, Irevna attempted to channelise its efforts to directly benefit deprived and orphaned children and elderly citizens. It sought voluntary donations in kind, such as clothes, school bags, note books, stationery, water bottles, tiffin boxes, pencil boxes, walking sticks, and umbrellas, among others, and distributed these to needy children and the elderly in Chennai.

III. ACCREDITATION of NGOs

The voluntary sector has grown rapidly, both in size and number of

organisations. This growth has brought to the fore, issues such as



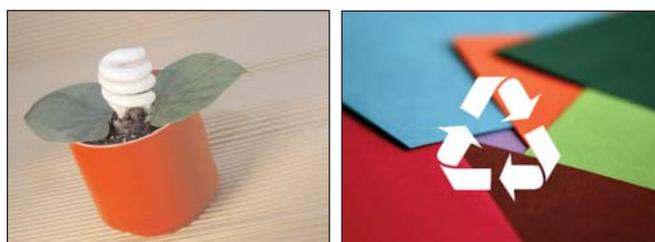
credibility of NGOs and whether the funds raised are being used for the intended purposes; this is all the more important, given that the sector is unregulated and lacks the required level of transparency. CRISIL aims to foster transparency in this segment through a reliable accreditation process.

To this end, CRISIL has associated with Credibility Alliance (CA), a non-profit consortium of organisations committed to enhancing accountability and transparency in the voluntary sector through good governance. Drawing on its expertise in the area of performance grading, CRISIL has put in place an accreditation programme for showcasing the credibility of NGOs, thereby helping to enhance the transparency and accountability of the voluntary sector. CRISIL provides this service to CA pro bono.

As part of the accreditation programme, CRISIL helped set up the accreditation mechanism, thereby institutionalising the entire process. Specifically, CRISIL provided inputs and support to CA for the following activities :

- verifying if a Voluntary Organisation (VO) adheres to certain established set of standards
- analysis of the VO's governance practices, policies, financial statements and its various activities
- meetings with the management of the VO to gain insight into the practices and policies of the VO
- preparing and finalising the report followed by the final assignment of the accreditation to the VO

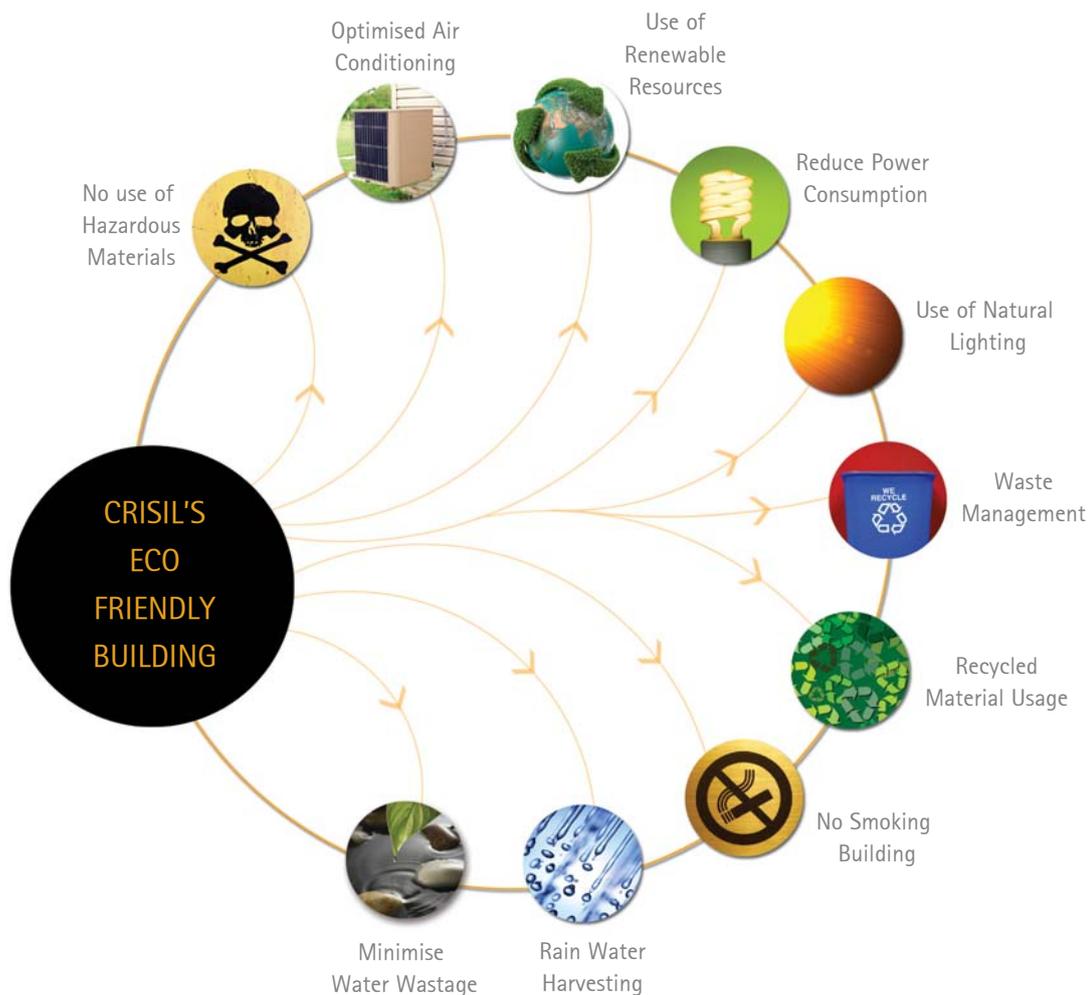
IV. ENVIRONMENT CONSERVATION



CRISIL's efforts towards conservation underscore its commitment towards the environment. The focus of its conservation efforts were power and paper, the two biggest contributors to carbon dioxide (CO₂) emissions globally. The campaign was largely driven through active employee engagements across CRISIL offices.

The environment conservation campaign resulted in a 10 per cent reduction in power consumption and a 20 per cent reduction in paper consumption across CRISIL establishments over a period of six months. Apart from the quantitative benefit, the initiative resulted in better awareness among all employees on the issue of environmental

challenges facing the world and the need to reduce consumption of all resources which harm the environment and increase the emission of CO₂. CRISIL is committed to motivating its employees in furthering this activity.



V. ENVIRONMENTALLY-FRIENDLY OFFICE BUILDING

CRISIL's 'green building' initiative is aimed at achieving a positive impact on the environment. Green building is the practice of increasing the efficiency with which buildings use resources – energy, water, and materials – while reducing the building's impact on human health and the environment during its lifecycle. This is done through better design, construction, operation, maintenance

and removal. CRISIL's proposed new green building will be located at Hiranandani Complex, Powai, Mumbai. It will recycle water, use local construction material, eco-friendly paints and harvest rain water. Other features include soft landscaping on the terrace to prevent direct heat entering the building, use of maximum day light for reducing electrical consumption, and the use of energy saving lights and energy saving air-conditioning systems.

Board of Directors

Mr. R. Ravimohan, *Chairman*

Mr. B. V. Bhargava

Mr. H. N. Sinor

Ms. Rama Bijapurkar

Dr. Nachiket Mor

Mr. Thomas Schiller, *Alternate Director – Mr. Ravinder Singhania*

Mr. David Pearce, *Alternate Director – Mr. Ravinder Singhania*

Ms. Roopa Kudva, *Managing Director & Chief Executive Officer*

Senior Management

Mr. Raman Uberoi, *Senior Director – Ratings*

Mr. Arun Panicker, *Senior Director – Operations*

Mr. G. V. Mani, *Senior Director – Offshoring*

Mr. S. Venkataraman, *Senior Director – Research*

Allotment Committee

Dr. Nachiket Mor, *Chairman*

Ms. Rama Bijapurkar

Ms. Roopa Kudva

Audit Committee

Mr. H. N. Sinor, *Chairman*

Mr. B. V. Bhargava

Dr. Nachiket Mor

Mr. David Pearce

Compensation Committee

Mr. B. V. Bhargava, *Chairman*

Ms. Rama Bijapurkar

Mr. Thomas Schiller

Mr. R. Ravimohan

Investment Committee

Mr. R. Ravimohan, *Chairman*

Mr. B. V. Bhargava

Mr. Thomas Schiller

Ms. Roopa Kudva

Investor Grievance Committee

Mr. B. V. Bhargava, *Chairman*

Mr. Thomas Schiller

Ms. Roopa Kudva

Rating Committee

Mr. B. V. Bhargava, *Chairman*

Ms. Roopa Kudva

Auditors

Messrs. S. R. Batliboi & Co.

Solicitors

Messrs. Wadia Ghandy & Co.

Company Secretary

Mr. Shrikant Dev

Bankers

ICICI Bank Limited

Andhra Bank

Share Transfer Agent

Karvy ComputerShare Private Limited

Karvy House, 21, Avenue – 4,

Plot No. 17 to 24, Near Image Hospital,

Vittalrao Nagar, Madhapur,

Hyderabad – 500 081.

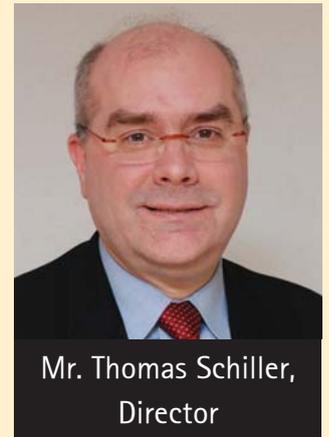
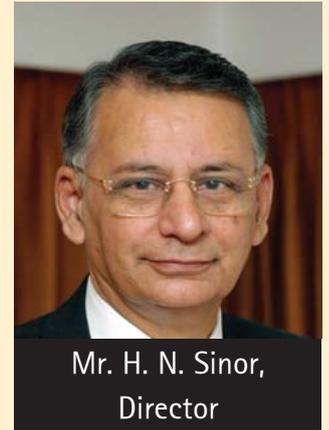
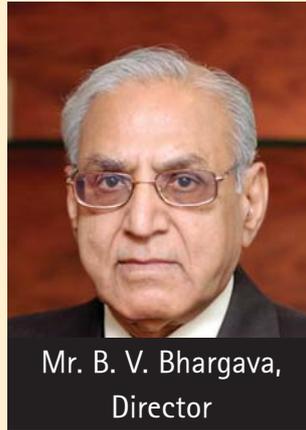
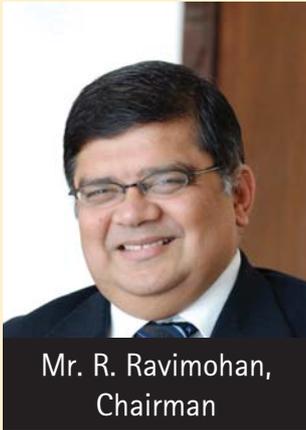
Registered Office

CRISIL House,

121–122, Andheri– Kurla Road,

Andheri (East),

Mumbai – 400 093.



Mr. R. Ravimohan, Chairman

Mr. R. Ravimohan is Chairman of CRISIL. He is also Managing Director and Region Head, South and Southeast Asia, Standard & Poor's which is the foremost global provider of financial market intelligence. He is a member of Standard & Poor's Asia Pacific Executive Committee, and also chairs Standard & Poor's South and Southeast Asia Governance Council. Prior to this, Mr. Ravimohan was Managing Director and CEO of CRISIL. He is credited with building the company from a market leader in credit ratings into India's leading Ratings, Research, Risk and Policy Advisory Company.

He is currently a Member of the Advisory Committee of Securities and Exchange Board of India and Member of the Technical Advisory Committee of the Reserve Bank of India. He serves on the Boards of the National Commodity and Derivatives Exchange Limited and India Index Services & Products Limited.

Mr. B. V. Bhargava, Director

Mr. B. V. Bhargava has been associated with CRISIL since 1992, and has been Chairman from May 1999 until July 2008. He is also Chairman of CRISIL's Rating Committee. He was associated with ICICI Limited for three decades, and retired as Vice Chairman and Managing Director in 1996. He was associated with the Tariff Commission of India and the Indian Investment Centre, New York. He is a Chairman of National Commodity & Derivatives Exchange Limited and Director on the Boards of Raymond Limited, Grasim Industries Limited and few other companies.

Mr. H. N. Sinor, Director

Mr. H. N. Sinor started his career in 1965 with Central Bank of India and in 1969 moved to Union Bank of India where he worked for 28 years. In 1996, he was appointed as Executive Director of Central Bank of India. In 1997, he joined ICICI Bank as Executive Director and took over later as Managing Director and CEO of the bank. After the merger of ICICI with ICICI Bank, in March 2002, he worked as Jt. Managing Director till May 2003. After demitting the office of ICICI Bank, he joined Indian Banks' Association as the Chief Executive. He is currently on the Board of 3i Infotech Limited, ICICI Lombard General Insurance Company Limited, Tata Investment Corporation Limited, Themis Medicare Limited and a few other companies.

Ms. Rama Bijapurkar, Director

Ms. Rama Bijapurkar is a recognised thought leader on market strategy and consumer related issues in India. She is an independent management consultant and works across a wide range of organisations in diverse sectors helping them develop market focused business strategy. Prior work experience in market strategy consulting and market research includes Mckinsey & Co., MARG (Marketing and Research Group) and MODE Services. She is an independent director on the board of some of India's most respected organisations and is also a visiting faculty and on the board of governors at the Indian Institute of Management (IIM) Ahmedabad, from where she also holds a post graduate diploma in management. She also holds a B.Sc (Hons) degree in Physics from Delhi University. She is the author of 'Winning in the Indian Market' (John Wiley and sons), the Indian edition of which is titled 'We are like that only – Understanding the Logic of Consumer India' (Penguin).

Dr. Nachiket Mor, Director

Dr. Nachiket Mor is a Yale World Fellow (2004); has a Ph.D. in Economics from the University of Pennsylvania with a specialisation in Finance from the Wharton School; an MBA from the Indian Institute of Management, Ahmedabad and an undergraduate degree in Physics from the Mumbai University. While completing his Ph.D., he was associated with a Philadelphia-based hedge fund (Quantitative Financial Strategies) for three years. He worked with ICICI from 1987 to 2007 in a variety of jobs, including Corporate Planning, Project Finance and Treasury. In October 2007, he stepped down from the Board of Directors of ICICI Bank to assume charge of the ICICI Foundation for Inclusive Growth as its President.

In addition to his work within ICICI Bank, among other things, in the past he has served as the Chairman of the Fixed Income Money Market and Derivatives Association of India (FIMMDA) for two years and as a Board Member of Wipro Limited for five years. His current assignments include memberships of the Board of the Institute for Financial Management and Research (IFMR), CARE USA, International Food Policy Research Institute (IFPRI), and several task forces of the Planning Commission.

Mr. Thomas Schiller, Director

Mr. Thomas Schiller is Executive Managing Director and Region Head for Standard & Poor's business in Asia-Pacific. He assumed this position in August 2004 and is responsible for further developing Standard & Poor's leading position in the region's financial markets. He helped build Standard & Poor's strong regional franchise through a series of management and market development positions held over the years, including Tokyo office, Head, Chief Marketing Officer for Asia-Pacific, and most recently, Managing Director and Region Head for Standard & Poor's in Japan and Korea. He joined Standard & Poor's in 1987 as a corporate analyst in the Industrial Ratings group.

Mr. David Pearce, Director

Mr. David Pearce joined Standard & Poor's in 1997 when McGraw-Hill acquired Micropal, where he was Group Financial Controller. Following this, he served as Finance Director for Standard & Poor's Funds Services. More recently Mr. Pearce was Vice President and European Controller for the McGraw-Hill Companies. In July 2002, he took up the position of Vice President, European Finance for Standard & Poor's, providing strategic and managerial direction for Standard & Poor's European financial operations. In early 2006, he was promoted to Senior Vice President, Finance, for Standard & Poor's Europe/Asia.

Mr. Ravinder Singhania, Director (Alternate to Thomas Schiller and David Pearce)

Mr. Ravinder Singhania is the Managing Partner of Singhania & Partners, Solicitors & Advocates. Mr. Singhania currently serves on the Board of several multinational companies' Indian subsidiaries such as America Online, Fedders Corporation, National Instruments, American Bureau of Shipping, etc. as well as listed companies such as Unitech Limited. He is the former Governing Body Member of Indian Council of Arbitration and Vice Chairman of Asia Pacific Committee of American Bar Association. He is a member of Law Society of England & Wales, Chartered Institute of Arbitrators, London as well as Supreme Court Bar Association. He is a consultant to the World Bank and Organisation for Economic Co-Operation and Development (OECD).

He is the country representative for Sweet & Maxell's International Company & Commercial Law Review and has also authored India chapters in books titled 'Product Liability in Asia Pacific' and 'Employment Laws in Asia'. He holds a bachelors degree in commerce and law from Delhi University. He is admitted to practice law in India as an Advocate and as a Solicitor of the Supreme Court of England and Wales.

Ms. Roopa Kudva, Managing Director & Chief Executive Officer

Ms. Roopa Kudva is Managing Director & Chief Executive Officer of CRISIL. Prior to this, she was the Executive Director and Chief Rating Officer of CRISIL. She is also a member of Standard & Poor's South Asia Governance Council. She joined CRISIL in 1992 and has worked in emerging markets in the Mediterranean and Middle Eastern countries during her secondment to Standard & Poor's, Paris, as Director, Financial Institutions Ratings. Previously, she worked at Industrial Development Bank of India for six years in the Project Finance department. She is a graduate in Statistics and a post-graduate in management from IIM, Ahmedabad.

Directors' Report

To Our Members,

Your Directors present the 22nd Annual Report of the Company with the Audited Accounts for the year ended December 31, 2008

PERFORMANCE

A summary of your Company's financial performance is given below:

	Year ended December 31, 2008 (Rs. Lakhs)	Year ended December 31, 2007 (Rs. Lakhs)
Total Income for the year was	40,389.03	27,088.01
Profit before depreciation and taxes was	18,696.71	10,481.23
Deducting there from depreciation of	1,184.38	1,333.87
Profit before tax was	17,512.33	9,147.36
Deducting there from taxes of	3,774.52	2,080.28
Profit after tax was	13,737.81	7,067.08
The proposed appropriations are:		
Dividend	5,057.50	1,806.25
Corporate Dividend Tax	859.52	337.07
General Reserve	1,373.78	706.71
Balance carried forward	17,663.64	8,775.36

DIVIDEND

The Directors recommend, for approval of the members at the Annual General Meeting to be held on April 28, 2009, payment of final dividend of 350 per cent (Rs. 35 per share) for the year under review. During the year, the Company paid first and second interim dividend of 100 per cent and 250 per cent respectively. The total dividend for the year works out to 700 per cent (Rs. 70 per share) as against 250 per cent (Rs. 25 per share) in the previous year.

REVIEW OF OPERATIONS

A. RATINGS

HIGHLIGHTS

CRISIL Ratings maintained its market leadership, driven by strong growth in Bank Loan Ratings (BLRs). Over the last one year, CRISIL

Ratings through BLR played a key role in providing banks with an independent view on the credit worthiness of their borrowers. New bank loan ratings for 845 companies were announced in 2008 as against 15 in the previous year. A strong performance by SME Ratings also contributed to revenue growth in 2008.

Financial sector and structured finance ratings, which were major revenue drivers in 2007, slowed during the last quarter of 2008. After a three-year hiatus, the corporate bond market showed some recovery in the last quarter with a few large borrowers issuing bonds. For 2009, the expected slowdown in overseas funding, and limited opportunities for raising equity, augur well for the bond market. CRISIL Ratings expects more corporates to return to the bond market in 2009.

High profile rating assignments executed during the year included

the first-ever rating for a clearing corporation in India, the rating of the largest securitisation transaction in India so far (originated by ICICI Bank), and a mandate from Bureau of Energy Efficiency under the Ministry of Power, Government of India, for carrying out accreditation of 19 Energy Service Companies.

CRISIL, ICICI Foundation for Inclusive Growth and IFMR Trust, signed a Memorandum of Understanding aimed at developing viable commercial enterprises that have a focus on helping low-income households, enabling such households to meaningfully augment their incomes and create assets. Under the agreement, CRISIL will develop evaluation frameworks for microfinance institutions, urban local bodies and vocational training institutes, enabling better analysis and a deeper understanding of these entities.

The Global Analytical Centre (GAC) completed five years of operations in October 2008, and continued to contribute substantially to S&P's Global Resource Management (GRM) initiative.

BUSINESS ENVIRONMENT

The impact of the global financial crisis began to influence India's financial markets in the last quarter of 2008. Debt issuances from the financial sector stopped and the structured finance market came to a standstill in the last quarter. The domestic bond market is expected to revive in 2009 as other funding avenues for corporates have dried up. The Government of India's stimulus package for the economy's revival is likely to lower the cost of borrowing, thereby promoting debt issuances. The securitisation market for asset-backed and collateralised debt could also see a revival in the second half of 2009 as interest rates ease.

Business from bank loan ratings is expected to remain robust in 2009 as corporates get their bank loans rated, and banks strive to become Basel II-compliant, by March 2010.

The outlook for GAC's business remains intrinsically linked to S&P's business environment and priorities. S&P's focus on providing deeper, sharper and faster analysis is expected to result in an increased need for analytical resources and timely and accurate data. GAC

is well positioned to deliver on and benefit from these additional requirements.

OPERATIONS

CRISIL Ratings maintained its market leadership in the rating business. Revenue growth was driven by a strong trend in Bank Loan Ratings. It was also supported by the growth in SME Ratings. Revenues from structured finance and financial sector issuances were buoyant in the first nine months of 2008, but dipped in the last quarter. However this was compensated by corporate sector bond issuances in the quarter.

The business development and delivery processes were strengthened significantly during the year to keep pace with the sharp increase in volumes of BLR execution. BLRs for 845 new companies were announced during the year, as against 15 in 2007. Strong quality control measures have been put in place including a focused process driven approach, usage of quality checklists and training to ensure quality levels that the market expects of CRISIL.

Growth in SME Ratings continued through the year with a total of 3800 ratings assigned so far. Operations are aided by robust technology practices that have ensured high-quality output with reduced turnaround time. The CRISIL SME Ratings team won appreciation for its work and was awarded The McGraw-Hill Companies' Corporate Excellence Award.

The Executive Training team conducted around 120 programmes in 2008, training around 2000 professionals. The proportion of customised programmes is increasing and feedback has been positive. Training programmes were also conducted outside India.

CRISIL Ratings received mandates from a few banks for rating their Tier II and perpetual bond issuances; this is a trend that is picking up. Corporate credit ratings of 16 Urban Local Bodies were also executed under a mandate from the Ministry of Urban Development, Government of India, under the Jawaharlal Nehru National Urban Renewal Mission.

The GAC team enhanced engagements with S&P teams and supported

a diverse range of data and high-end analytical activities. The data operations set up in 2007 grew significantly in 2008, and GAC now provides a wide range of data management support services to S&P. The group also actively supports S&P's new product launches.

GAC continues to attract the best talent in the industry and the business continues to invest in people development and enhancing internal competencies. A total of 12000 person-hours were spent in training programs during the year.

CRISIL Ratings reached out to investors and market participants through discussion forums, and through one-on-one presentations. Franchise was significantly enhanced through the participation of key analysts at industry events such as the FICCI Banking Summit, India Financial Inclusion Summit, Domestic Credit Rating Agencies Best Practices held at Bangkok by Asian Development Bank and ACRAA, and a FICCI – Ministry of Finance (MoF) event on Urban Local Bodies. In addition, there was extensive media coverage of commentaries on retail asset quality, state finances, liquidity pressures on realty, and credit quality and concentration risk in mutual funds. Commentaries on the outlook for corporate India and non-banking finance companies found mention in domestic and international media. The CRISIL~CNBC Emerging India Awards were held at an event in London attended by Lakshmi Mittal, Chairman, Mittal Steel; Shri Kamal Nath, Minister of Industry and Commerce, Government of India, and senior S&P leaders. More than 300,000 SMEs were evaluated by CRISIL for the event. The CRISIL~CNBC Awaaz Real Estate Awards – a much-awaited event in the real estate space – were also presented this year, with CRISIL evaluating more than 150 nominations.

B. RESEARCH

B.1. CRISIL RESEARCH

HIGHLIGHTS

CRISIL Research continued its strong growth in 2008 in all its traditional businesses, despite challenging market conditions, especially during the latter half of 2008. The relatively new business of IPO grading was particularly affected by depressed equity market conditions.

Momentum on other new products was however maintained, and the new research offerings in areas such as infrastructure, real estate, retail finance, and SMEs elicited excellent market response.

All non-ratings-related activities for mutual funds – namely funds research and fixed income research – were separated from the Ratings division effective January 1, 2008 and consolidated within the ambit of CRISIL Research. This transfer was completed in keeping with CRISIL's effort to take advantage of business synergies in the mutual fund space, and to strengthen the firewall between ratings and non-ratings activities. CRISIL FundServices registered good growth in 2008, supported by a focus on high-value and customised assignments.

BUSINESS ENVIRONMENT

The global meltdown and downturn in the financial markets created a challenging business environment for CRISIL Research during 2008. Despite this, all segments within CRISIL Research, with the exception of IPO grading, achieved strong growth over 2007. IPO grading was directly impacted by the unprecedented collapse of the Indian equity markets, and the consequent decline in the number of companies seeking to target the primary market.

The business environment is expected to remain challenging in 2009 with several companies cutting costs, and the investment environment turning bearish. Continued focus on new products and new client acquisition will help counter the impact of the slowdown. The current environment may also see renewed focus by banks and financial institutions on risk management and portfolio monitoring. CRISIL Research is well positioned to support these needs through standard and customised products.

OPERATIONS

CRISIL Research continued to build on its unique value proposition of macro-micro integrated research, and strengthened its leadership position as an independent research provider. In 2008, CRISIL Research introduced product enhancements to improve customer experience, extended coverage to trending and emerging sectors, and launched special reports of topical interest. The flagship product – Industry

Information Service – continued to do well with fresh subscriptions and renewals from existing customers. In December 2008, a special report was released on the likely impact of the global meltdown on the Indian economy and industries; this report was well received.

An important event in 2008 was the launch of www.crisilresearch.com, an initiative that offers clients access to CRISIL Research reports and updates over the internet, rather than through traditional media such as physical reports or computer discs. This is expected to enhance CRISIL Research's ability to reach out to more clients in both, domestic and the international markets.

Customised research picked up momentum, with mandates from a number of private and public sector clients. Research inputs to support investment decisions and evaluate strategic initiatives were provided to a range of private equity, banking and corporate clients, in diverse areas such as IT/ITES, SEZs, transport infrastructure and alternative fuels.

CRISIL FundServices executed a prestigious assignment for the Employees' Provident Fund Organisation (EPFO), India's largest provident fund to assist in the selection of multiple fund managers. Another key assignment executed was for India's pension regulator – the Pension Fund Regulatory and Development Authority (PFRDA). CRISIL FundServices provided technical assistance and training for a credit rating agency in Southeast Asia for establishing mutual fund evaluation services, and the development of a customised bond valuation tool for The Caribbean Information and Credit Rating Services Limited (CariCRIS). A number of corporate treasuries have also begun sourcing mutual fund research from CRISIL FundServices.

Several new products were launched by extending coverage to more industries and focusing on emerging trends and emerging sectors. These included the real estate outlook report, CityReal(i)ty, for eight cities, the report on growth potential across retail finance products, and a report on risk and opportunities in infrastructure investments. In order to address the under-researched mid-size and growing segments, the Mid-Size and Emerging Segments and Company Research (MESCOR) service was introduced. MESCOR reports provide

a comprehensive overview, in terms of size, composition, structure, growth and potential, of emerging sectors that have historically not enjoyed detailed research coverage.

CRISIL Research continued its outreach initiatives for corporates, banks and other financial sector entities, through a combination of knowledge-sharing tele-investor meets, one-on-one meetings and presentations at industry forums. The focus on enhancing franchise for CRISIL Research and CRISIL FundServices also continued during the year, through commentaries and interviews in media and speaker opportunities at prominent seminars and conferences.

CRISIL FundServices worked closely with Securities and Exchange Board of India (SEBI) and Association of Mutual Funds in India (AMFI) in several initiatives such as refining the approach for valuing fixed income securities, and initiating a new methodology for valuing floating-rate bonds.

Two flagship events – the CNBC TV18~CRISIL Mutual Fund Awards and the annual Post-Budget India Outlook 2008 seminar – continue to attract attention and coverage. The former has now grown to be the premier mutual fund awards in Asia.

B.2. IREVNA

HIGHLIGHTS

Irevna registered strong growth in 2008 despite the turmoil in global financial markets. The addition of several strategic and high-potential clients and the substantial enhancement of business engagement with clients in existing and new verticals contributed to this growth. Irevna also expanded its business development and delivery footprints, consolidating its position in the equity research, derivatives, and credit research verticals, and successfully entering the quantitative research and commodities verticals.

BUSINESS ENVIRONMENT

The turmoil in the global financial markets has resulted in significant changes in the structure and strategies of all financial market participants, the principal client base for Irevna. Most financial

services firms have announced workforce reductions and cost reduction measures. This has slowed Irevna's growth in the last few months of 2008. These conditions are likely to persist over the next few months, with some impact on Irevna's business in the short term. Over the medium to long term, however, the increasing need for deeper, sharper and faster analytics, within reducing budgets, will lead to strong demand for offshoring services.

OPERATIONS

Irevna's operations continued to grow well across all verticals. The recently launched quantitative research vertical also saw good demand from clients and is expected to contribute well to future revenues. A key highlight for 2008 was the addition of several strategic and high-potential clients. Major existing client accounts continued to perform well, with a few growing substantially in existing verticals and others expanding their engagement in new verticals.

Irevna proposes to extend its delivery footprint by setting up a centre in Wroclaw, Poland. The Mumbai SEZ (Special Economic Zone)-based operations have begun serving several key clients. During 2008, Irevna established its business development presence in Asia, and further strengthened it in the UK and USA. Irevna's Japanese-language delivery capabilities are now firmly established, and have received excellent feedback from clients. Irevna's first delivery centre outside India at Buenos Aires continues to progress well.

Irevna continues to attract the best talent in the industry. Being part of the CRISIL group, Irevna is perhaps the only outsourcing partner in the industry that offers content and market-facing career paths for its people through the possibility of internal transfers. This unique proposition enhances its ability to attract and retain talent. Irevna significantly increased its efforts at professional training and development, and invested more than 22000 person-hours across diverse training programmes in 2008.

C. ADVISORY

In 2007, CRISIL's advisory services were transferred to a subsidiary,

CRISIL Risk and Infrastructure Solutions Limited (CRIS) in line with the best practice of fire-walling these operations from Ratings and Research. CRIS houses CRISIL Infrastructure Advisory and CRISIL Risk Solutions. Though these businesses are carried out in a separate subsidiary, a business review is being provided below to present a consolidated view of all of CRISIL businesses.

C.1. CRISIL INFRASTRUCTURE ADVISORY

HIGHLIGHTS

The performance of CRISIL Infrastructure Advisory in 2008 in terms of business developed, billings, and profitability, was much better than in 2007, and in line with plans for 2008. Market conditions in 2009 are likely to be challenging, but a reasonably good order book, dialogues in progress with clients, and the ability to straddle both domestic and international markets, positions CRISIL Infrastructure Advisory well to satisfactorily meet these challenges.

The business executed in 2008 was qualitatively different from the previous years on many counts. International business comprised a much larger percentage – 26 per cent against less than 10 per cent of revenues in 2007, with major assignments from Mauritius, Indonesia, Vietnam, Tanzania and the Kingdom of Saudi Arabia. In 2008, 45 per cent of the business developed was of unit size greater than Rs. 1 crore against less than 5 per cent in 2007.

In the Indian market, the business was increasingly aligned to the flow of investments in the infrastructure space. Engagements involved providing strategic advice and analytical support for investment decisions into infrastructure projects. A strong franchise was created with select developers and private equity funds.

Many of our engagements were on important initiatives for the respective country that they were executed in. Some of these included the development of the largest Public Private Partnership (PPP) project in Mauritius, setting up of an Infrastructure Financing Facility in Southeast Asia, transforming an investment bank into a development finance institution in Africa.

BUSINESS ENVIRONMENT

The global financial meltdown has affected the infrastructure sector with most ongoing projects getting delayed due to difficulties in attaining financial closure, and constrained flows of funds. Infrastructure players have become risk-averse and have adopted a wait-and-watch strategy, until the business environment stabilises. New projects on the drawing board are likely to face challenges in funding. Governments which are a big driver of infrastructure development are likely to slow down projects while the election season gets underway in much of 2009 in India.

The underlying need for creation of better infrastructure in the emerging world, however, remains strong. Reports estimate that aggregate infrastructure sector investments in emerging markets globally till 2020 could be as high as USD 21.7 trillion. Investment flows on this scale would generate numerous opportunities for CRISIL Infrastructure Advisory. Strong franchise developed with overseas clients will help mitigate partly the challenges in the domestic market.

OPERATIONS

During 2008, CRISIL Infrastructure Advisory was reorganised with the separation of business development and delivery functions. The reorganisation has already begun to yield benefits in terms of greater operating efficiency.

During the year, a large number of international engagements were successfully completed. Multilateral work in Indonesia and Vietnam, and with the Asian Development Bank in India, has been well appreciated. There is growing recognition of the value added by CRISIL Infrastructure Advisory on assignments in the emerging markets.

Numerous outreach activities were undertaken in the year including participation in multilateral events. Initiatives included knowledge partnerships and paper presentations at the following seminars: India Electricity 2008, City Gas Distribution and Developing India's Municipal Bond Market. Outreach also included speaking opportunities

in a number of forums to establish the group's thought leadership. Water sector experience was shared at forums in Bangladesh and Egypt, and with the African Development Bank in Tunisia. CRISIL Infrastructure Advisory partnered with Confederation of Indian Industry (CII) in numerous workshops on PPP in urban infrastructure, and was the knowledge partner of CII Southern Region and CNBC for their Power Sector initiative, 'Southern Leap in Power'. These helped to strengthen franchise with target clients.

2009 is expected to be a challenging year. The uncertainty due to the financial sector meltdown and the drying up of funding for infrastructure projects is compounded by impending elections, both at the Centre and in a number of states in India. CRISIL Infrastructure is well equipped to take on these challenges, both, in the domestic and international markets.

C.2. CRISIL RISK SOLUTIONS

HIGHLIGHTS

The performance of CRISIL Risk Solutions (CRS) during 2008 was substantially better than in the previous year. CRS maintained its position as India's leading risk solutions provider - this was also reaffirmed by a recent survey by Indian Banks' Association wherein CRS was listed as the number one risk solutions supplier among six solutions providers (including many global players).

The year also saw CRISIL Risk Solutions undertake many diverse and challenging assignments in both, the consulting and solutions space, and deliver them successfully.

CRS completed the 25th implementation of its flagship product - Risk Assessment Model (RAM) software - in 2008. CRS continues to be the preferred solution provider for Basel II capital computation in India, with the highest number of installations.

BUSINESS ENVIRONMENT

As in 2008, the growth driver in the Indian market for 2009 will be the impending deadline for Indian banks to comply with the Reserve

Bank of India's new capital adequacy norms and related guidelines. CRS also expects to achieve significant sales of product and service offerings in South Asia and Southeast Asia in the year ahead.

OPERATIONS

Significant wins for CRS in 2008 included implementation of CRISIL's suite of proprietary software products – Basel II Capital Assessment Model (CAM), RAM, and CRISIL Operational Risk Evaluator (CORE) – at a renowned bank in Mauritius. Other key wins included implementation of CAM for the Indian operations of an international bank, and implementation of RAM for a mid-sized public sector bank in southern India.

In the consulting space, CRS executed a prestigious mandate to set up an enterprise risk framework for a very large infrastructure finance company in the public sector. CRS also worked closely with Standard & Poor's in jointly delivering risk-related assignments in the Asia-Pacific region.

During the year, the CAM software was redesigned for speedy computation, making it one of the fastest solutions available in the Basel II space, capable of efficiently handling capital computation of banks with large number of transactions or assets.

The endeavour to ensure quality of services and products to maximise client satisfaction was strengthened by obtaining ISO 9001:2000 certification.

C.3. GAS STRATEGIES GROUP

During the year, CRISIL reviewed its strategy in the infrastructure advisory business, and decided to focus on opportunities in India and other emerging markets in line with the flow of investments in the infrastructure sector. In keeping with this philosophy, CRISIL divested 90 per cent of its equity in its UK subsidiary, Gas Strategies Group Ltd (GSG), to the GSG management team. CRISIL now has a 10 per cent shareholding in the company. GSG operates predominantly in the UK and Europe.

A combination of general economic uncertainty and the credit crunch

resulted in a decline in the business performance of the consulting business of GSG. The training, information and subscription business have, however, performed in line with plans.

D. COLLABORATION WITH STANDARD & POOR'S

During the year, there was a significant step-up in activities aimed at closer integration with S&P. GAC continued to contribute substantially to S&P's Global Research Management (GRM) initiative. GAC currently supports over 50 practices and groups that are part of S&P's Credit Market Services (CMS) team across the US, Europe and Asia-Pacific. During 2008, GAC also commenced operations for non-CMS groups within S&P. There was significant interaction with S&P, with almost 10 per cent of the GAC team visiting various S&P offices for training and closer interaction.

All of CRISIL's businesses also increased collaboration with S&P in 2008. CRISIL partnered S&P in a few global assignments, including an International Finance Corporation (IFC) sponsored project – the S&P ESG India Index – as part of a consortium consisting of CRISIL, S&P and KLD Research and Analytics. CRISIL's role in this project was to assist in developing an index of Indian companies based on environmental, social and governance parameters. The efforts culminated into the launch of the S&P ESG India Index in Mumbai on January 29, 2008, generating extensive media coverage and investor interest. CRISIL Research is collaborating on new business initiatives with McGraw-Hill Construction.

CRISIL's market development and communications team supported Standard & Poor's South and Southeast Asia operations during the year, involving communications and stakeholder outreach and market development for S&P's products and services in the region. CRISIL's HR team also provided support to the newly set-up S&P South Asia operations.

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

The activities of the Centre for Economic Research, CRISIL (C-CER), organised around three broad themes – India Macroeconomics, S&P Asia-Pacific Macroeconomics, and Projects – were received with much

appreciation both externally and within the organisation. Through the year, CRISIL was positioned actively in Indian and international media as the expert on the Indian economy.

Key projects in 2008 included IFC-funded projects, GEMLOC-I and GEMLOC-II, that involved the scoring and ranking of emerging economies on 'investability' of their local currency bond markets. Domestic mandates included an assignment from a state government to prepare its memorandum for the XIII Finance Commission. C-CER also participated in CRISIL Infrastructure Advisory's mandate from another state government to develop its vision document, providing macroeconomic forecasts for the state and benchmarking it with a set of countries on several economic and social development indicators. Apart from the initiatives for social responsibility at CRISIL, C-CER was engaged in a CII initiative to assess companies on Corporate Social Responsibility (CSR) sustainability performance as a prelude to an awards presentation.

F. HUMAN RESOURCES

CRISIL continued with an active talent acquisition programme through 2008 despite the market conditions. 754 employees were hired during the year as against 741 in 2007. On a consolidated basis, the total headcount across the CRISIL group of companies increased to 1956 as on December 31, 2008, as against a headcount of 1750 a year before, registering a growth of 12 per cent.

Employer branding was achieved through a host of initiatives. These included media interactions, business school and college interactions, and innovative programmes such as the CRISIL Certified Analyst Programme and the much-sought CRISIL Young Thought Leader competition that promotes thought leadership among young and upcoming leaders. The CRISIL Young Thought Leader competition received responses from 177 students across 61 business schools and 5 graduate colleges.

The CRISIL Certified Analyst Programme (CCAP) completed its first year and was one of the winners of The McGraw-Hill 2008 Corporate Achievement Award. The second CCAP batch (2008-10), with 32

interns, has been inducted into CRISIL.

EMPLOYEE ENGAGEMENT AGENDA

Based on feedback received through the Employee Engagement Survey, three priority areas were identified to maximise employee engagement.

- **Communication:** The survey highlighted a need for better information on organisational developments and opportunities for growth. A comprehensive programme has been implemented to further this agenda.
- **Rewards and Recognition:** A wider and more comprehensive rewards and recognition programme has been launched.
- **Training & Development:** A structured training calendar based on identified key competencies has been launched.

During the year, 62 employees received remuneration of Rs. 2.4 million or more per annum. In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Director's Report. In terms of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to the shareholders excluding this annexure. Any shareholder interested in obtaining a copy of the annexure may write to the Company Secretary at CRISIL's registered office.

G. MARKET DEVELOPMENT & COMMUNICATIONS

The Market Development and Communications (MDC) team supported CRISIL's franchise and outreach efforts by drawing up and implementing a comprehensive strategy for branding and outreach. This entailed fostering and maximising visibility with key stakeholders through a focus on media outreach, stakeholder engagement, collateral and messaging, events, and seminar participation and knowledge partnerships, spanning traditional and online media.

H. INFORMATION TECHNOLOGY

Through 2008, CRISIL's Information Technology (IT) department

continued to implement new solutions and upgrade existing solutions as businesses' needs evolved. Noteworthy efforts included:

- Implementation of solutions that helped the SME Ratings and BLR businesses scale their operations up rapidly
- Launch of a new and dynamic website www.crisilresearch.com, enabling the business to disseminate products to clients online
- Working closely with the operations teams at CRISIL FundServices and CRISIL Risk Solutions to deliver superior IT-assisted solutions of a critical, high-visibility nature

On the security front, a secure access solution was delivered to the SME Ratings, CRISIL Research and CRISIL Infrastructure Advisory businesses. Various information security audits conducted by customers and other compliance requirements were also supported.

I. SUBSIDIARIES

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

J. JOINT VENTURE

INDIA INDEX SERVICES AND PRODUCTS LIMITED

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

In 2008, IISL issued licenses to various clients for issuing debentures based on S&P CNX Nifty Index within India. Further, IISL continued to create customised indices for its clients to meet specific requirements.

IISL also issued licenses to insurance companies in India for issuing products based on S&P CNX Nifty Index.

During 2008, IISL launched S&P CNX Nifty Shariah Index and S&P CNX 500 Shariah Index. IISL is also the index calculating agent for S&P ESG India Index that was launched in early 2008.

NSEIL introduced derivative contracts based on S&P CNX Defty Index during the year 2008.

In 2009, IISL will continue to develop and promote its indices. It is strengthening its client base, understanding clients' changing requirements, and gearing up to develop new global index products.

K. STRATEGIC INVESTMENTS

THE CARIBBEAN INFORMATION AND CREDIT RATING SERVICES LIMITED (CariCRIS)

2008 was another challenging year for CariCRIS, despite the company's continued efforts at ratings concept marketing, franchise building, and diversifying revenues.

Nevertheless, 2008 was a significant year in many respects. The number of ratings in public domain increased to 16 as of December 31 2008, from 7 a year before, reflecting enhanced market acceptance. A key development was the announcement of the first regional-scale rating in the insurance sector and the release of the agency's first public rating in Jamaica, for the largest bank in the country.

The Jamaican capital markets regulator, the Financial Services Commission of Jamaica, formally recognised CariCRIS as a regional credit rating agency, on the basis of a code of conduct for operation of rating agencies established by the regulator.

L. DIRECTORS

The Board of the Company was reconstituted on July 24, 2008.

Mr. R. Ravimohan was appointed Chairman of the Board of CRISIL succeeding Mr. B. V. Bhargava, who continues to serve on the Board.

The Board of Directors appointed Dr. Nachiket Mor, as an Additional Director and he holds the office up to the date of the ensuing Annual General Meeting.

Mr. Deven Sharma and Ms. Vickie Tillman resigned as Directors of the Company with effect from July 24, 2008.

Mr. Michael Petit, alternate to Ms. Vickie Tillman, Mr. Ravinder Singhania, alternate to Mr. Deven Sharma and Mr. Richard Gallagher, alternate to Mr. David Pearce, ceased to hold office as alternate directors on July 24, 2008.

Mr. Ravinder Singhania was appointed alternate director to Mr. Thomas Schiller and Mr. David Pearce.

Your Directors would like to extend their thanks to Mr. B. V. Bhargava for his wise counsel and strong leadership as Chairman of CRISIL since 1999. Your Directors wish to place on record their sincere appreciation of the valuable contribution made by Mr. Deven Sharma, Ms. Vickie Tillman, Mr. Michael Petit and Mr. Richard Gallagher to CRISIL.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1957 Mr. David Pearce and Mr. Thomas Schiller retire by rotation and being eligible, offer themselves for reappointment.

M. AUDITORS

The Statutory Auditors, M/s. S. R. Batliboi & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting. You are requested to consider their reappointment.

Particulars regarding Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Expenditure

The particulars regarding foreign exchange earnings and expenditure appear at item no. 10 and 11 in the Notes to the Accounts. Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

Directors' Responsibility Statement as required under the provisions contained in Section 217(2AA) of the Companies Act, 1956

Your Directors hereby confirm that:

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

R. Ravimohan

Chairman

Mumbai, February 23, 2009

Annexure to the Directors' Report

Management Discussion and Analysis Report

BUSINESS AND INDUSTRY OVERVIEW

CRISIL is India's leading Ratings, Research, Risk and Policy Advisory Company. CRISIL's majority shareholder is Standard & Poor's, a subsidiary of The McGraw-Hill Companies. CRISIL aims to be the most preferred provider of independent, credible and reliable ratings, high-end investment research outsourcing services, research products and services and risk and infrastructure advisory solutions thereby, facilitating more informed decision-making by Indian and global entities in the Indian and other emerging markets that CRISIL seeks to expand into.

The already volatile and uncertain business environment is expected to remain challenging in 2009 with several companies initiating cost cutting measures and the investment environment turning bearish. With the announcement of the Government of India stimulus package, we expect a revival in the domestic bond market in 2009 for funding needs of corporates. While the structured finance market came to a virtual standstill in 2008, as interest rates soften, we expect to see a revival in asset-backed and collateralised debt in the second half of 2009. With the imminent deadline for Basel II in 2010, bank loan ratings will continue to see robust growth. While the current business environment is likely to impact CRISIL's research business, our focus on new products and new client acquisitions will help

offset the impact of the slowdown. In addition, the need for close monitoring of the risk profile of investments and portfolios by banks and financial institutions will result in a renewed interest in CRISIL's research and risk solutions businesses. While Irevna is expected to witness a slowdown in growth in 2009, over the medium to long term, the need for high-quality, cost-effective research will result in a strong demand for Irevna's offshoring services. Although the current environment has resulted in a deceleration in infrastructure projects, the necessity and urgency for improved infrastructure in emerging markets will drive future growth of the infrastructure advisory business. On an overall basis, despite the challenging environment, the diversity in revenue streams and geographies across which CRISIL operates, will stand it in good stead for good performance in 2009.

ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The accompanying financial statements have been prepared in accordance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles and accounting standards prevailing in India. CRISIL's management accepts responsibility for the integrity and objectivity of these financial statements as well as for the various estimates and judgments used therein.

A. FINANCIAL CONDITION

1) FIXED ASSETS

At the end of the year, the Company's investment in fixed assets was as under:

	Dec. 31, 2008 Amt. (Rs. Lakhs)	Dec. 31, 2007 Amt. (Rs. Lakhs)	Growth %
Gross Block	11,502.59	9,509.57	21%
Less : Accumulated Depreciation	6,037.55	5,254.44	15%
Net Block	5,465.04	4,255.13	28%
Add : Capital Work in Progress	403.72	803.85	
Net Fixed Assets	5,868.76	5,058.98	16%
Depreciation as a % of Total Income	2.93%	4.92%	
Accumulated Depreciation as % of Gross Block	52.49%	55.25%	

During the year, the Company purchased assets worth Rs. 2447.10 lakhs and sold assets worth Rs. 454.07 lakhs. The assets acquired were mainly equipments, computers and leasehold improvements to support expansion of business and to provide for replacement of existing assets. The assets sold were mainly computers and furniture which were replaced. The Capital work-in-progress at the end of the year represents advances paid to operationalise new offices. Depreciation as a percentage of revenue was lower at 2.93% as against 4.92% in the previous year and accumulated depreciation as a percentage of the gross block also reduced from 55.25% to 52.49%. The Company estimates that it will be able to fund its investments in fixed assets and infrastructure from its internal accruals and liquid assets. It may, however, take recourse to borrowings to fund such capital expenditure, if considered necessary.

2) INVESTMENTS

During the year, the Company made investment of Rs. 105.02 lakhs in its subsidiary CRISIL Irevna Argentina SA, its Latin America delivery centre for research services provided to overseas clients. The Company

The break-up of debtors relating to various services is as under:

	As on Dec 31, 2008		As on Dec 31, 2007		Change
	Rs. Lakhs	%	Rs. Lakhs	%	
Rating Services	2,382.23	29.66%	1,684.12	24.83%	41%
Research Services	5,649.49	70.34%	5,098.29	75.17%	11%
Total	8,031.72	100.00%	6,782.41	100.00%	18%

The company considers that the outstanding debtors are recoverable. The Company has adequate provision for bad debts.

Loans and advances comprise loans to staff, advances recoverable in cash or kind and sundry deposits. Advances recoverable in cash or kind or for value to be received are mainly towards amounts paid in advance for value and services to be received in future. Sundry deposits represent deposits for premises taken on lease, telephone, electricity and others.

also divested 90 per cent of the equity in its UK subsidiary, Gas Strategies Group Limited to the management team of the company following strategic review of the Infrastructure Advisory business and decision to focus on opportunities in India and other emerging markets aligned with the flow of investments in the infrastructure sector. A provision of Rs. 136.43 lakhs was made for diminution in the value of investment in Caribbean Information and Credit Rating Agency Limited. The Company's short-term surplus funds were invested in money market mutual funds, fixed maturity plans and fixed deposits with banks.

3) CURRENT ASSETS, LOANS AND ADVANCES

Cash and cash equivalents were 5.52% of total assets as at December 31, 2008, as against 6.19% as at December 31, 2007. Sundry debtors were Rs. 8031.72 lakhs as at December 31, 2008, as against Rs. 6782.41 lakhs as at December 31, 2007. Debtors, as a percentage of the total operating revenue, improved from 27% (representing an outstanding of 97 days of operating revenue) to 21% (representing an outstanding of 77 days of operating revenue) during the year, mainly on account of improved collection efforts.

4) CURRENT LIABILITIES & PROVISIONS

Sundry creditors include amounts payable to vendors for supply of goods and services, provision for bonus payable to the staff and commission payable to the Directors. Advances received from clients include fees received for which services have not yet been rendered and unearned revenue at the year-end, which pertain to services to be rendered in the next financial year for which related costs were not yet incurred.

Provision for leave encashment and gratuity represents the Company's liability for leave encashment and gratuity valued on an actuarial basis as per AS 15. The valuation is made as per Projected Unit Credit Method taking into account qualifying salary projected

upto the assumed date of cessation of employment by whatever reason. Proposed dividend represents the dividend recommended to the shareholders by the Board of Directors, which would be paid after the Annual General Meeting upon approval by the shareholders.

B. RESULTS OF OPERATIONS

The summary of the operating performance for the year is given below.

Results of Operations

Rs. Lakhs

Particulars	12 Months Ended		12 Months Ended		Growth %
	Dec-08	%	Dec-07	%	
Income from Operations	37,835.37	93.68%	25,532.28	94.26%	48%
Other Income	2,553.66	6.32%	1,555.73	5.74%	64%
Total Income	40,389.03	100.00%	27,088.01	100.00%	49%
Expenses					
Staff Expenses	13,268.23	32.85%	10,104.59	37.30%	31%
Establishment Expenses	4,228.36	10.47%	2,778.11	10.26%	52%
Other Expenses	4,195.73	10.39%	3,724.08	13.75%	13%
Depreciation	1,184.38	2.93%	1,333.87	4.92%	-11%
Operating Expenses	22,876.70	56.64%	17,940.65	66.23%	28%
Profit before Tax	17,512.33	43.36%	9,147.36	33.77%	91%
Provision for Taxation	3,774.52	9.35%	2,080.28	7.68%	81%
Profit after Tax	13,737.81	34.01%	7,067.08	26.09%	94%

During the year, operating income grew by 48% and operating expenses by 28% over the previous year. The net profit grew by 94% and profit margins also improved from 26% to 34%. The composition and growth of income from various businesses was as under:

Rs. Lakhs

Particulars	12 Months Ended		12 Months Ended		Growth %
	Dec-08	%	Dec-07	%	
Rating Services	18,877.53	49.89%	13,007.84	50.95%	45%
Advisory Services	-	0.00%	876.88	3.43%	-
Research Services	18,957.84	50.11%	11,647.56	45.62%	63%
Income from Operations	37,835.37	100.00%	25,532.28	100.00%	48%

During the year, rating income grew by 45% mainly driven by growth in bank loan and corporate ratings. As at December 31, 2008, CRISIL had bank loan ratings outstanding on 860 entities as compared to 15 entities as at December 31, 2007. The advisory business was transferred to the wholly-owned subsidiary of the Company, in the previous year. The research income grew by 63% on account of

growth in Irevna Research and CRISIL Research divisions and due to the fact that previous year numbers include Irevna Research income only for 9 months because of merger of Irevna Research Services Limited with the Company.

The composition and growth of expenses during the year is as under:

Rs. Lakhs

Particulars	12 Months Ended		12 Months Ended		Growth %
	Dec-08	%	Dec-07	%	
Staff Expenses	13,268.23	32.85%	10,104.59	37.30%	31%
Establishment Expenses	4,228.36	10.47%	2,778.11	10.26%	52%
Other Expenses	4,195.73	10.39%	3,724.08	13.75%	13%
Depreciation	1,184.38	2.93%	1,333.87	4.92%	-11%
Total Expenses	22,876.70	56.64%	17,940.65	66.23%	28%
Revenues	40,389.03	100.00%	27,088.01	100.00%	49%

During the year, staff expenses increased by 31% due to increase in salaries and net addition of 212 employees. Establishment expenses were higher due to operationalisation of new offices during the year. The revenue and profit per employee were higher at Rs. 23.31 lakhs and Rs. 7.93 lakhs respectively. The Company would continue its efforts to improve upon this through business process re-engineering

and effective use of technology. The key challenge for the Company is to retain and re-skill people in line with fast-changing organisational goals in the context of globalisation and competition. The Company constantly strives to make its salary structure competitive in the market to attract and retain talent. Revenues and profits per employee for the last five years are as under:

Year ended	Dec-08	Dec-07	Dec-06	Dec-05	Mar-05
				9 Months	
Number of Employees	1733	1521	814	546	389
Revenue per employee (Rs. Lakhs)	23.31	17.81	19.25	15.57	23.58
Net Profit per Employee (Rs. Lakhs)	7.93	4.65	4.59	3.21	5.70

INTEREST

The Company continued to be debt-free during the year and therefore, did not incur any interest expense.

C. RISK MANAGEMENT

CRISIL faces the following types of risks in its business operations:

1) BUSINESS RISKS

Over the years, to mitigate the risk arising out of high dependence on ratings business, the Company has adopted a strategy of launching new products/services, globalising its operations and diversifying into non-ratings businesses. The strategy has yielded good results and non-ratings businesses have been making steady

progress with the result that the Company currently has well diversified stream of revenues. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company actively attempts to diversify its client base and industry segments. The Company continuously strives to add value to its clients by providing superior quality service and maintaining strong franchise with investors and end-users of its services, to mitigate the risk arising from price competition. High repeat business from large clients, however, contributes significantly to the Company's revenues. CRISIL's Centres of Excellence and the product quality assurance wings assist in designing and refining methodologies and facilitate knowledge accumulation and dissemination. This is aimed at improving the predictive capability of CRISIL's ratings, opinions and advice to guard its credibility in the market place. Competition in the talent market challenges the Company's ability to retain and re-skill people in line with fast-changing and highly competitive business environment and globalisation. To address this risk, the Company continues its efforts to provide its staff regular training and challenging job opportunities within the group and to make its salary structure merit based and competitive in the market to attract and retain talent. The risk of disruption to its business operations is also minimised through business process re-engineering and effective use of technology. With increased proportion of revenues now being in foreign currencies, the risk of variation in the currency rates for exported services is now increasing. The Company proposes to address this through appropriate hedging mechanisms on need basis.

2) FINANCIAL RISKS

CRISIL has been a debt-free Company since its date of incorporation. The Company has followed the strategy of funding all its expansion, diversification and infrastructure-related expenditure through internal accruals.

3) LEGAL & STATUTORY RISKS

The Company has no material litigation in relation to contractual

obligations pending against it in any court in India or abroad. The Company Secretary functions as a Compliance Officer to advise the Company on compliance issues with various laws in the country and ensures that the Company does not violate the same. The Compliance Officer reports on the compliance or otherwise of the laws of various jurisdictions at every Board meeting. The Company also seeks independent legal advice wherever needed.

4) TECHNOLOGY-RELATED RISKS

The Company uses information technology extensively for its business. All technology services are provided through laid-down policies and processes. These processes allow information access to personnel within the company based on identified roles. A systems audit is carried out regularly to ensure that the policies and processes are satisfactory and in line with internationally-accepted practices. The Company's business processes are automated through a customised business application which captures and maintains information regarding business processes thus protecting its knowledge base. The technology used throughout the Company at all locations provides for redundancy. There is also a disaster recovery solution in place. The Company also possesses intellectual property rights for all the business critical software in use. The technology department keeps continuously abreast of the technology changes and suitably undertakes projects for technology upgradation to keep the technology infrastructure current.

5) AUDIT AND INTERNAL CONTROLS

CRISIL has well-established processes and clearly defined roles and responsibilities for people at various levels. This, coupled with adequate internal information systems embedded in business automation software, ensures proper information flow for the decision-making process. Adherence to these processes is ensured through frequent internal audits. The Executive Committee monitors business operations through regular reviews of performance vis-à-vis budgets. An extensive programme of internal audit conducted by an independent firm, reviews by the Audit Committee and requisite

guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information. These procedures ensure that all transactions are properly reported and classified in the financial records.

6) POLICY RISKS

Significant portion of the Company's revenues come from rating services, which depend on several factors including regulatory policy. The Reserve Bank of India has mandated the usage of ratings from approved rating agencies by Indian banks for calculating their capital requirements under the standardised approach for Basel II. At present, ratings are mandatory for all public offerings of debentures except where the conversion or redemption is within 18 months. Ratings are also mandatory for all commercial paper issuances. The present Government policy is directed towards meeting investment requirements through resource mobilisation from the capital markets. However, to mitigate the risk of dependence on mandated business, the Company has continued to pursue its strategy of diversification,

globalising its operations and building a strong franchise with investors by holding investor meets and seminars for improving transparency around ratings/rating methodologies and showcasing the utility and benefits of ratings.

The above discussion contains forward-looking statements, which may be identified by their use of words like plans, expects, will, anticipates, intends, all statements that address expectation and projection about the future including but not limited to statements about the Company's strategy for growth, product development, market development, market position, expenditure and financial results. These forward-looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual result or performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend any forward-looking statements, on the basis of any subsequent developments, information or events.

Auditors' Certificate

For Corporate Governance

To the Members of CRISIL LIMITED

We have examined the compliance of conditions of Corporate Governance by CRISIL LIMITED for the year ended 31st December, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. R. Batliboi & Co.,
Chartered Accountants

per Shrawan Jalan
Partner

Membership No.: 102102

MUMBAI, February 23, 2009

CHIEF EXECUTIVE OFFICER'S DECLARATION

To the Members of CRISIL Limited

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

For CRISIL Limited

Roopa Kudva
Managing Director & Chief Executive Officer

February 23, 2009

Report of the Directors on

Corporate Governance

CRISIL has been practicing the principles of good corporate governance over the years. The Company has adopted best practices for corporate governance, disclosure standards and enhancing shareholder value while protecting the interests of other stakeholders, clients, suppliers and its employees.

The Directors present below the Company's policies and practices on corporate governance.

BOARD OF DIRECTORS:

SIZE AND COMPOSITION OF THE BOARD:

The Board of Directors has eight members. The Board comprises of four independent Directors. As per the Articles of Association of the Company, the Board can have up to 15 members. The Company has one alternate Director. The Company does not have any nominee Director. The Chairman is a non-executive Director. Mr. B. V. Bhargava, Mr. H. N. Sinor, Ms. Rama Bijapurkar and Dr. Nachiket Mor are the Independent Directors on the Board of the Company.

MEMBERSHIP TERM:

As per the Articles of Association of the Company, at least two-thirds of the Board of Directors should be retiring Directors. One-third of these Directors are required to retire every year and if eligible, the retiring Directors qualify for re-appointment. The Board has adopted the following guidelines regarding the appointment and tenure of a non-whole time Director on the Board.

1. No Director should generally hold directorships in more than 10 Indian public limited companies.
2. Every Director is expected to attend at least 60% of the Board meetings held in a year. While re-appointing Directors on the Board and Committees of the Board, the contribution and attendance record of the concerned Director should be considered.
3. Any Director, who has been on CRISIL's Board for more than 10

years, should not normally continue to hold office as a Director of CRISIL. The change of Directors on the Board of CRISIL, if carried, would be so accomplished that at no point of time, the average term of the members on the Board is reduced unreasonably.

Whole-time Directors are appointed by the shareholders for a maximum period of five years but can be re-appointed on completion of their term, if eligible.

CRITERIA FOR BOARD MEMBERSHIP:

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. The Board comprises of individuals with personal characteristics and core competencies such as the recognition of the importance of the Board's tasks, integrity, sense of accountability and track record of achievements. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company.

None of the Directors is a relative of a whole-time Director or of an independent Director and is expected not to serve any independent or executive position in any Company that is a direct competitor. None of the non whole-time Directors of the Company have any pecuniary relationships or transactions with the Company. Whole-time Directors are excluded from serving on the Board of any other entity unless the said entity is an entity whose interests are germane to the business of the Company.

SUCCESSION POLICY:

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute. Whole-time Directors are appointed by the shareholders for a maximum period of five years at one time but are eligible for re-appointment upon completion of their term. Non whole-time Directors do not have any term but retire by rotation as per the law.

The Board has adopted a retirement policy for its members. Under this policy, any Director, who has been on CRISIL's Board for more than 10 years, should not normally continue to hold the office as a Director of CRISIL subject to balancing the need for continuity. The maximum age of retirement of whole-time Directors is 58 years, which is the age of superannuation for the employees of the Company.

MEMBERSHIPS OF OTHER BOARDS:

Independent Directors are not expected to serve on the Boards of competing Companies. No Director of the Company is a member of more than ten committees or act as Chairman of more than five committees across all Indian public limited companies in which he/she is a Director. Furthermore, every Director informs the Company about the committee positions he/she occupies in other companies and notifies the changes as and when they take place. The details of other directorships held by the Company's Directors in public limited companies and their shareholdings are given below:

Name of the Director	Memberships on other Boards	Committee Memberships
B. V. Bhargava	Excel Crop Care Limited	Chairman, Audit Committee and Member, Remuneration Committee
	Grasim Industries Limited	Chairman, Audit Committee and Member, Finance Committee
	ICICI Lombard General Insurance Co. Limited	–
	J. K. Lakshmi Cement Limited	Chairman, Audit Committee
	National Commodity & Derivatives Exchange Limited	Member, Audit Committee and Nomination Committee
	Raymonds Limited	Member, Audit Committee and Remuneration Committee
	SI Group – India Limited	Member, Audit Committee and Shareholders Grievance Committee
	Supreme Industries Limited	Member, Remuneration Committee
	L&T Infrastructure Finance Company Limited	Chairman, Investment and Credit Committee
	Grasim Bhiwani Textiles Limited	Chairman, Audit Committee
H. N. Sinor	3i Infotech Limited	Chairman, Board Governance Committee and Shareholder's Grievances Committee
	ICICI Venture Funds Management Co. Limited	Member, Audit Committee and Remuneration Committee
	ICICI Prudential Asset Management Co. Limited	–
	ICICI Lombard General Insurance Co. Limited	Member, Audit Committee and Remuneration Committee
	Tata Investment Corporation Limited	Member, Audit Committee
	Tata Motors Finance Limited	Chairman, Remuneration Committee
	Themis Medicare Limited	Chairman, Audit Committee and Remuneration Committee
	Tata Capital Limited	Member, Audit Committee and Chairman, Remuneration Committee
	Sahara India Financial Corporation Limited	Member, Audit Committee
	Zoroastrian Co-operative Bank Limited	Chairman, Audit Committee
	India Strategic Assets Fund Limited, Guernsey	–

Rama Bijapurkar	Infosys Technologies Limited	Chairperson, Investor Grievance Committee and Member, Risk Identification and Mitigation Committee
	Godrej Consumer Products Limited	Member, Compensation Committee and Chairperson, Nominations and Human Resources Committee
	Axis Bank Limited	Member, Remuneration and Nomination Committee
	Mahindra Holidays Et Resorts India Limited	Chairperson, Remuneration Committee and Member, Audit Committee
	Mahindra Et Mahindra Financial Services Limited	Member, Audit Committee and Risk Management Committee
	ICICI Prudential Life Insurance Company Limited	Chairperson, Board Nomination & Compensation Committee
	Bharat Petroleum Corporation Limited	–
	CRISIL Risk and Infrastructure Solutions Limited	–
Nachiket Mor	IndiaMart InterMESH Limited	–
	RUDI Multi Trading Company Limited	–
	Financial Information Network and Operations Limited	–
Thomas Schiller	CRISIL Risk and Infrastructure Solutions Limited	–
David Pearce	–	–
R. Ravimohan	CRISIL Credit Information Services Limited	–
	CRISIL Risk and Infrastructure Solutions Limited	–
	India Index Services Et Products Limited	–
	Irevna Limited (UK)	–
	Irevna LLC (US)	–
	National Commodity Et Derivatives Exchange Limited	–
	Whistling Woods Intl. Foundation	–
Ravinder Singhania (Alternate Director)	Assets Care Enterprise Limited	Member, Audit Committee
	Unitech Limited	Member, Audit Committee
Roopa Kudva	CRISIL Credit Information Services Limited	–
	Irevna Limited (UK)	–
	Irevna LLC (US)	–
	India Index Services Et Products Limited	–
	CRISIL Irevna Poland Sp.Z.o.o	–

DETAILS OF SHAREHOLDINGS OF DIRECTORS AS ON DECEMBER 31, 2008

Name of the Director	No. of shares held
B. V. Bhargava	-
H. N. Sinor	-
Rama Bijapurkar	-
Nachiket Mor	-
Thomas Schiller	-
David Pearce	-
R. Ravimohan	30000
Ravinder Singhanian, Alternate Director	-
Roopa Kudva, MD & CEO	24000

RESPONSIBILITIES:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every three months to review the Company's operations and the maximum time gap between any two meetings is

not more than four months. During the year ended December 31, 2008, the Board met four times on 18.02.2008, 23.04.2008, 24.07.2008 and 24.10.2008. Most Board meetings were well-attended as shown below. The agenda of Board meeting is sent to all the Directors well in advance and contains all the relevant information. The Company has an Executive Committee comprising of the Managing Director and a team of senior management personnel with proper demarcation of responsibilities and authority. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions. Mr. Hemant Joshi heads the infrastructure advisory and risk solutions business which is carried on by the wholly owned subsidiary. Mr. Raman Uberoi heads domestic ratings business, Mr. G. V. Mani heads the offshoring business, Mr. S. Venkataraman heads the research business and Mr. Arun Panicker oversees operations.

Name of the Directors	No. of Board meetings held	No. of Board meetings attended	Last Annual General Meeting attendance
B. V. Bhargava	4	4	Yes
H. N. Sinor	4	4	Yes
Rama Bijapurkar	4	4	Yes
Nachiket Mor*	4	2	NA
Thomas Schiller	4	4	Yes
Deven Sharma**(alternate Ravinder Singhanian)	4	2	No
Vickie Tillman**(alternate Michael Petit)	4	2	Yes
David Pearce	4	4	Yes
R. Ravimohan	4	4	Yes
Roopa Kudva	4	4	Yes

* appointed as a Director with effect from 24.07.2008

** ceased to be a Director with effect from 24.07.2008

There were no personal transactions by the Directors involving a conflict of interest with the Company. The Company has a Code of Ethics and Personal Trading Policy for Directors and employees. The Code of Ethics contains policies on confidentiality, gifts and favours and false and misleading information or disclosures. The Personal Trading Policy contains regulations, policies, procedures and restrictions relating to personal investments by the Directors and employees. The policy also prohibits trading in securities of any foreign and Indian listed company on the basis of unpublished price-sensitive information.

REMUNERATION POLICY:

1) REMUNERATION TO NON WHOLE-TIME DIRECTORS:

Non whole-time Directors are paid sitting fees for each meeting of the Board or its Committee attended by them and are also eligible for commission. The commission payable to each of the non whole-time Directors is limited to a fixed sum per year as determined by the Board and is revised from time to time, depending on individual contribution, the Company's performance and the prevailing norms. The members of the Company at the meeting held on April 27, 2007 had authorised payment of commission to the non whole-time Directors upto 3% of the net profits of the Company determined in accordance with the provisions of the section 198, 349 and 350 of the Companies Act, 1956 subject to the approval of the Central Government. The Company has received the approval of the Central Government to pay remuneration not exceeding 3% of the net profits to the non whole-time Directors for a period of five years with effect from January 01, 2008.

2) WHOLE-TIME DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY:

The remuneration and reward structure for the whole-time Directors and employees comprises two broad components – short-term remuneration and long-term rewards. The Compensation Committee, comprising of two independent Directors, determines the

remuneration of the whole-time directors and determines guidelines for remuneration payable to the employees. These guidelines are as under:

A) ANNUAL REMUNERATION:

Annual remuneration refers to the annual compensation payable to whole-time directors and employees of the Company. This comprises of two parts, a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives. Every employee signs a performance contract, which clearly articulates the key performance measures for that particular defined role. The performance linked variable pay is directly linked to the performance on individual components of the performance contract. An employee's variable pay is, therefore, directly dependent on key performance measures that represent the best interests of the shareholders.

Total remuneration is set at levels to attract, motivate and retain high calibre and high potential personnel within a competitive global market. Total remuneration level is reset annually based on a comparison with the relevant peer group in the Indian market established through an independent compensation survey. In addition to the above, business unit performance linked incentives are payable in the event of the business unit performing better than budgeted levels. The remuneration levels and the performance contracts are finalised under the overall supervision, guidance and approval of the Compensation Committee.

B) LONG-TERM REWARDS:

Long-term rewards primarily comprise of a Long Term Incentive Plan, under which incentives are granted to eligible key employees based on their contribution to the profitability of the company, relative position in the organisation, length of service etc. The Plan is supervised by the Compensation Committee. Non whole-time Directors are not eligible for participating in the Plan.

SITTING FEES AND COMMISSION PAID TO NON WHOLE-TIME DIRECTORS (IN RUPEES)

Name of the Director	Sitting Fees	Commission	Total
B. V. Bhargava	280,000	1,728,000	2,008,000
H. N. Sinor	160,000	1,584,000	1,744,000
Rama Bijapurkar	100,000	1,584,000	1,684,000
Nachiket Mor*	60,000	660,000	720,000
Deven Sharma (alternate Ravinder Singhania)**	40,000	504,000	544,000
Vickie Tillman (alternate Michael Petit)**	40,000	504,000	544,000
Thomas Schiller	200,000	864,000	1,064,000
David Pearce	160,000	864,000	1,024,000
R. Ravimohan	120,000	1,728,000	1,848,000
Total	1,160,000	10,020,000	11,180,000

* appointed as a Director with effect from 24.07.2008

** ceased to be a Director with effect from 24.07.2008

REMUNERATION PAID TO WHOLE-TIME DIRECTOR FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. Lakhs)	
Name	Roopa Kudva
Salary	96.05
Perquisites	3.97
Commission	95.90
Provident Fund & Gratuity	3.33
Appointment valid till	July 27, 2012
Notice period	3 months

DIVIDEND POLICY:

CRISIL believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth and also as a means to meet any unforeseen contingency. CRISIL is also conscious of maintaining stability in its dividend payout over the years. From the current year,

CRISIL has commenced the practice of paying out dividend on a quarterly basis.

BOARD COMMITTEES

The Board has constituted committees consisting of whole-time and non whole-time Directors to focus on the critical functions of the Company.

RATING COMMITTEE:

The Rating Committee comprises of one non whole-time Director—Mr. B. V. Bhargava (Chairman) and one whole-time Director Ms. Roopa Kudva and other senior personnel of the Ratings Division. The Committee takes decisions on new ratings and existing rating reviews, approves new products, criteria and parameters. The Committee meets regularly.

AUDIT COMMITTEE:

Audit Committee comprises of four non-executive Directors who are well-versed with corporate laws. Mr. H. N. Sinor is the Chairman

of the Audit Committee. Mr. B. V. Bhargava, Dr. Nachiket Mor and Mr. David Pearce are the other members of the audit committee. Dr. Nachiket Mor was appointed as member on the audit committee with effect from 24.07.2008. The Chairman of the Audit Committee remains present at the Annual General Meeting. The external and internal auditors of the Company are invited to attend the Audit Committee meetings to brief members. The Company Secretary is the secretary of the committee. The Audit Committee met four times during the year on 18.02.2008, 23.04.2008, 24.07.2008 and 24.10.2008.

Director	No. of committee meetings held	No. of committee meetings attended
H. N. Sinor	4	4
B. V. Bhargava	4	4
Dr. Nachiket Mor*	4	1
David Pearce	4	4

* appointed as member with effect from 24.07.2008

The terms of reference for the Audit Committee are as follows–

1. Overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements.
2. Recommendation of the appointment and removal of statutory auditors and fixation of their remuneration and approving their payment for any other services rendered by them.
3. Reviewing of the quarterly and annual financial statements before submission to the Board.
4. Reviewing the adequacy of the internal control systems.
5. Reviewing the adequacy of the internal audit functions, discussing any significant findings and follow thereon.
6. Discussing on the nature and scope of audit with the statutory auditors.
7. Reviewing the financial and risk management policies.

8. Examination of reasons for substantial defaults, if any, in payment to stakeholders.
9. Providing direction to the internal audit functions and monitors the quality of internal and statutory audit.
10. Review the functioning of the Whistle Blower mechanism.

The composition, procedures, role, powers and the terms of reference of the Audit Committee are as stipulated in section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

INVESTMENT COMMITTEE:

The Investment Committee comprises of three non-executive Directors – Mr. R. Ravimohan (Chairman), Mr. B. V. Bhargava, Mr. Thomas Schiller and one executive Director, Ms. Roopa Kudva. Mr. R. Ravimohan was appointed as Chairman with effect from 24.07.2008. The Investment Committee lays down policy guidelines and procedures for investing the Company's funds and reviews this activity at regular intervals. The Investment Committee met once during the year on 24.10.2008

Director	No. of committee meetings held	No. of committee meetings attended
R. Ravimohan*	1	1
B. V. Bhargava	1	1
Thomas Schiller	1	1
Roopa Kudva	1	1

* appointed as a member with effect from 24.07.2008

INVESTORS GRIEVANCE COMMITTEE:

The Investors Grievance Committee comprises of two non-executive Directors, Mr. B. V. Bhargava (Chairman), Mr. Thomas Schiller and one executive Director, Ms. Roopa Kudva. The committee periodically reviews the status of investor grievances and redressal of the same. The Committee met four times during the year on 18.02.2008, 23.04.2008, 24.07.2008 and 24.10.2008.

Director	No. of committee meetings held	No. of committee meetings attended
B. V. Bhargava	4	4
Thomas Schiller	4	4
Roopa Kudva	4	4

COMPENSATION COMMITTEE:

The Compensation Committee comprises of four non-executive Directors, Mr. B. V. Bhargava (Chairman), Ms. Rama Bijapurkar, Mr. Thomas Schiller, and Mr. R. Ravimohan. The Chairman of the Compensation Committee was present at the Annual General Meeting held on April 23, 2008. The Committee ensures that a proper system of compensation exists to provide performance-based compensation to all employees of the Company. The Committee considers and approves salary, commission and other emoluments payable to the whole-time Directors and employees of the Company. The annual compensation of the whole-time Directors is determined by the Compensation Committee within the limits set by the shareholders at the general meeting. It also recommends to the Board, the remuneration payable to non whole-time Directors within the limits laid down by the shareholders at the general meeting and in accordance with other applicable laws. The Committee met once during the year on 18.02.2008.

Director	No. of committee meetings held	No. of committee meetings attended
B. V. Bhargava	1	1
Rama Bijapurkar	1	1
Thomas Schiller	1	1
R. Ravimohan	1	1
Deven Sharma*	1	-

* ceased to be a Director with effect from 24.07.2008

ALLOTMENT COMMITTEE:

The Allotment Committee has been formed to complete the formalities prescribed under the Companies Act, 1956 relating to allotment of shares and to authorise officials of the Company to file forms

and returns with regulatory authorities. The Allotment Committee comprises of two non-executive Directors, Dr. Nachiket Mor, as its Chairman, Ms. Rama Bijapurkar and one executive Director, Ms. Roopa Kudva. Dr. Nachiket Mor was appointed as a chairman of the Allotment Committee with effect from 24.07.2008 in place of Mr. B.V. Bhargava. No allotment committee meeting was held during the year as no shares were allotted during the year.

SHAREHOLDERS

MEANS OF COMMUNICATION

1. Half-Yearly Newsletter: The Company sends a half-yearly newsletter giving details of the Company's financial performance including a summary of significant events in the last six months to the shareholders.
2. Quarter and Annual financial results are published in the leading national and regional newspapers and displayed on the Company's website.
3. Quarter and Annual Results, Shareholding Pattern and Annual Report are posted on SEBI's EDIFAR website.
4. News Releases, Press Releases and presentations made to investors and analysts are displayed on the Company's website.
5. Annual Report is circulated to all the members and is also available on the Company's website.

The Management Discussion and Analysis Report form a part of the Annual Report.

In case of appointment or re-appointment of a Director, members are provided a brief resume of the Director, the nature of his/her expertise in specific functional areas, the names of the Companies in which he/she holds directorship and membership of Committees of the Board.

GRIEVANCE REDRESSAL

The Board has formed an Investor Grievance Committee to review and redress the complaints received from shareholders. The Committee

meets periodically to consider the status of the investor grievances received and redressed along with the ageing schedules of pending complaints. The Board has authorised Mr. Rajesh Patel, Director–Finance & Compliance and Mr. Shrikant Dev, Company Secretary, to approve the transfer and transmission of shares.

A secretarial audit is conducted by an independent practising company secretary on quarterly basis to confirm reconciliation of the issued and listed capital, dematerialised capital and status of the

register of members.

The Auditors' Certificate of Corporate Governance is annexed with the Directors' Report and will be sent to the stock exchange at the time of filing the annual returns of the Company.

GENERAL BODY MEETINGS:

The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue
Nineteenth Annual General Meeting	April 12, 2006 at 3.30 p.m.	Convention Hall, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.
Twentieth Annual General Meeting	April 27, 2007 at 3.30 p.m.	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, Fort, Mumbai – 400001.
Twenty First Annual General Meeting	April 23, 2008 at 3.30 p.m.	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, Fort, Mumbai – 400001.

Special Resolutions passed at the last three general body meetings were as under:

AT THE NINETEENTH ANNUAL GENERAL MEETING HELD ON APRIL 12, 2006

- Nil

AT THE TWENTIETH ANNUAL GENERAL MEETING HELD ON APRIL 27, 2007

- Payment of remuneration by way of commission not exceeding three per cent per annum of the net profits to be paid to all Non Whole–time Directors for a period of five years from January 01, 2008

AT THE TWENTY FIRST ANNUAL GENERAL MEETING HELD ON APRIL 23, 2008

- Nil

POSTAL BALLOT SYSTEM:

The Central Government has notified the Companies (Passing of Resolution by Postal Ballot) Rules 2001, which lays down the businesses required to be passed by postal ballot. There was no business during the year which was required to be passed by postal ballot.

DISCLOSURES

During the year, there were no material related–party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. Other related–party transactions are mentioned in the notes to the accounts.

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has also complied with the non-mandatory requirements relating publication of half yearly results, having unqualified financial statements, having a Whistle Blower Policy and also has a mechanism for evaluating non-executive Board members.

CRISIL-CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors of CRISIL has adopted the Code of Conduct for Senior Management and the same is available on the website of the Company.

WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy. All the employees of the Company are free to report violations of laws, rules, regulations or unethical conduct to Audit Committee under this policy. There has been no instance of any employees acting under this policy.

CRISIL Group Ten Year Highlights

Rs. Lakhs

Year ended	Dec-08	Dec-07	Dec-06	Dec-05 9 Months	Mar-05	Mar-04	Mar-03	Mar-02	Mar-01	Mar-00
Revenues	53,618.47	41,349.28	29,403.05	14,258.57	12,205.96	8,968.15	7,624.82	7,105.63	5,163.99	4,033.06
PBDT	20,068.77	12,632.78	8,730.81	4,100.91	3,738.13	3,473.83	3,446.25	3,500.87	1,723.40	2,216.47
EPS (Rs.)	194.57	117.79	87.78	35.45	31.34	30.88	26.80	18.69	14.43	20.83
Market Capitalisation	177,338	266,314	152,123	100,835	43,785	31,153	15,834	19,639	7,440	24,800
Number of employees	1,956	1,750	1,484	1,081	638	496	394	370	368	202
Net Worth	35,751.28	27,644.39	18,890.49	13,187.09	10,498.44	9,208.85	7,854.24	6,838.17	6,467.08	5,938.91
Net worth per share (Rs.)	494.83	382.62	279.63	200.32	164.93	146.32	125.80	110.29	104.31	95.79
Dividend %	700	250	150	100	125	100	100	65	55	55
PBT	18,704.54	11,063.54	8,022.17	3,554.15	3,136.53	2,805.31	2,680.86	2,720.77	1,274.66	1,922.63
Revenue per Employee	27.41	23.63	19.81	13.19	19.13	18.08	19.35	19.20	14.03	19.97
Gross profit per employee	9.56	6.32	5.41	3.29	4.92	5.66	6.80	7.35	3.46	9.52

General Information

for Members

1. Annual General Meeting :
 - Date and Time : April 28, 2009 at 3.30 p.m.
 - Venue : Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021

2. Calendar for Financial Reporting for the :
 - First Quarter ending March 31, 2009 : Tuesday, April 28, 2009
 - Second Quarter ending June 30, 2009 : Friday, July 24, 2009
 - Third Quarter ending September 30, 2009 : Thursday, October 29, 2009
 - Year Ending December 31, 2009 : End of February, 2010
 - Newspaper where the results are published : Business Standard and Sakal
 - Site where the financial results, shareholding pattern, annual report etc. are uploaded : www.crisil.com and www.sebi.gov.in

3. Proposed Dividend : Rs. 35 per share having nominal value of Rs. 10 each

4. Dates of Book Closure : Tuesday, March 24, 2009 to Wednesday, March 25, 2009 (both days inclusive)

5. Dividend Payment Date : Before May 27, 2009
(if dividend payment is approved at the Annual General Meeting).

6. Listing Details : The shares of the Company are listed on:
 - National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.
 - Bombay Stock Exchange Limited (BSE) Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001.

The Company has paid listing fees at both the exchanges and has complied with the listing requirements.

7. Stock Code : National Stock Exchange of India Limited (NSE) – CRISIL
Bombay Stock Exchange Limited (BSE) – 500092.
ISIN Number: INE007A01017

8. Registrars and Share Transfer Agents : Karvy Computershare Private Limited
Karvy House, 21, Avenue – 4, Plot No.17 to 24, Near Image Hospital,
Vittalrao Nagar, Madhapur, Hyderabad-500 081.
Phone No. 040-23420818-828
Fax. No. 040-23420814
9. Compliance Officer : Mr. Shrikant Dev,
Company Secretary
CRISIL House,
121/122, Andheri Kurla Road, Andheri (East), Mumbai – 400 093.
Phone: 022-66913001-09
Fax: 022-66913228
10. Depository System : Currently, 99.53% of the Company's Share Capital is held in
dematerialised form. For any assistance in converting physical shares
in electronic form, investors may approach Karvy Computershare
Private Limited or Mr. Shrikant Dev, Compliance Officer, at the
addresses given above.
11. Electronic Clearing Service (ECS) : The Company has extended the ECS facility to shareholders to enable
them to receive dividend through electronic mode in their bank
account. The Company encourages members to avail of this facility
as ECS provides adequate protection against fraudulent interception
and encashment of dividend warrants, apart from eliminating loss/
damage of dividend warrants in transit and correspondence with the
Company on revalidation/issuance of duplicate dividend warrants.
12. Bank Details for Electronic Shareholding : Members are requested to notify their Depository Participant (DP)
about the changes in the bank details. Members are requested to
furnish complete details of their bank accounts including the MICR
codes of their banks to their DPs.
13. Furnish Copies of Permanent Account Number (PAN) : The members are requested to furnish their PAN which will help us to
strengthen compliance with KYC norms and provisions of Prevention
of Money Laundering Act, 2002.
14. Investor Complaints to be addressed to : Registrars and Share Transfer Agents or to Mr. Shrikant Dev,
Compliance Officer, at the above mentioned address.
15. Email ID of Grievance Redressal Division : investors@crisil.com

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2008

Sr. No	Category	No. of shares held	% Holding
1	Group Holding of the The McGraw–Hill Companies		
	a) Standard & Poor's International LLC, USA	600,000	8.30
	b) S&P India LLC, USA	3,120,948	43.20
2	Individuals	1,423,503	19.70
3	FII's	713,186	9.87
4	Banks and Insurance Companies	695,886	9.63
5	Mutual Funds/UTI	502,291	6.95
6	Bodies Corporate	146,644	2.03
7	NRIs	22,542	0.32
	Total	7,225,000	100.00

MEMBERS HOLDING MORE THAN 1% OF THE PAID-UP SHARE CAPITAL AS ON DECEMBER 31, 2008

Sr. No	Name of the Shareholder	No. of shares held	% Holding
1	Group Holding of the The McGraw–Hill Companies		
	a) Standard & Poor's International Ratings LLC, USA	600,000	8.30
	b) S&P India LLC, USA	3,120,948	43.20
2	Jhunjhunwala Rakesh & Rekha	550,000	7.61
3	Acacia Partners, LP/Acacia Institutional Partners, LP	412,817	5.71
4	General Insurance Corporation of India	303,039	4.19
5	Unit Trust of India	253,641	3.51
6	State Bank of India	200,390	2.77
7	CLSA Merchant Bankers Limited A/c Calyon	152,336	2.11
8	Life Insurance Corporation of India	171,413	2.37
9	Bright Star Investments Pvt Limited	94,238	1.30

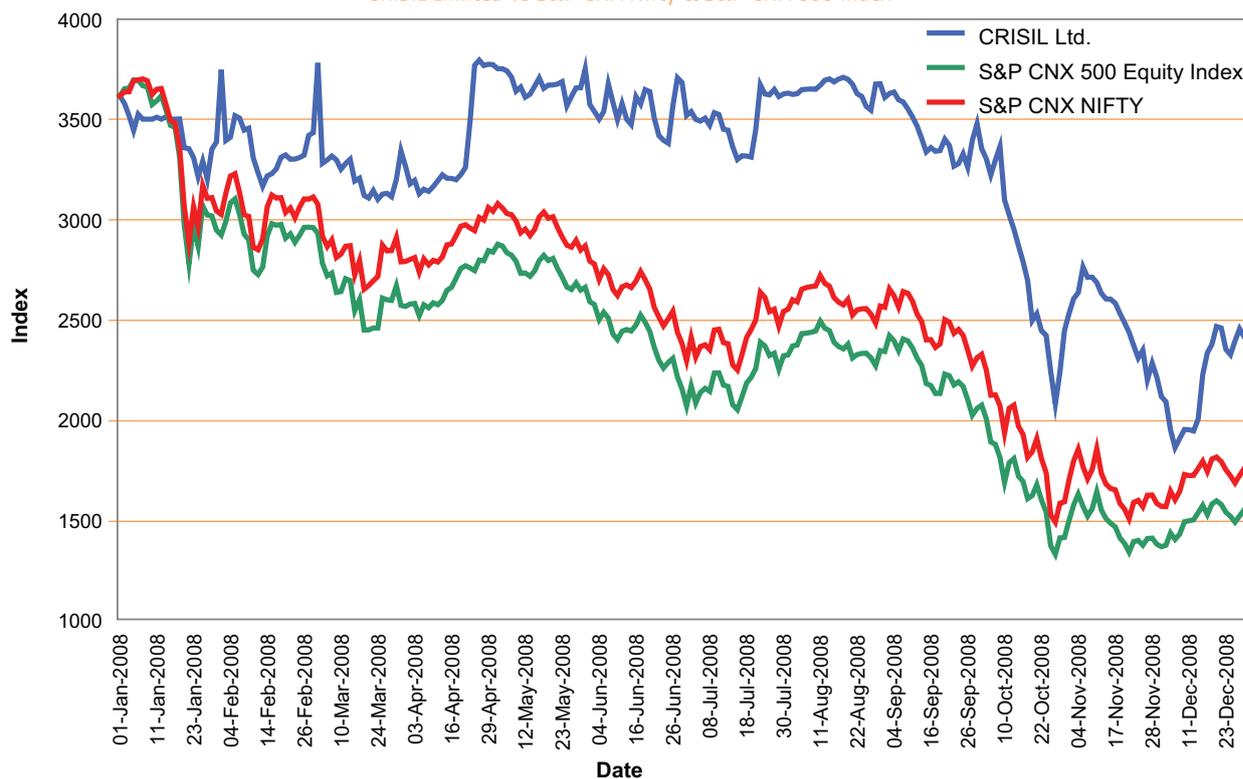
STATUS REPORT ON NUMBER OF SHAREHOLDER REQUESTS/COMPLAINTS RECEIVED AND RESOLVED BY THE COMPANY DURING THE YEAR ENDED DECEMBER 31, 2008

Nature of Correspondence	Received	Resolved	Pending
Transfer/Transposition/Transmission	1	1	–
Dematerialisation/Remat/ECS/other Request	0	0	–
Registration of Power of Attorney	0	0	–
Issue of duplicate share certificate/correction/process queries	4	4	–
Non–receipt of dividend warrant	22	22	–
Issue of duplicate drafts in lieu of warrants/revalidation of warrants	26	26	–
Incorporation of change of address	7	7	–
Incorporation of bank mandate	4	4	–
TOTAL	64	64	–

PRICE MOVEMENTS OF THE COMPANY'S SHARES ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BOMBAY STOCK EXCHANGE LIMITED FOR THE PERIOD FROM JANUARY 2008 TO DECEMBER 2008.

NSE			BSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
January	4000.00	2687.00	January	3700.00	2651.00
February	4045.40	3100.00	February	3660.00	3067.00
March	3500.00	3050.00	March	3598.00	3050.00
April	3850.00	3085.00	April	3885.00	2962.00
May	3945.00	3531.20	May	3774.65	3374.25
June	3900.00	3303.10	June	3700.00	3240.00
July	3800.00	3245.00	July	3790.00	3235.05
August	3790.00	3490.00	August	3798.95	3410.00
September	3700.00	2888.85	September	3698.95	3095.00
October	3460.05	2050.00	October	3421.00	2000.00
November	2800.00	2151.00	November	2809.00	2180.00
December	2500.00	1842.00	December	2540.00	1848.15

CRISIL Limited Vs S&P CNX Nifty & S&P CNX 500 Index



SHAREHOLDERS RIGHTS:

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time once approved in General Meetings.
- To receive corporate benefits like rights, bonus etc. once approved.
- To apply to the Company Law Board to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds.
- Other rights are as specified in the Memorandum and Articles of Association available on the website, www.crisil.com.

Apart from the above rights, an individual shareholder also enjoys the following rights as a group:

- To appoint the Directors and Auditors of the Company.
- To requisition an Extraordinary General Meeting.
- To demand a poll on any resolution.
- To apply to the Company Law Board to investigate the affairs of the Company.
- To apply to the Company Law Board for relief in cases of oppression and/or mismanagement.

The above-mentioned rights may not necessarily be absolute.

Auditors' Report

To the Members of CRISIL Limited

1. We have audited the attached Balance Sheet of CRISIL Limited ('the Company') as at December 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ['the Order'] issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose, in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on December 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2008;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

Place: Mumbai

Date: February 23, 2009

Annexure referred to in paragraph 3 of our report of even date

Re: CRISIL Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company is engaged in the business of providing rating and research services and therefore the provisions of clause (ii) of paragraph 4 of the said Order are not applicable to the Company and hence not commented upon.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) The Company has not granted/taken any loan to/from parties covered under section 301 of the Companies Act, 1956 and therefore the provisions of clause iii (c) to iii (g) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- The Company is providing rating and research services and do not have inventory. Hence adequacy of internal control pertaining to purchase and sale of inventory are not commented upon.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301. Accordingly, the provisions of clause (v) (b) of paragraph 4 of the said Order are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities. The provisions relating to custom duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax,

service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands raised against the Company	14,569,068	A.Y. 2001 – 02	ITAT
		15,627,741	A.Y. 2002 – 03	ITAT
		7,503,039	A.Y. 2003 – 04	ITAT
		3,196,382	A.Y. 2004 – 05	ITAT
		7,206,611	A.Y. 2005 – 06	CIT (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The Company has not taken any loans from financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

Place: Mumbai

Date: February 23, 2009

Balance Sheet as at December 31, 2008

		Rupees	
Particulars	Schedule	December 31, 2008	December 31, 2007
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	72,250,000	72,250,000
Reserves and Surplus	B	3,391,930,411	2,609,850,703
TOTAL		3,464,180,411	2,682,100,703
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	1,150,259,147	950,956,551
Less: Accumulated Depreciation/Amortisation		603,754,814	525,444,287
Net Block		546,504,333	425,512,264
Capital Work-In-Progress (including Capital Advances)		40,372,073	80,385,012
		586,876,406	505,897,276
INVESTMENTS	D	1,864,940,836	1,863,750,605
DEFERRED TAX ASSETS (Net) (Refer Note 8 – Schedule P)		66,990,201	29,705,346
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	E	803,172,196	678,241,189
Cash and Bank Balances	F	1,007,706,020	179,248,631
Loans and Advances	G	523,468,293	440,932,292
Other Current Assets	H	18,370,683	2,848,664
		2,352,717,192	1,301,270,776
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	I	988,909,194	669,849,444
Provisions	J	418,435,030	348,673,856
		1,407,344,224	1,018,523,300
NET CURRENT ASSETS		945,372,968	282,747,476
TOTAL		3,464,180,411	2,682,100,703
Significant Accounting Policies and Notes to the Accounts	P		
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.			

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountantsper Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Profit and Loss Account for the year ended December 31, 2008

Rupees

Particulars	Schedule	Year Ended December 31, 2008	Year Ended December 31, 2007
INCOME			
Income from Operations	K	3,783,536,652	2,553,227,620
Other Income	L	255,366,239	155,572,587
TOTAL		4,038,902,891	2,708,800,207
EXPENDITURE			
Staff Expenses	M	1,326,822,795	1,010,458,688
Establishment Expenses	N	422,836,123	277,810,931
Other Expenses	O	419,572,592	372,407,660
Depreciation		118,437,614	133,387,378
		2,287,669,124	1,794,064,657
Profit Before Tax		1,751,233,767	914,735,550
Tax Expense (Refer Note 6 – Schedule P)			
Income Tax		401,830,000	224,000,000
Fringe Benefit Tax		12,592,000	11,450,000
Wealth Tax		314,700	500,000
Deferred Tax		(37,284,855)	(32,215,000)
Income Tax of earlier years		–	4,292,968
		377,451,845	208,027,968
Profit After Tax			
Continuing Operation		1,373,781,922	701,269,488
Discontinued Operation (Refer Note 4 – Schedule P)		–	5,438,094
		1,373,781,922	706,707,582
Balance brought forward from previous year		1,121,662,200	455,830,953
Profit Available for Appropriation		2,495,444,122	1,162,538,535
Dividend			
Interim		252,875,000	–
Proposed Final Dividend		252,875,000	180,625,000
Total		505,750,000	180,625,000
Dividend Tax		85,952,214	33,706,767
Transfer to General Reserve		137,378,192	70,670,758
Balance carried to Balance Sheet		1,766,363,716	877,536,010
		2,495,444,122	1,162,538,535
Basic and Diluted Earnings Per Share – Nominal value of Rs. 10			
Including Discontinued Operations		190.14	99.50
Excluding Discontinued Operations		190.14	98.73
Number of Shares used in Computing Earnings Per Share		7,225,000	7,102,546
Significant Accounting Policies and Notes to the Accounts	P		
The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.			

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountantsper Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Cash Flow Statement for the year ended December 31, 2008

	Year Ended December 31, 2008	Year Ended December 31, 2007
Rupees		
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	1,751,233,767	914,735,550
Adjustments for:		
Depreciation/amortisation	118,437,614	133,387,378
Provision for leave encashment	(17,266,609)	61,659,177
Provision for gratuity	2,498,895	6,929,545
(Profit)/loss on sale of fixed assets	2,184,622	(44,919,917)
(Profit)/loss on sale of investments	(89,233,303)	(2,304,789)
(Increase)/decrease in accrued income	(4,607,836)	(2,404,371)
Provision for bad debts	16,250,245	17,275,193
Interest on deposits and loans	(31,955,543)	(15,532,052)
Dividend income	(63,406,765)	(66,857,719)
Diminution in value of Investments	13,642,499	-
Rental income	-	(3,793,548)
Operating profit before working capital changes	1,697,777,586	998,174,447
Movements in working capital		
– (Increase)/decrease in sundry debtors	(141,181,252)	(217,877,390)
– (Increase)/decrease in sundry deposits	(9,746,074)	(232,020,960)
– (Increase)/decrease in loans	(820,577)	(7,211,984)
– (Increase)/decrease in advances	(8,899,253)	(17,773,410)
– Increase/(decrease) in sundry creditors	107,379,537	152,144,520
– Increase/(decrease) in fee received in advance	184,703,952	110,461,387
– Increase/(decrease) in other liabilities	26,326,802	10,469,874
Cash generated from operations	1,855,540,721	796,366,484
– Taxes paid	(482,834,082)	(268,824,790)
Net cash generated from operating activities – (A)	1,372,706,639	527,541,694

	Year Ended December 31, 2008	Year Ended December 31, 2007
Rupees		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(204,696,607)	(215,559,084)
Proceeds from sale of fixed assets	3,095,241	58,264,093
Investment in CRISIL Credit Information Services Limited	-	(500,000)
Investments in mutual funds (net)	(1,150,000,000)	(700,000,000)
Sale proceeds from investments in mutual funds	1,090,149,041	152,304,789
Investment in fixed deposits (net)	(802,573,695)	5,269,044
"Purchase consideration for transfer of Advisory Business to CRISIL Risk and Infrastructure Solutions Limited, a wholly-owned subsidiary (Refer Note 4 – Schedule P)"	-	96,241,235
Consideration received towards sale of a subsidiary	100,324,000	-
Investment in CRISIL Irevna Argentina, S.A	(10,501,668)	-
Interest on deposits and loans	20,797,845	15,798,402
Dividend income	63,406,765	66,857,719
Rental income	-	3,793,548
Net cash generated from/(used in) investing activities – (B)	(889,999,078)	(517,530,254)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in share capital	-	4,695,600
Increase in securities premium	-	188,880,510
Dividend and dividend tax paid	(507,173,326)	(118,552,905)
Loan given to CRISIL Risk and Infrastructure Solutions Limited	(32,500,000)	(120,500,000)
Loan repaid by CRISIL Risk and Infrastructure Solutions Limited	82,200,000	48,300,000
Net cash generated from/(used in) financing activities – (C)	(457,473,326)	2,823,205
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	25,234,235	12,834,645
Cash and cash equivalents – Opening balance	166,091,900	76,098,665
Add : Adjustments on account of amalgamation of subsidiaries	-	77,158,590
Cash and Cash Equivalents – Closing balance	191,326,135	166,091,900
Net Increase/(decrease) in Cash and Cash Equivalents	25,234,235	12,834,645
Components of Cash and Cash Equivalents as at		
Cash on hand	137,941	214,824
With banks on current account	191,188,194	165,877,076
	191,326,135	166,091,900
Note : Assets and liabilities acquired as a result of amalgamation of Subsidiaries with the Company have been excluded from the current year cash flow statement as the transaction is non-cash in nature.		
Significant accounting policies and notes to the Accounts	Schedule P	
The schedules referred to above and notes to accounts form an integral part of the Cash flow statement.		

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountantsper Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Schedules annexed to and forming part of the Accounts

	December 31, 2008	December 31, 2007
Rupees		
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:		
7,225,000 (P.Y. 7,225,000) Equity Shares of Rs. 10 each fully paid up	72,250,000	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)]		
Total	72,250,000	72,250,000
SCHEDULE B:		
Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	474,890,071	286,009,561
Add : Additions during the year towards issue of shares under Employee Stock Option Plan	-	188,880,510
	474,890,071	474,890,071
General Reserve		
Balance as per last Balance Sheet	891,066,321	820,395,563
Add : Transferred from Profit and Loss Account	137,378,192	70,670,758
	1,028,444,513	891,066,321
Capital Reserve		
Balance as per last Balance Sheet	122,232,111	-
Add : Capital Reserve arising on Amalgamation of a subsidiary (Refer Note 3 – Schedule P)	-	122,232,111
	122,232,111	122,232,111
Profit and Loss Account		
Profit and Loss Account balance	1,766,363,716	877,536,010
Less : Adjustments on account of transitional provision of Accounting Standard 15 (Revised) on employment benefits	-	(47,039,044)
Add : Addition on account of amalgamation of subsidiaries (Refer Note 3 – Schedule P)	-	291,165,234
	1,766,363,716	1,121,662,200
Total	3,391,930,411	2,609,850,703

SCHEDULE C:

Fixed Assets

Rupees

	Gross Block at Cost			Accumulated Depreciation/Amortisation			Net Block				
	As on Jan 1, 2008	Additions	Amalgamation (Note 1 below)	Deductions / Adjustments	As on Dec 31, 2008	Upto Jan 1, 2008	For the year (Note 1 below)	Deductions / Adjustments	Upto Dec 31, 2008	As on Dec 31, 2008	As on Dec 31, 2007
Intangibles											
Goodwill	8,959,000	-	-	-	8,959,000	8,959,000	-	-	8,959,000	-	-
Trademarks	65,430,000	-	-	-	65,430,000	65,430,000	-	-	65,430,000	-	-
Copyrights	1,729,500	-	-	-	1,729,500	1,729,500	-	-	1,729,500	-	-
Fixed Assets											
Buildings	278,609,665	-	-	-	278,609,665	93,211,313	13,930,483	-	107,141,796	171,467,869	185,398,352
Furniture and Fixtures	105,390,813	32,520,232	-	11,881,558	126,029,487	56,566,626	12,444,506	-	58,980,769	67,048,718	48,824,187
Office Equipments	99,616,479	55,147,220	-	8,647,997	146,115,702	51,669,920	10,898,703	-	6,231,533	89,778,612	47,946,559
Computers	303,974,328	57,627,091	-	16,065,170	345,536,249	217,745,218	56,904,809	-	16,033,227	86,919,449	86,229,110
Vehicles	43,255,537	14,519,606	-	8,812,225	48,962,918	26,631,243	12,287,033	-	7,831,964	17,876,606	16,624,294
Leasehold Improvements	43,991,229	84,895,397	-	-	128,886,626	3,501,467	11,972,080	-	15,473,547	113,413,079	40,489,762
Total	950,956,551	244,709,546	-	45,406,950	1,150,259,147	525,444,287	118,437,614	-	603,754,814	546,504,333	425,512,264
Previous Year	838,455,710	135,679,754	53,571,729	76,750,642	950,956,551	426,619,386	133,387,378	16,392,443	525,444,287	425,512,264	

Note: 1. Represents adjustment on account of amalgamation of subsidiaries (Refer Note 3 – Schedule P)

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
SCHEDULE D:				
Investments				
A. Long Term (Unquoted – At Cost)				
Investment in Subsidiaries				
49,999,900 (P.Y. 49,999,900) Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re. 1 each, fully paid up		49,999,900		49,999,900
8,000,000 (P.Y. 8,000,000) Equity Shares of Irevna Limited, UK, of £ 0.001 each, fully paid up		695,383,859		695,383,859
50,000 (P.Y. 50,000) Equity Shares of CRISIL Credit Information Services Limited of Rs. 10 each, fully paid up		500,000		500,000
704,018 (P.Y. Nil) Equity Shares of CRISIL Irevna Argentina of ARS 1 each, fully paid up		10,501,668		–
Other Investments				
637,000 (P.Y. 637,000) Equity Shares of India Index Services and Products Limited of Rs. 10 each, fully paid up		6,369,970		6,369,970
3,600,000 (P.Y. 3,600,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs. 10 each, fully paid up		36,000,000		36,000,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency of US\$1 each, fully paid up	13,642,500		13,642,500	
Less: Provision for diminution in value of Investment	13,642,499	1	–	13,642,500
40,000 (P.Y. 400,000) Equity Shares of Gas Strategies Group Limited of £1 each, fully paid up (360,000 Equity shares sold during the year)		16,185,438		161,854,376
Total Long Term (At Cost) – {A}		814,940,836		963,750,605
B. Current Investments (At Cost Or Market Value, whichever is lower) *				
Investments In Mutual Funds				
28,758 units of Rs. 10 each (P.Y. 28,758) of Tata Liquid Fund		50,000,000		50,000,000
NIL units of Rs. 10 each (P.Y. 8,116,159) of HSBC Cash Fund Growth Plan (Sold 8,116,159 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 2,867,742) of DSP Black Rock Liquidity Fund Growth Plan (Sold 2,867,742 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,666,442) of LIC MF Liquid Fund Growth Plan (Sold 3,666,442 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of HDFC FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 82,019) of UTI Liquid Cash Plan Growth Fund (Purchased 37,727 and Sold 1,19,746 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of Prudential ICICI FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,385,179) of Reliance Liquid Fund – Treasury Plan – Institutional Option – Growth (Sold 5,385,179 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of ABN AMRO Fixed Term Plan–Series 8:Yearly Plan B (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 6,413,591) of Kotak Liquid Institutional Premium Plan (Sold 6,413,591 units of Rs. 10 each during the current year)		–		100,000,000
8,562,774 (P.Y. 3,088,422) units of Rs. 10 each of Sundaram BNP Paribas Money Fund – Institutional Plan (Purchased 5,474,352 units of Rs. 10 each during the year)		150,000,000		50,000,000

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
NIL units of Rs.10 each (P.Y. 4,105,731) of ING Liquid Fund (Sold 4,105,731 units of Rs.10 each during the current year)		–		50,000,000
NIL units of Rs.10 each (P.Y. 3,912,149) of Principal Mutual Fund (Sold 3,912,149 units of Rs.10 each during the current year)		–		50,000,000
NIL units of Rs.10 each (P.Y. 3,167,363) of HDFC Liquid Fund – Premium Plan Growth (Sold 3,167,363 units of Rs.10 each during the current year)		–		50,000,000
41,897.992 units of Rs.10 each (P.Y. NIL) Templeton India Treasury Management Account Super Institutional Plan Growth		50,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) DSP Black Rock – FMP 12M series 2		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) HSBC Fixed Term Series 56 (HFTS 56) FMP		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) Tata Fixed Horizon Fund Series 18–Scheme C		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) Kotak FMP 12M Series 8		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) Kotak FMP 12M Series 9		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) Fortis Fixed Term Plan – Series 14: Plan A		100,000,000		
10,000,000 units of Rs.10 each (P.Y. NIL) HDFC FMP 370D November 2008 (1)		100,000,000		
62,578 units of Rs.10 each (P.Y. NIL) Tata Liquid Super High Inv. Fund – Appreciation		100,000,000		
Total Investments in Mutual Funds {B}		1,050,000,000		900,000,000
Total Investments {A} + {B}		1,864,940,836		1,863,750,605
*Aggregate market value of Company's investment in Mutual Funds		1,087,676,621		940,971,949
SCHEDULE E:				
Sundry Debtors				
Debts outstanding for a period exceeding six months				
– Unsecured, Considered good		80,860,390		29,777,988
– Unsecured, Considered doubtful		21,911,691		5,661,447
Other debts				
– Unsecured, Considered good		722,311,806		648,463,201
Less : Provision for Doubtful Debts (Refer Note 14 – Schedule P)		(21,911,691)		(5,661,447)
Total		803,172,196		678,241,189
SCHEDULE F:				
Cash and Bank Balances				
Cash on Hand		137,941		214,824
Balances with Scheduled Banks				
On Current Accounts		191,188,194		165,877,076
On Deposit Accounts		814,483,398		11,909,703
On Unpaid Dividend Accounts		1,896,487		1,247,028
Deposit includes Fixed Deposits with Banks Rs. 9,706,376 (P.Y. Rs. 11,841,231) marked as lien for Guarantees issued by Banks on behalf of the Company.				
Total		1,007,706,020		179,248,631

	Rupees	
	December 31, 2008	December 31, 2007
SCHEDULE G:		
Loans and Advances		
Unsecured, Considered Good		
Loans to Staff	17,533,051	16,712,474
Advance Recoverable In Cash or Kind for Value to be Received	86,496,536	33,168,083
Advance Tax (Net of provision)	69,145,671	1,048,289
Sundry Deposits	327,549,520	317,803,446
Loan to CRISIL Risk & Infrastructure Solutions Limited (Refer Note 15 – Schedule P)	22,743,515	72,200,000
Total	523,468,293	440,932,292
SCHEDULE H:		
Other Current Assets		
Interest Accrued on Fixed Deposits with Banks	11,358,476	444,293
Accrued Revenue	7,012,207	2,404,371
Total	18,370,683	2,848,664
SCHEDULE I:		
Current Liabilities		
Sundry Creditors (Refer Note 7 – Schedule P)	442,031,111	334,651,574
Fees received in advance	472,352,143	287,648,191
Unclaimed Dividend (to be credited to Investor Education & Protection Fund, as and when due)	1,896,487	1,247,028
Other Liabilities	72,629,453	46,302,651
Total	988,909,194	669,849,444
SCHEDULE J:		
Provisions		
Proposed Dividend	252,875,000	180,625,000
Corporate Dividend Tax thereon	42,976,107	30,697,219
Provision for Leave Encashment	103,843,747	121,110,356
Provision for Gratuity	18,740,176	16,241,281
Total	418,435,030	348,673,856

	Rupees	
	Year Ended December 31, 2008	Year Ended December 31, 2007
SCHEDULE K:		
Income from Operations		
Income from Rating Services	1,887,753,462	1,300,783,882
Income from Advisory Services	-	87,688,472
Income from Research Services	1,895,783,190	1,164,755,266
Total	3,783,536,652	2,553,227,620
SCHEDULE L:		
Other Income		
Interest on Deposits [TDS – Rs. 7,409,010 (P.Y. Rs. 2,423,692)]	31,955,543	10,482,736
Interest on Loan to Subsidiary [TDS – Rs. 1,302,033 (P.Y. Rs. 1,040,223)]	6,320,547	5,049,316
Profit on sale of Fixed Assets (Net)	-	46,286,865
Dividend Income – Subsidiaries	58,987,500	59,422,219
Dividend Income – Other Investments	4,419,265	7,435,500
Foreign Exchange Gain (Net)	40,263,052	-
Profit on sale of investments (Net)	89,233,303	2,304,789
Rental Income	-	3,793,548
Miscellaneous Income	24,187,029	20,797,614
Total	255,366,239	155,572,587
SCHEDULE M:		
Staff Expenses		
Salaries and Bonus	1,232,473,016	931,256,797
Contribution to Provident & Other Funds	54,065,989	40,361,472
Staff Training and Welfare Expenses	66,382,031	63,307,156
Less : Recoveries from Subsidiaries towards Overhead Allocated	(26,098,241)	(24,466,737)
Total	1,326,822,795	1,010,458,688
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance – Buildings	66,194,374	27,432,119
Repairs and Maintenance – Others	50,130,157	39,114,247
Electricity	44,254,275	28,223,125
Communication Expenses	56,557,596	46,567,264
Insurance	1,042,970	1,714,191
Rent	208,777,994	137,339,906
Rates and Taxes	2,464,841	2,990,055
Less : Recoveries from Subsidiaries towards Overhead Allocated	(6,586,084)	(5,569,976)
Total	422,836,123	277,810,931

	Rupees	
	Year Ended December 31, 2008	Year Ended December 31, 2007
SCHEDULE O:		
Other Expenses		
Printing and Stationery	22,145,641	19,984,911
Conveyance and Travelling	128,913,463	139,941,971
Books and Periodicals	18,058,635	15,913,070
Vehicle Expenses	1,166,378	1,422,860
Remuneration to Non-whole time Directors (Refer Note 9 – Schedule P)	11,180,000	9,200,000
Business Promotion and Advertisement	8,686,086	8,515,798
Foreign Exchange Loss (net)	–	50,187,045
Professional Fees	118,965,691	81,466,676
Software Purchase & Maintenance Expenses	15,123,399	24,476,649
Provision for Bad Debts	16,250,245	7,028,395
Bad Debts written off	5,124,388	10,246,798
Loss on sale of fixed assets	2,184,622	–
Auditors' Remuneration (Refer Note 12 – Schedule P)	2,781,870	2,170,530
Recruitment Expenses	10,521,545	9,198,234
Sales Commission	50,877,741	–
Seminars and Conferences	3,415,990	3,192,568
Miscellaneous Expenses	2,102,854	1,551,399
Diminution in value of Investments	13,642,499	–
Less : Recoveries from Subsidiaries towards Overhead Allocated	(11,568,455)	(12,089,244)
Total	419,572,592	372,407,660

SCHEDULE P:**Significant Accounting Policies And Notes to the Accounts****1 Nature of Operations**

CRISIL Limited ('the Company') offers domestic and international customers a unique combination of local insights and global perspectives, delivering independent information, opinions and solutions that help them make better informed business and investment decisions, improve the efficiency of markets and market participants. Its integrated range of capabilities includes credit ratings and risk assessment; research on India's economy, industries and companies; investment research out sourcing and fund services.

2 Statement of Significant Accounting Policies**2.1 Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 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.

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.

2.4 Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act, whichever is higher.

Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings	5.00%	1.63%
Furniture & Fixtures	10.00%	6.33%
Office Equipments	10.00%	4.75%
Computers	33.33%	16.21%
Vehicles	33.33%	9.50%

Leasehold Improvements are amortised over the lease term.

Fixed assets having original cost of less than Rs. 5,000 individually, are depreciated fully in the year/period of purchase.

2.5 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

2.6 Operating Leases

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

2.7 Investments

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

2.8 Revenue Recognition

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

Income from Operations

Income from Operations comprises of income from initial rating and surveillance services, 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 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.

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.

2.9 Retirement and other employee benefits

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

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

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

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

2.10 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in reporting currency by applying to the foreign currency amounts, the average exchange rates for the month prior to the month in which the transaction takes place.

Conversion

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference

Exchange differences, arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

2.11 Taxes On Income

Tax expense comprises of current, deferred, and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act of 1961 enacted in India. Deferred income taxes 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.

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a Deferred Tax Asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which Deferred Tax Asset can be realised. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.12 Segment Reporting Policies

Segment Policies:

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

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment transfers:

The Company generally accounts for intersegment sales and transfers as if the sales 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:

The Corporate and Other Segment 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.

3 Amalgamation

During the previous year, Pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature at Bombay and High Court of Judicature at Madras vide their orders dated July 27, 2007 and July 9, 2007 respectively, CRISIL Research and Information Services Limited, Global Data Services of India Limited, CRISIL Properties Limited and Irevna Research Services Limited have been amalgamated with CRISIL Limited effect from April 1, 2007. All the subsidiaries amalgamated as aforesaid were wholly owned by the Company and hence no shares were exchanged to effect the amalgamation of the companies as aforesaid. The amalgamation has been accounted as per the 'pooling of interests' method prescribed by AS 14–Accounting for Amalgamation issued by the ICAI.

Following assets, liabilities and reserves were amalgamated with Company's assets, liabilities and reserves:

Particulars	CRISIL Research and Information Services Limited	Global Data Services Of India Limited	Irevna Research Services Limited	CRISIL Properties Limited	Total
Fixed Assets (Net)	426,122	–	36,753,164	–	37,179,286
Deferred Tax Asset	3,622,937	200,448	–	–	3,823,385
Current Assets, Loans and Advances					
Sundry Debtors	–	–	331,815,934	–	331,815,934
Cash and Bank Balances	6,766,475	5,480,865	64,876,489	34,761	77,158,590
Loans and Advances	4,717,134	436,050	35,245,849	373,677	40,772,710
Other Current Assets	45,940	137,282	–	–	183,222
Total	11,529,549	6,054,197	431,938,272	408,438	449,930,456
Current Liabilities and Provisions					
Current Liabilities	2,618,814	349,385	39,083,124	–	42,051,323
Provisions	8,678,647	507,793	10,889,653	–	20,076,093
Total	11,297,461	857,178	49,972,777	–	62,127,416
Net Current Assets	232,088	5,197,019	381,965,495	408,438	387,803,040
Profit and Loss Account	1,781,219	2,897,467	286,486,548	–	291,165,234
Capital Reserve	–	–	122,232,111	–	122,232,111

4 Transfer of Advisory Business to CRISIL Risk and Infrastructure Solutions Limited

During the previous year, Pursuant to Board of Director's and shareholder's approval dated April 27, 2007, the Company transferred its Advisory business to CRISIL Risk and Infrastructure Solutions Limited, wholly owned subsidiary, for a consideration of Rs. 96,241,233 with effect from April 1, 2007. All assets and liabilities of the said business including employees were transferred at book value to CRISIL Risk and Infrastructure Solutions Limited. Following assets and liabilities relating to the aforesaid business were transferred at book value as on April 1, 2007:

Particulars	Rupees
Fixed Assets (Net)	13,818,494
Current Assets Loans & Advances	129,083,375
Total Assets (A)	142,901,869
Current Liabilities	20,512,976
Provisions	26,147,658
Total Liabilities (B)	46,660,634
Net Asset (A) – (B)	96,241,235

5 Details of Contingent liabilities are as under:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
1. Bank Guarantee in the normal course of business	9,695,180	11,841,231
2. Disputed Income Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	13,125,578	35,732,889
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	4,706,559	12,369,953
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	87,252,360	117,996,153
	114,779,677	177,940,226

6 Income Tax

The tax year of the Company being the year ending March 31, 2009, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2008 and the provision for the nine months upto December 31, 2008. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2008 to March 31, 2009, the ultimate tax liability of which will be determined for the period April 1, 2008 to March 31, 2009.

7 The Company has initiated the process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid / payable are required to be furnished.

8 Components of Deferred Tax Assets and Liabilities are:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Deferred Tax Liability		
Depreciation / Amortisation	(29,600,641)	(30,504,541)
Total (A)	(29,600,641)	(30,504,541)
Deferred Tax Asset		
Provision for Leave Encashment *	41,314,706	45,614,168
Provision for Gratuity	434,033	3,116,612
Lease Rent amortisation	14,456,507	–
Provision for Bonus and Commission	22,815,377	7,128,630
Provision for bad debts	8,198,976	1,844,991
Deferment of Rating fees	9,186,846	2,505,486
Disallowance under section 40(a)	184,397	–
Total (B)	96,590,842	60,209,887
Net Deferred Tax Asset / (Liabilities) (A–B)	66,990,201	29,705,346
* Includes opening reserve adjustment of Rs. 23,866,961 and effect of amalgamation of subsidiaries of Rs. 3,823,385		

9 Managerial Remuneration:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Whole time Directors:		
Salary	9,605,360	10,041,356
Commission	9,589,631	6,450,000
Contribution to Provident Fund	333,000	524,063
Perquisites	396,812	1,708,052
	19,924,803	18,723,471
Non – Whole time Directors:		
Sitting Fees	1,160,000	1,280,000
Commission	10,020,000	7,920,000
	11,180,000	9,200,000

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

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Profit before tax as per Profit and Loss Account	1,751,233,767	914,735,550
1. Remuneration to Whole-time Directors	19,924,803	18,723,471
2. Remuneration to Non Whole-time Directors	11,180,000	9,200,000
3. Provision for Doubtful Debts	16,250,245	5,661,447
4. (Profit)/Loss on Sale of Fixed Assets	2,184,622	(46,286,865)
5. Loss on sale of long term investment	915,738	-
6. Capital Surplus on Sale of Assets	-	38,103,140
7. Provision for Diminution in value of Investment	13,642,499	-
Net Profit under Section 198	1,815,331,674	940,136,743
Managerial Remuneration Payable to whole-time director upto 5% (P.Y 8%) of the Net Profit (as computed above) Rs. 90,766,584 (P.Y. Rs. 75,210,939), restricted to:	19,924,803	18,723,471
Commission Payable to non whole-time directors upto 3% of the Net Profit (as computed above) Rs. 54,459,950 (P.Y. Rs. 28,204,102), restricted to:	10,020,000	7,920,000

The Company depreciates fixed assets based on estimated useful life that are lower than the rates prescribed in Schedule XIV of the Act. Accordingly no adjustments is made on account of depreciation in computation of profit as per section 349 of the Act.

The Company has obtained approval from Ministry of Corporate Affairs for increase in commission payable to non whole-time directors.

In the current year, there was one whole time director as against two whole time directors in the previous year and hence managerial remuneration ceiling for the current year is 5% as against 8% in the previous year.

10 Earnings in foreign currency (on accrual basis):

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Rendering of Rating, Advisory and Research Services	2,067,993,896	1,455,982,272
Dividend from Subsidiaries	58,987,500	59,422,219

11 Payments in Foreign Currency

- a) Value of imports calculated on C.I.F basis

The value of imports calculated on C.I.F basis for capital goods was Rs. 44,029,495 (P.Y Rs. Nil)

b) Expenditure in foreign currency

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Foreign travel	50,677,148	52,077,917
Professional fees	3,560,437	2,256,551
Sales Commission	41,478,863	–
Other Expenses	4,810,781	9,750,364
	100,527,229	64,084,831

12 Auditors' Remuneration includes:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
As auditor	2,500,000	2,162,500
In any other matter:		
Certification work	200,000	–
Out of Pocket Expenses	81,870	8,030
	2,781,870	2,170,530

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Number of shareholders	2	1
Number of equity shares of Rs 10 each held by them on which dividend was paid	3,720,948	600,000
Amount remitted (Rs)	223,256,880	9,000,000

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

	As on Dec 31, 2008 (Rs)	As on Dec 31, 2007 (Rs)
Irevna LLC, U.S.	249,277,748	149,883,711
Irevna Limited, U.K.	209,547,947	339,860,529
Standard & Poor's LLC	65,438,298	75,460,832
McGraw-Hill Education India Private Limited	11,963,663	11,638,039
	536,227,656	576,843,111

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

	As on Dec 31, 2008 (Rs)	As on Dec 31, 2007 (Rs)
CRISIL Risk and Infrastructure Solutions Limited	22,743,515	72,200,000
Maximum Amount Outstanding During the year	77,719,181	110,500,000

16 Segment Reporting

Business Segments:

The Company has two major business segments: 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 and grading services.

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

In the previous year, the Advisory segment comprising infrastructure advisory and risk management practice has been transferred to a wholly owned subsidiary with effect from April 1, 2007.

Segment Reporting for the Year ended December 31, 2008

Rupees

Particulars	Business segments		Total
	Ratings	Research	
Operating Revenue	1,887,753,462	1,895,783,190	3,783,536,652
Segment Results	908,105,261	785,596,106	1,693,701,367
Add / (Less) Unallocables:			
1. Unallocable Income			210,617,807
2. Unallocable Expenditure			(34,647,793)
3. Depreciation			(118,437,614)
Profit Before Tax			1,751,233,767
Non-cash expenses other than depreciation and amortisation	1,091,422	391,109	1,482,531
Segment Debtors	238,223,102	564,949,094	803,172,196

Revenue by Geographic Segments

Rupees

Country	
India	1,738,722,887
United Kingdom	1,067,674,842
United States Of America	916,498,979
Others	60,639,944
Total	3,783,536,652

Segment Reporting for the Year ended December 31, 2007

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,300,783,882	87,688,472	1,164,755,266	2,553,227,620
Segment Results	548,700,515	8,871,000	369,395,878	926,967,393
Add / (Less) Unallocables:				
1. Unallocable Income				181,488,586
2. Unallocable Expenditure				(60,333,051)
3. Depreciation				(133,387,378)
Profit Before Tax				914,735,550
Non-cash expenses other than depreciation and amortisation	18,198,549	3,354,249	21,852,654	43,405,452
Segment Debtors	168,411,999	–	509,829,190	678,241,189

Revenue by Geographic Segments

Rupees

Country	
India	1,104,664,046
United Kingdom	816,670,338
United States Of America	575,341,129
Others	56,552,107
Total	2,553,227,620

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 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.

17 List of Related Parties

Parties	Relationship
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
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
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
Gas Strategies Group Limited	Subsidiary (till December 10, 2008)

Parties	Relationship
Alphatania Limited	Subsidiary (till December 10, 2008)
Gas Matters Limited	Subsidiary (till December 10, 2008)
Gas Strategies Consulting Limited	Subsidiary (till December 10, 2008)
Overview Outreach Limited	Subsidiary (till December 10, 2008)
Irevna Research Services Limited	Subsidiary (till April 1, 2007)
CRISIL Research & Information Services Limited	Subsidiary (till April 1, 2007)
CRISIL Properties Limited	Subsidiary (till April 1, 2007)
Global Data Services Of India Limited	Subsidiary (till April 1, 2007)
Irevna Limited, UK	Subsidiary
Irevna LLC, USA	Subsidiary
India Index Services and Products Limited	Joint Venture
CRISIL Credit Information Services Limited	Subsidiary
CRISIL Irevna Poland Sp.Z.o.o	Subsidiary
CRISIL Irevna Argentina S.A.	Subsidiary
R. Ravimohan	Managing Director & Chief Executive Officer (till July 27, 2007)
Roopa Kudva	Managing Director & Chief Executive Officer (with effect from July 27, 2007)

18 Related Party Disclosure

Rupees

Name of the related party	Nature of transaction	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Standard & Poor's LLC	Professional Services Rendered	534,665,498	521,813,568
	Reimbursement of expenses	7,273,764	10,170,218
	Amount Receivable	65,438,298	75,460,832
S&P India, LLC	Dividend	218,466,360	78,023,700
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	617,215	-
	Reimbursement of expenses	3,731,383	-
	Amount Receivable	4,348,598	-
Standard & Poor's International LLC, USA	Dividend	42,000,000	15,000,000
	Share Capital Outstanding	6,000,000	6,000,000
CRISIL Research and Information Services Limited	Professional Fees paid	-	13,800,000
Global Data Services of India Limited	Professional Fees Paid	-	2,700,000
The McGraw-Hill Companies, Inc	Expenses Recovered	20,382	-
McGraw-Hill Education India Private Limited	Professional Services Rendered	14,920,206	11,882,138
	Reimbursement of expenses	25,066,049	6,752,359
	Amount Receivable	11,963,663	11,638,039
CRISIL Research and Information Services Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
CRISIL Properties Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
Irevna Research Services Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		

Rupees

Name of the related party	Nature of transaction	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Global Data Services of India Limited	Amalgamation of subsidiaries (Refer note 3 of Schedule P)		
CRISIL Risk and Infrastructure Solutions Limited	Revenue share received	175,000	1,939,773
	Revenue share paid	2,019,750	1,780,924
	Loan given during the year	32,500,000	120,500,000
	Loan repaid during the year	82,200,000	48,300,000
	Loan Outstanding	22,743,515	72,200,000
	Interest Income	6,320,547	5,049,316
	Expenses Recovered	30,733,088	29,991,864
	Share of overhead expenses received	38,706,271	33,305,408
	Consideration received towards sale of advisory division	-	96,241,233
	Amount Receivable / (Payable)	13,907,163	9,773
	Investment Outstanding	49,999,900	49,999,900
Irevna Limited, UK	Professional Services Rendered	799,398,274	676,749,765
	Sales Commission Expense	37,491,481	-
	Reimbursement of Expenses	4,433,974	-
	Amount Receivable	205,117,259	339,860,529
	Investment Outstanding	695,383,859	695,383,859
Irevna LLC, USA	Professional Services Rendered	362,991,958	236,302,550
	Sales Commission Expense	13,386,260	-
	Amount Receivable	247,957,473	149,883,711
Gas Strategies Group Limited (Till December 10, 2008)	Professional Services Rendered	-	473,658
	Reimbursement of expenses paid / payable	3,864,866	-
	Corporate Recharge	5,546,510	8,820,550
	Dividend Received	58,987,500	59,422,219
	Investment Outstanding	16,185,438	161,854,376
CRISIL Credit Information Services Limited	Equity Shares Subscribed	-	500,000
	Investment Outstanding	500,000	500,000
CRISIL Irevna Argentina, S.A.	Equity Shares Subscribed	10,501,668	-
	Investment Outstanding	10,501,668	-
India Index Services and Products Limited	Dividend Received	1,911,000	955,500
	Investment Outstanding	6,369,970	6,369,970
R. Ravimohan	Remuneration paid	-	7,677,464
	Number of stock options exercised	-	30,000
Roopa Kudva	Remuneration paid	19,924,803	11,046,007
	Number of stock options exercised	-	24,000

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

- 19 The Company has 49% interest in India Index Services and Products Limited (a joint venture in India with National Stock Exchange). As per the Accounting Standard relating to Financial Reporting of Interest in Joint Venture (AS 27) issued by the Institute of Chartered Accountants of India, the details of interest in the Joint Venture are as under:

	Unaudited	
	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Assets	89,447,554	51,963,649
Reserves and Surplus	71,256,570	31,691,355
Liabilities	11,820,983	13,902,295
Income	72,103,730	37,722,759
Expenses	10,143,589	18,050,335
Tax Expense	20,159,149	6,489,293
Contingent Liability	751,530	-

20 Operating Lease

The Company has taken certain office premises on operating lease basis. Details as regards payments and future commitments are as under:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Lease Payment recognised in Profit and Loss Account	208,777,994	137,339,906
Future Minimum Lease Payments:		
Not later than one year	183,384,506	188,695,624
Later than One Year and not later than 5 Years	681,879,458	692,606,106
Later than 5 Years	203,578,140	285,521,476
	1,068,842,104	1,166,823,206

21 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)

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Current Service cost	8,472,162	1,818,744
Interest cost on defined benefit obligation	2,843,718	737,537
Expected return on plan assets	(1,255,655)	(426,385)
Net actuarial (gain)/ loss recognised in the year	8,626,613	5,187,990
Losses/(Gains) on "Acquisition/Divestiture"	2,128,317	4,387,898
Net Gratuity Benefit Expense	20,815,155	11,705,784

Balance Sheet:

Details of Provision for Gratuity Benefit

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Present value of funded obligations	41,632,929	25,583,884
Less: Fair value of plan assets	(22,892,753)	(9,342,603)
Net Liability	18,740,176	16,241,281

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Opening Defined Benefit Obligation	25,583,884	14,442,026
Current Service Cost	8,472,162	1,818,744
Interest Cost	2,843,718	737,537
Actuarial (gain)/loss	11,878,760	5,045,420
Liabilities assumed on acquisition/(Settled on Divestiture)	-	5,721,298
Benefits paid	(7,145,595)	(2,181,141)
Closing Defined Benefit Obligation	41,632,929	25,583,884

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Opening Fair value of plan assets	9,342,603	9,889,380
Expected return on plan assets	1,255,655	426,385
Actuarial gain/ (loss)	3,252,147	(142,570)
Contribution by employer	18,316,260	17,149
Asset acquired on acquisition	(2,128,317)	1,333,400
Benefits paid	(7,145,595)	(2,181,141)
Closing Fair Value of Plan Assets	22,892,753	9,342,603

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

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Experience adjustment on plan assets	3,533,558	3,334,554
Experience adjustment on plan liabilities	(142,570)	3,252,147

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

	Year Ended Dec 31, 2008 %	Year Ended Dec 31, 2007 %
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2008/2007)	9.25%	7.50%

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:

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Discount Rate	7.20%	8.50%
Estimated rate of return on plan assets	7.50%	7.50%
Expected Employee Turnover		
Age : 21-44 Years	2%	2%
Age : 44-57 Years	1%	1%
Expected Employer's Contribution next year (Rupees)	20,000,000	16,000,000

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.

22 Unhedged foreign currency exposure (net) as at December 31,2008 Rs. 627,675,428 (P.Y Rs. 565,613,516)

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

24 Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

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

1	Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	December 31, 2008	CRISIL Credit Information Services Limited	December 31, 2008	CRISIL Irevna Argentina S.A.	December 31, 2008	CRISIL Irevna Poland Sp.Z.o.o	December 31, 2008	Irevna Limited, UK	December 31, 2008	Irevna LLC, US	December 31, 2008
2	The financial period of the subsidiary Company ended on	49,999,900 Equity Shares of Re. 1 each, fully paid up	100%	50,000 Equity Shares of Rs. 10 each, fully paid up	100%	741,072 Equity Shares of ARS 1 each, fully paid up	100%	100 Equity Shares of PLN 500 each, fully paid up	100%	8,000,000 Equity Shares of Pence 0.1 each, fully paid up	100%	1 Equity Shares of US\$ 200 each, fully paid up	100%
3	(a) Number of shares in the subsidiary held by CRISIL Limited at the above date												
	(b) Extent of interest of CRISIL in the capital of the subsidiary												
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, 2008 of the subsidiary (Rupees)	89,677,961		(11,848)		5,718,482		(476,427)		(15,294,101)		(22,060,524)	
	(b) Profits/(losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	45,028,554		(57,661)		-		-		3,494,792		(32,238,522)	
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, 2008 (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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor
Director

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile

I.	Registration Details	
	Registration No.	42363
	State Code	11
	Balance Sheet Date	December 31, 2008
II.	Capital Raised during the Year (Amount in Rs. Thousands)	
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
	Preferential offer of shares under Employee Stock Option Scheme	-
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities	3,464,180
	Total Assets	3,464,180
	Source of Funds	
	Paid up Capital	72,250
	Reserves & Surplus	3,391,930
	Secured Loans	-
	Unsecured Loans	-
	Application of Funds	
	Net Fixed Assets	546,504
	Capital Work-In-Progress (including Capital Advances)	40,372
	Investments	1,864,941
	Deferred Tax Asset	66,990
	Net Current Assets	945,373
	Miscellaneous Expenditure	-
	Accumulated Losses	-

IV.	Performance of Company (Amount in Rs. Thousands)	
	Turnover	4,038,903
	Total Expenditure	2,287,669
	Profit/(Loss) Before Tax	1,751,234
	Profit/(Loss) After Tax	1,373,782
	Earnings Per Share (Rs.)	190.14
	Dividend Rate %	700
V.	Generic Names of Three principal Products/Services of Company (as per monetary terms)	
	Production Description	Item Code No.
	Credit Rating	Not Applicable
	Research Services	Not Applicable

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Auditors' Report

The Board of Directors of

CRISIL Limited

1. We have audited the attached Consolidated Balance Sheet of CRISIL Group ('Group'), as at December 31, 2008, and also the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 1,174,908,570 as at December 31, 2008, the total revenue of Rs. 1,612,044,160 and cash flows amounting to Rs. 127,490,336 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. As stated in Note 12 of the Notes to the Consolidated Financial Statements, the audited financial statements are not available in respect of two subsidiary companies (of which Gas Strategies Group Limited was subsidiary till December 10, 2008) and one joint venture company, which in aggregate represents, total assets of Rs. 90,353,064 as at December 31, 2008, total revenue of

Rs. 577,152,644 and net cash outflow of Rs. 6,640,107 for the year then ended. Consequently the unaudited financial statements for the year ended December 31, 2008 as certified by Group's management has been used for consolidation and we have relied upon the same.

5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and based on unaudited financial statements for the year ended December 31, 2008 of a subsidiary company and a joint venture company, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, read with the matter stated in paragraph 4 above and Note 12 of the Consolidated Financial Statements of the Group:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st December 2008;
 - (ii) in the case of the Consolidated Profit and Loss account, of the profit for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & Co.
Chartered Accountants
per Shrawan Jalan
Partner
Membership No.: 102102

Place: Mumbai

Date: February 23, 2009

Consolidated Balance Sheet as at December 31, 2008

Rupees

Schedule	December 31, 2008	December 31, 2007
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	72,250,000	72,250,000
Reserves and Surplus	3,502,877,969	2,692,189,394
TOTAL	3,575,127,969	2,764,439,394
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	1,896,991,685	1,859,509,671
Less: Accumulated Depreciation/Amortisation	635,967,734	567,772,791
Net Block	1,261,023,951	1,291,736,880
Capital Work-In-Progress (including Capital Advances)	40,372,073	80,520,801
	1,301,396,024	1,372,257,681
INVESTMENTS	1,184,370,027	975,273,968
DEFERRED TAX ASSETS (Net) (Refer Note 4 – Schedule P)	78,341,745	32,733,011
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	771,474,475	897,366,321
Cash and Bank Balances	1,292,118,774	424,204,195
Loans and Advances	526,014,827	407,213,076
Other Current Assets	17,165,574	3,912,618
	2,606,773,650	1,732,696,210
Less: CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	1,156,069,591	958,887,408
Provisions	439,683,886	389,634,068
	1,595,753,477	1,348,521,476
NET CURRENT ASSETS	1,011,020,173	384,174,734
TOTAL	3,575,127,969	2,764,439,394
Significant Accounting Policies and Notes to the Accounts	P	
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.		

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountantsper Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
ChairmanRoopa Kudva
Managing Director & CEOShrikant Dev
Company Secretary
Mumbai, February 23, 2009Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Consolidated Profit and Loss Account for the Year Ended December 31, 2008

Rupees

	Schedule	December 31, 2008	December 31, 2007
INCOME			
Income from Operations	K	5,145,604,237	4,043,326,036
Other Income	L	216,242,520	91,602,304
TOTAL		5,361,846,757	4,134,928,340
EXPENDITURE			
Staff Expenses	M	1,911,619,168	1,519,968,141
Establishment Expenses	N	518,265,626	391,213,030
Other Expenses	O	925,085,101	960,469,243
Depreciation		136,423,009	156,924,494
TOTAL		3,491,392,904	3,028,574,908
Profit before Tax		1,870,453,853	1,106,353,432
Tax Expense			
Income Tax		495,225,078	287,336,154
Fringe Benefit Tax		15,147,815	14,345,454
Wealth Tax		447,210	608,669
Deferred Tax		(46,110,722)	(36,843,274)
Income Tax of earlier years		-	4,268,810
		464,709,381	269,715,813
Profit After Taxation		1,405,744,472	836,637,619
Balance brought forward from previous year		1,208,770,066	707,927,574
Amount Available for Appropriation		2,614,514,538	1,544,565,193
Dividend			
Interim		252,875,000	-
Proposed Final Dividend		252,875,000	180,625,000
TOTAL		505,750,000	180,625,000
Dividend Tax		86,276,991	33,869,154
Transfer to General Reserve		137,378,192	70,670,758
Balance carried to Balance Sheet		1,885,109,355	1,259,400,281
		2,614,514,538	1,544,565,193
Basic and Diluted Earnings Per Share – Nominal value of Rs. 10		194.57	117.79
Number of Shares used in Computing Earnings Per Share		7,225,000	7,102,546
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 & Loss Account.			

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Consolidated Cash Flow Statement for the year ended December 31, 2008

Rupees

	Year Ended December 31, 2008	Year Ended December 31, 2007
A. Cash Flow from Operating Activities:		
Profits Before Taxation from ordinary activities	1,870,453,853	1,106,353,432
Adjustments for :		
Depreciation/amortisation	136,423,009	156,924,494
Provision for leave encashment	(23,301,145)	62,436,850
Provision for gratuity	2,254,241	8,548,546
Currency translation	(18,777,678)	(4,769,175)
(Profit) / loss on sale of fixed assets	7,592,281	(45,659,366)
Profit on sale of investments	(90,149,041)	(2,304,789)
(Increase)/ decrease in accrued income	(2,037,712)	(2,404,371)
Provision for bad debts	57,127,587	29,440,471
Interest on deposits and loans	(36,816,478)	(14,607,012)
Dividend income	(2,508,265)	(6,480,000)
Diminution in value of investments	13,642,499	-
Loss on sale of investment in subsidiary	60,403,834	-
Rental income	-	(3,793,548)
Operating profit before working capital changes	1,974,306,985	1,283,685,532
Movements in working capital		
- (Increase)/decrease in sundry debtors	(27,655,575)	(259,732,948)
- (Increase)/decrease in sundry deposits	(18,281,382)	(228,701,182)
- (Increase)/decrease in loans	5,401,988	(11,265,979)
- (Increase)/decrease in advances	(11,685,540)	(5,264,513)
- Increase/(decrease) in sundry creditors	95,665,882	129,382,594
- Increase/(decrease) in fee received in advance	201,559,973	112,919,962
- Increase/(decrease) in other liabilities	6,543,054	16,150,305
Cash generated from operations	2,225,855,385	1,037,173,771
- Taxes paid	(579,275,316)	(328,323,851)
Net cash generated from operating activities - (A)	1,646,580,069	708,849,920

Rupees

	Year Ended December 31, 2008	Year Ended December 31, 2007
B. Cash flow from investing activities :		
Purchase of fixed assets	(219,389,399)	(253,226,703)
Proceeds from sale of fixed assets	4,378,127	64,340,554
Investments in mutual funds (net)	(1,150,000,000)	(725,631,468)
Sale proceeds from investments in mutual funds	1,043,058,473	152,304,789
Consideration received towards sale of a subsidiary (net)	100,324,000	-
Investment in fixed deposits (net)	(821,569,787)	7,868,238
Interest on deposits and loans	25,601,234	13,784,292
Dividend income	2,508,265	6,480,000
Rental income	-	3,793,548
Net cash generated from/(used in) investing activities – (B)	(1,015,089,087)	(730,286,750)
C. Cash flow from financing activities :		
Increase in share capital	-	4,695,600
Increase in securities premium	-	188,880,510
Dividend and dividend tax paid	(507,498,103)	(125,118,335)
Net cash generated from/(used in) financing activities – (C)	(507,498,103)	68,457,775
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	123,992,879	47,020,945
Less : Adjustment towards sale of subsidiary	(78,297,546)	-
Net Increase/(decrease) in cash and cash equivalents after divesture adjustment	45,695,333	47,020,945
Cash and cash equivalents – Opening balance	391,750,632	344,729,687
Cash and cash equivalents – Closing balance	437,445,965	391,750,632
Net Increase/(decrease) in Cash and Cash Equivalents	45,695,333	47,020,945
Components of cash and cash equivalents as at		
Cash on hand	305,407	314,348
With banks on current account	437,140,558	391,436,284
Significant Accounting Policies and Notes to the Accounts	P	
The schedules referred to above and notes to accounts form an integral part of the Cash flow statement.		

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

Schedules annexed to and forming part of the Consolidated Accounts

Rupees

	December 31, 2008	December 31, 2007
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:		
7,225,000 (P.Y. 7,225,000) Equity Shares of Rs. 10 each fully paid up	72,250,000	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)]		
	72,250,000	72,250,000
SCHEDULE B:		
RESERVES & SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	474,890,071	286,009,561
Add : Additions during the year towards issue of shares under ESOP	-	188,880,510
	474,890,071	474,890,071
General Reserve as per last Balance Sheet		
Balance as per last Balance Sheet	891,066,321	820,395,563
Add : Transfer from Profit and Loss Account	137,378,192	70,670,758
	1,028,444,513	891,066,321
Capital Reserve		
Balance as per last Balance Sheet	122,232,111	-
Add : Addition on account of amalgamation of subsidiaries	-	122,232,111
	122,232,111	122,232,111
Profit and Loss Account		
Balance as per last Balance Sheet	1,885,109,355	1,259,400,281
Less: Adjustments account of transitional provision of Accounting Standard 15 (Revised) on employment benefits	-	(50,630,215)
	1,885,109,355	1,208,770,066
Currency Translation Reserve		
Balance as per last Balance Sheet	(7,798,081)	(4,769,175)
	3,502,877,969	2,692,189,394

SCHEDULE C:

Fixed Assets

Rupees

	Gross Block at Cost			Accumulated Depreciation/Amortisation				Net Block		
	As on Jan 01, 2008	Additions	Deductions	As on Dec 31, 2008	Upto Jan 01, 2008	For the year	On Assets sold	Upto Dec 31, 2008	As on Dec 31, 2008	As on Dec 31, 2007
Intangibles										
Goodwill	12,500,457	-	3,541,457	8,959,000	10,071,293	391,314	1,503,607	8,959,000	-	2,429,164
Goodwill On Consolidation	818,149,752	-	126,181,159	691,968,593	-	-	-	-	691,968,593	818,149,752
Trademarks	65,430,000	-	-	65,430,000	65,430,000	-	-	65,430,000	-	-
Copyrights	1,729,500	-	-	1,729,500	1,729,500	-	-	1,729,500	-	-
Patents	236,763	-	236,763	-	219,052	77,064	296,116	-	-	17,711
Fixed Assets										
Land & Buildings	278,609,665	-	-	278,609,665	93,211,313	13,930,483	-	107,141,796	171,467,869	185,398,352
Furniture & Fixtures	113,652,786	33,747,153	14,741,252	132,658,687	59,659,593	13,613,170	12,231,159	61,041,604	71,617,083	53,993,193
Office Equipments	122,481,944	56,429,306	29,034,050	149,877,200	57,544,598	14,462,584	14,053,863	57,953,319	91,923,881	64,937,346
Computers	340,324,565	66,072,564	26,714,111	379,683,018	242,258,717	64,851,467	25,339,800	281,770,384	97,912,634	98,065,848
Vehicles	53,961,820	16,566,107	12,631,860	57,896,067	30,380,437	15,669,545	9,711,500	36,338,482	21,557,585	23,581,383
Leasehold Improvements	52,432,419	86,722,997	8,975,461	130,179,955	7,268,288	13,427,382	5,092,021	15,603,649	114,576,306	45,164,131
Total	1,859,509,671	259,538,127	222,056,113	1,896,991,685	567,772,791	136,423,009	68,228,066	635,967,734	1,261,023,951	1,291,736,880
Previous Year	1,619,874,639	297,598,203	57,963,171	1,859,509,671	450,130,280	156,924,494	39,281,983	567,772,791	1,291,736,880	

	Rupees			
	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
SCHEDULE D:				
Investments				
A. Long Term (Unquoted – At Cost)				
3,600,000 (P.Y. 3,600,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs. 10 each, fully paid up		36,000,000		36,000,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency Of US \$ 1 each, fully paid up	13,642,500		13,642,500	
Less: Provision for diminution in value of Investment	13,642,499	1	–	13,642,500
40,000 (P.Y. 400,000) Equity Shares of Gas Strategies Group Limited of £1 per share, fully paid up		25,647,990		–
Total Long Term (At Cost) – {A}		61,647,991		49,642,500
B. Current Investments (At Cost Or Market Value, whichever is low) *				
Investments In Mutual Funds				
28,758 units of Rs. 10 each (P.Y. 28,758) of Tata Liquid Fund		50,000,000		50,000,000
NIL units of Rs. 10 each (P.Y. 8,116,159) of HSBC Cash Fund Growth Plan (Sold 8,116,159 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 2,867,742) of DSP Black Rock Fund Growth Plan (Sold 2,867,742 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,666,442) of LIC MF Liquid Fund Growth Plan (Sold 3,666,442 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of HDFC FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 82,019) of UTI Liquid Cash Plan Growth Option (Purchased 37,727 and Sold 1,19,746 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of Prudential ICICI FMP (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 5,385,179) of Reliance Liquid Fund – Treasury Plan – Institutional Option – Growth (Sold 5,385,179 units of Rs. 10 each during the current year)		–		100,000,000
NIL units of Rs. 10 each (P.Y. 5,000,000) of ABN AMRO Fixed Term Plan–Series 8:Yearly Plan B (Sold 5,000,000 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 6,413,591) of Kotak Liquid Institutional Premium Plan (Sold 6,413,591 units of Rs. 10 each during the current year)		–		100,000,000
8,562,774 (P.Y. 3,088,422) units of Rs. 10 each of Sundaram BNP Paribas Money Fund – Institutional Plan (Purchased 5,474,352 units of Rs. 10 each during the year)		150,000,000		50,000,000
NIL units of Rs. 10 each (P.Y. 4,105,731) of ING Liquid Fund (Sold 4,105,731 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,912,149) of Principal Mutual Fund (Sold 3,912,149 units of Rs. 10 each during the current year)		–		50,000,000
NIL units of Rs. 10 each (P.Y. 3,167,363) of HDFC Liquid Fund – Premium Plan Growth (Sold 3,167,363 units of Rs. 10 each during the current year)		–		50,000,000

Rupees

	December 31, 2008	December 31, 2008	December 31, 2007	December 31, 2007
41,897.992 units of Rs. 10 each (P.Y. NIL) Templeton India Treasury Management Account Super Institutional Plan Growth		50,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) DSP Black Rock – FMP 12M series 2		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) HSBC Fixed Term Series 56 (HFTS 56) FMP		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Tata Fixed Horizon Fund Series 18–Scheme C		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Kotak FMP 12M Series 8		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) Kotak FMP 12M Series 9		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) ABN AMRO Fixed Term Plan – Series 14: Plan A		100,000,000		
10,000,000 units of Rs. 10 each (P.Y. NIL) HDFC FMP 370D November 2008 (1)		100,000,000		
62,578 units of Rs. 10 each (P.Y. NIL) Tata Liquid Super High Inv. Fund – Appreciation		100,000,000		
Total Investments in Mutual Funds {B}*		1,050,000,000		900,000,000
Proportional Share of Investments in Mutual Fund by Joint Venture Company {C}		72,722,036		25,631,468
Total Investments {A}+{B}+{C}		1,184,370,027		975,273,968
*Aggregate market value of Company's investment in Mutual Funds		1,183,324,427		940,971,949
SCHEDULE E:				
Sundry Debtors				
Debts outstanding for a period exceeding six months				
– Considered good		95,145,240		102,790,743
– Considered doubtful		30,178,021		13,292,165
Other debts				
– Considered good		676,329,235		794,575,578
– Considered doubtful		–		–
Less : Reserve for Doubtful Debts		(30,178,021)		(13,292,165)
		771,474,475		897,366,321
SCHEDULE F:				
Cash & Bank Balances				
Cash on Hand		305,407		314,348
Balances with Scheduled Banks				
On Current Accounts		437,140,558		391,436,284
On Deposit Accounts		852,776,322		31,206,535
On Unpaid Dividend Accounts		1,896,487		1,247,028
Deposit includes Fixed Deposits with Banks Rs. 32,628,427 (P.Y. Rs. 18,514,627) marked as lien for Guarantees issued by Banks on behalf of the Company.				
		1,292,118,774		424,204,195

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE G:		
Loans and Advances		
Unsecured, Considered Good		
Loans to Staff	21,151,926	26,762,003
Advance Recoverable In Cash or kind for value to be received	92,160,445	41,489,723
Advance Taxes paid (Net of Provision for Taxes)	58,709,199	–
Sundry Deposits	353,993,257	338,961,350
	526,014,827	407,213,076
SCHEDULE H:		
Other Current Assets		
Other Current Assets		
Interest Accrued On Fixed Deposit With Banks	12,723,491	1,508,247
Accrued Revenue	4,442,083	2,404,371
	17,165,574	3,912,618
SCHEDULE I:		
Current Liabilities		
Sundry Creditors	556,246,974	534,624,628
Fees received in advance	486,351,710	304,354,630
Unclaimed dividend (to be credited to Investor Education & Protection Fund, when due)	1,896,487	1,247,028
Other Liabilities	111,574,420	118,661,122
	1,156,069,591	958,887,408
SCHEDULE J:		
Provisions		
Proposed Dividend	252,875,000	180,625,000
Corporate Dividend Tax thereon	42,976,107	30,697,219
Provision for Tax (net of advance tax)	–	13,432,166
Provision for Leave Encashment	122,631,874	145,933,019
Provision for Gratuity	21,200,905	18,946,664
	439,683,886	389,634,068

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE K:		
Income From Operations		
Ratings Services	1,887,753,462	1,300,783,882
Advisory Services	996,253,081	1,066,968,793
Research Services	2,194,752,914	1,639,731,807
Proportionate share in Joint Venture	66,844,780	35,841,554
	5,145,604,237	4,043,326,036
SCHEDULE L:		
Other Income		
Interest received on refund of Income Tax	-	8,770
Interest on Deposits (TDS –Rs. 8,135,015 P.Y Rs. 1,367,028)	36,816,478	14,607,012
Profit on sale of fixed assets , Net	133,467	45,659,366
Dividend Income	2,508,265	6,480,000
Foreign Exchange Gain	57,112,068	-
Profit on sale of investments (net)	90,149,041	2,304,789
Rental Income	-	3,793,548
Miscellaneous Income	24,264,251	16,867,614
Proportionate share in interest income of Joint Venture	5,258,950	1,881,205
	216,242,520	91,602,304
SCHEDULE M:		
Staff Expenses		
Salaries & Bonus	1,744,901,985	1,382,964,436
Contribution to Provident and Other Funds	78,754,755	53,250,630
Staff Training and Welfare Expenses	87,962,428	83,753,075
	1,911,619,168	1,519,968,141
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance – Buildings	71,449,762	31,594,939
Repairs and Maintenance – Others	57,804,860	46,451,201
Electricity	48,597,311	36,518,788
Communication expenses	70,179,659	69,386,253
Insurance	6,454,188	7,907,754
Rent (Refer Note 9 – Schedule P)	261,288,551	187,814,066
Rates & Taxes	2,491,295	11,540,029
	518,265,626	391,213,030

Rupees

	December 31, 2008	December 31, 2007
SCHEDULE O:		
Other Expenses		
Printing and Stationery	40,691,760	35,623,762
Conveyance and Travelling	247,589,749	246,938,761
Books and Periodicals	23,538,776	22,412,859
Vehicle Expenses	1,206,378	1,422,860
Remuneration to Non-whole time Directors	11,247,958	9,290,000
Business Promotion and Advertisement	16,853,897	14,558,942
Foreign Exchange loss (net)	-	61,398,067
Professional Fees	342,789,765	427,773,668
Software Purchase & Maintenance Expenses	18,222,484	30,035,582
Provision for Bad Debts	57,127,587	19,193,673
Bad Debts written off (net)	5,673,154	13,802,003
Loss on sale of fixed assets	7,592,281	-
Auditors' Remuneration	5,954,397	6,138,181
Recruitment Expenses	16,427,006	25,360,472
Seminars & Conferences	29,429,254	19,594,576
Miscellaneous Expenses	17,217,810	9,469,235
Proportionate share in administrative and other expense of Joint Venture	9,476,512	17,456,602
Diminution in value of Investments	13,642,499	-
Loss on sale of investment in subsidiary	60,403,834	-
	925,085,101	960,469,243

SCHEDULE P:**Significant Accounting Policies And Notes To The Consolidated Accounts****1 Principles of consolidation**

- 1.1 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").
- 1.2 The financial statements of the Company 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 as per Accounting Standard 21 – Consolidated Financial Statements issued by the Institute of Chartered Accountants of India ('ICAI').
- 1.3 In case of foreign subsidiaries, revenue items are converted at the average yearly foreign exchange rates and the balance sheet items are converted at closing rates.
- 1.4 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 issued by the Institute of Chartered Accountants of India.
- 1.5 The excess of Company's purchase consideration over the net assets as at the date of investment, has been recognised as Goodwill on consolidation.

- 1.6 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	Reference	Country Of Incorporation	Ownership in % either directly or through Subsidiaries	
			31-Dec-08	31-Dec-07
CRISIL Research & Information Services Limited	Note 1	India	–	100%
CRISIL Risk and Infrastructure Solutions Limited		India	100%	100%
CRISIL Properties Limited	Note 1	India	–	100%
Global Data Services Of India Limited	Note 1	India	–	100%
CRISIL Credit Information Services Limited		India	100%	100%
Gas Strategies Group Limited	Note 2	United Kingdom	–	100%
Alphatania Limited	Note 2	United Kingdom	–	100%
Gas Matters Limited	Note 2	United Kingdom	–	100%
Gas Strategies Consulting Limited	Note 2	United Kingdom	–	100%
Overview Outreach Limited	Note 2	United Kingdom	–	100%
Irevna Research Services Limited	Note 1	India	–	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%	–
CRISIL Irevna Poland Sp.Z.o.o		Poland	100%	–
Note 1 : Amalgamated with CRISIL wef 1st April, 2007				
Note 2 : Sale of majority stake on 10th December, 2008				

2 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 Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956 ('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.

2.1 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.

- 2.2 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.

2.3 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	2 to 10 Years
Computers	3 to 5 Years
Vehicles	3 Years

2.4 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 recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

2.5 Intangibles

Goodwill is amortised on a systematic basis over the best estimate of its useful life. Costs relating to Trademarks and Copyrights are amortised on a straight-line method over a period of four years.

2.6 Operating Leases

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

2.7 Investments

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

2.8 Revenue Recognition

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

Income from Operations

Income from Operations comprises of income from initial rating and surveillance services, credit assessments, special assignments, advisory services and subscriptions to information products. 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, advisory services

and special assignments are fully recognised as income in the year in which such assessments/assignments are carried out or milestones achieved.

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.

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.

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

2.10 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in reporting currency by applying to the foreign currency amounts, the average exchange rates for the month prior to the month in which the transaction takes place.

Conversion

Foreign currency monetary items are reported using the closing rates. Non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference

Exchange differences, arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

2.11 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 exchange rates of the dates of transactions and resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

2.12 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 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. 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 current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

The carrying amount of Deferred Tax Assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a Deferred Tax Asset to the extent it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which Deferred Tax Asset can be realised. Any such write down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.13 Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment transfers:

The Company generally accounts for intersegment sales and transfers as if the sales 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:

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

2.14 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.

2.15 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.

2.16 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.

3 Details of Contingent liabilities are as under:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
1. Bank Guarantee in the normal course of business	39,193,212	18,514,827
2. Disputed income tax demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	18,227,777	36,266,312
(ii) Decided in Company's favour by Appellate authorities and Department is in further appeal	4,706,559	12,369,953
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	87,252,360	117,996,153
	149,379,908	185,147,245

4 Components of Deferred Tax Assets and Liability are:

	Year Ended Dec 31, 2008 (Rs)	Year Ended Dec 31, 2007 (Rs)
Deferred Tax Liability		
Depreciation / Amortisation	(28,416,131)	(31,286,875)
Deferred Tax Asset		
Provision for Leave Encashment*	43,673,546	45,628,167
Provision for Gratuity	1,074,782	3,116,612
Provision for Bonus and Commission	25,995,693	8,855,630
Provision for bad debts	11,243,773	3,913,991
Deferment of Rating fees	9,186,846	2,505,486
Lease Rent amortisation	15,248,844	–
Disallowance under section 40(a)	334,392	–
	106,757,876	64,019,886
Net Deferred Tax Asset / (Liability)	78,341,745	32,733,011

5 Segment Reporting

Business Segments:

The Company is India's leading Rating, Research, Risk and Policy advisory group. CRISIL Ratings is full service rating agency that offers a comprehensive range of rating services. CRISIL Research comprises of analysing the Indian and Global environment with an objective of facilitating the client to make a well informed economic decision. CRISIL's equity research provides high-end customised equity research and analytics and knowledge process outsourcing to the world's leading financial institution, investment banks, private equity firms and consulting companies, helping them to achieve sustainable competitive advantage the most reliable opinions on risk by combining its understanding of risk and the science of building risk frameworks, with a contextual understanding of business. The advisory segment comprises of infrastructure advisory, risk management solutions and gas market advisory practice.

The Company 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 and grading services.
- Research segments provides high end equity research, industry reports, customised research assignments , subscription to data services and IPO gradings.
- The Advisory segment comprise of infrastructure advisory, risk management and gas market advisory practice.

Segment Reporting for the Year ended December 31, 2008

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,887,753,462	996,253,081	2,261,597,694	5,145,604,237
Segment Results	908,105,261	216,629,320	819,848,201	1,944,582,782
Add / (Less) Unallocables:				
1. Unallocable Income				157,345,707
2. Unallocable Expenditure				(95,051,627)
3. Depreciation				(136,423,009)
Profit Before Tax				1,870,453,853
Non-cash expenses other than depreciation and amortisation	11,953,888	9,370,000	14,756,796	36,080,684
Segment Debtors	238,223,100	178,807,934	354,443,441	771,474,475

Revenue by Geographic Segments

Country	Rupees
India	2,149,407,078
UK	1,715,024,311
US	1,089,874,760
Others	191,298,088
Total	5,145,604,237

Segment Reporting for the Year ended December 31, 2007

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating Revenue	1,300,783,882	1,066,968,793	1,675,573,361	4,043,326,036
Segment Results	550,517,854	209,411,368	441,586,180	1,201,515,402
Add / (Less) Unallocables:				
1. Unallocable Income				122,095,575
2. Unallocable Expenditure				(60,333,051)
3. Depreciation				(156,924,494)
Profit Before Tax				1,106,353,432
Non-cash expenses other than depreciation and amortisation	18,198,549	4,734,638	21,852,654	44,785,841
Segment Debtors	168,411,999	263,985,189	464,969,133	897,366,321

Revenue by Geographic Segments

Country	Rupees
India	1,414,436,452
UK	1,802,076,570
US	733,543,276
Others	93,269,738
Total	4,043,326,036

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 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 .

6 List of related parties

Parties	Relationship
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
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
R Ravimohan	Managing Director & Chief Executive Officer (till July 27, 2007)
Roopa Kudva	Managing Director & Chief Executive Officer (with effect from July 27, 2007)

Related Party Disclosure

Rupees

Name of the related party	Nature of transaction	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Standard & Poor's' LLC	Professional Services Rendered	563,666,959	521,813,568
	Reimbursement of expenses	7,273,764	10,170,218
	Amount Receivable	59,770,825	75,460,832
S&P India, LLC	Dividend	218,466,360	78,023,700
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	617,215	
	Reimbursement of expenses	3,731,383	
	Amount Receivable	4,348,598	
Standard & Poor's International LLC, USA	Dividend	42,000,000	15,000,000
	Share Capital Outstanding	6,000,000	6,000,000
The McGraw-Hill Companies, Inc	Expenses Recovered	20,382	-
McGraw-Hill Education India Private Limited	Professional Services Rendered	14,920,206	11,882,138
	Reimbursement of expenses	25,066,049	6,752,359
	Amount Receivable	11,963,663	11,638,039
R. Ravimohan	Remuneration paid	-	7,677,464
	Number of stock options exercised	-	30,000
Roopa Kudva	Remuneration paid	19,924,803	11,046,007
	Number of stock options exercised	-	24,000

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

- 7 The Company has 49% interest in India Index Services and Products Limited (a joint venture in India with National Stock Exchange). As per the Accounting Standard relating to Financial Reporting of Interest in Joint Venture (AS 27) issued by the Institute of Chartered Accountants of India, the details of interest in the Joint Venture are as under:

Rupees

	Unaudited	
	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Assets	89,447,554	51,963,649
Reserves and Surplus	71,256,570	31,691,355
Liabilities	11,820,983	13,902,295
Income	72,103,730	37,722,759
Expenses	10,143,589	18,050,335
Tax Expense	20,159,149	6,489,293
Contingent Liability	751,530	-

8 Operating Lease

The Company has taken certain office premises on operating lease basis. Details as regards payments and future commitments are as under:

Rupees

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Lease Payment recognised in Profit & Loss Account	261,288,551	178,054,372
Future Minimum Lease Payments:		
Not later than one year	219,013,366	215,094,314
Later than One Year & not later than 5Years	708,090,528	705,226,656
Later than 5 Years	203,578,140	285,521,476
	1,130,682,034	1,205,842,446

9 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 & Loss Account:

Net employee benefit expense (recognised in Employee Cost)

Rupees

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Current Service cost	9,544,786	2,397,582
Interest cost on defined benefit obligation	3,153,094	872,437
Expected return on plan assets	(1,426,980)	(545,866)
Net actuarial (gain)/ loss recognised in the year	9,569,979	7,454,215
Losses/(Gains) on "Acquisition/Divestiture"	(39,494)	4,387,898
Net Gratuity Benefit Expense	20,801,385	14,566,266

Balance Sheet:

Details of Provision for Gratuity Benefit

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Present value of funded obligations	46,923,957	29,261,994
Fair value of plan assets	(25,723,052)	(10,315,331)
Net Liability	21,200,905	18,946,663

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

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Opening Defined Benefit Obligation	29,261,994	17,695,533
Current Service Cost	9,544,786	2,397,582
Interest Cost	3,153,094	872,437
Actuarial (gain)/loss	12,811,600	4,830,803
Liabilities assumed on acquisition/(Settled on Divestiture)	-	5,721,298
Benefits paid	(7,847,517)	(2,255,659)
Closing Defined Benefit Obligation	46,923,957	29,261,994

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

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Opening Fair value of plan assets	10,315,331	13,067,154
Expected return on plan assets	1,426,980	545,866
Actuarial gain/ (loss)	3,241,621	(2,623,412)
Contribution by employer	18,547,143	247,982
Asset acquired on acquisition	39,494	1,333,400
Benefits paid	(7,847,517)	(2,255,659)
Closing Fair Value of Plan Assets	25,723,052	10,315,331

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

Rupees

	As At Dec 31, 2008	As At Dec 31, 2007
Experience adjustment on plan assets	3,523,032	853,712
Experience adjustment on plan liabilities	(299,664)	2,802,726

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

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2008/ 2007)	9.25%	7.50%

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:

	Year Ended Dec 31, 2008	Year Ended Dec 31, 2007
Discount Rate	7.20%	8.50%
Estimated rate of return on plan assets	7.50%	7.50%
Expected Employee Turnover		
Age : 21–44 Years	2.00%	2.00%
Age : 44–57 Years	1.00%	1.00%
Expected Employer's Contribution next year	23,000,000	18,700,000

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

- 10 CRISIL Limited sold 90% of its stake in Gas Strategies Group Limited on December 10,2008.
- 11 The accounts of Gas Strategies Group Limited, India Index Services and Products Limited and CRISIL Irevna Poland Sp.Z.o.o are unaudited and financial statements (excluding notes to accounts) as certified by the management, have been considered in these consolidated financial statements.
- 12 Previous year comparatives
Previous year's figures have been regrouped where necessary to conform to current year's classification.

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, February 23, 2009

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

R. Ravimohan
Chairman

Roopa Kudva
Managing Director & CEO

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Director

STATEMENT PURSUANT TO DETAILS TO BE FURNISHED FOR SUBSIDIARIES AS PRESCRIBED BY THE MINISTRY OF CORPORATE AFFAIRS

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.Z.o.o	Irevna Limited, UK	Irevna LLC, US
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	8,000,000 Equity Shares of Pence 0.1 each, fully paid up	1 Equity Shares of US\$ 200 each, fully paid up
3	Reserves & Surplus	88,067,191	(69,509)	5,718,482	(476,427)	(57,121)	(53,066,595)
4	Total Assets	283,861,808	441,727	27,165,215	905,511	249,796,825	206,897,340
5	Total Liabilities	283,861,808	441,727	27,165,215	905,511	249,796,825	206,897,340
6	Investments	-	-	-	-	789,451	571,703
7	Turnover	498,976,427	-	97,236,339	-	980,243,502	534,564,319
8	Profit/(Loss) Before Taxation	134,509,985	(11,848)	8,855,752	(476,427)	(11,648,993)	(21,758,360)
9	Tax Expense	44,832,024	-	3,137,270	-	3,645,108	302,164
10	Profit After Taxation	89,677,961	(11,848)	5,718,482	(476,427)	(15,294,101)	(22,060,524)
11	Dividend Paid	-	-	-	-	-	-

CRISIL Limited sold 90% of its stake in Gas Strategies Group Limited on December 10, 2008. Consequently information with respect to Gas Strategies Group Limited and its subsidiaries comprising of Alphatania Limited, Gas Matters Limited, Gas Strategies Consulting Limited and Overview Outreach Limited are not included above.

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

R. Ravimohan
Chairman

Thomas Schiller
B. V. Bhargava
David Pearce
Rama Bijapurkar
H. N. Sinor
Nachiket Mor

Roopa Kudva
Managing Director & CEO

Director

Shrikant Dev
Company Secretary
Mumbai, February 23, 2009

Notice

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Tuesday, April 28, 2009 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended December 31, 2008 and Balance Sheet as at that date, together with the Report of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividends on the equity shares for the year ended December 31, 2008 and declare final dividend for the year 2008 on equity shares.
3. To appoint a Director in place of Mr. Thomas Schiller, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. David Pearce, who retires by rotation and, being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution:

"RESOLVED THAT Messrs S. R. Batliboi & Co., Chartered Accountants, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

"RESOLVED THAT Dr. Nachiket Mor, who was appointed as an Additional Director of the Company with effect from July 24, 2008 at the meeting of the Board of Directors of the Company

pursuant to Section 260 of the Companies Act, 1956 (the Act) and in respect of whom the Company has received a notice under Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board
 For CRISIL Limited
 Shrikant Dev
 Company Secretary

Mumbai, February 23, 2009.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. A proxy form duly completed, stamped and signed should reach the Registered Office of the Company not less than 48 hours before the time of the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, March 24, 2009 to Wednesday, March 25, 2009 (both days inclusive).
4. Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
5. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid:
 - (i) to those Members whose names appear on the Register of Members of the Company, at the close of business hours on Wednesday, March 25, 2009, after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents on or before Tuesday, March 24, 2009; and
 - (ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Wednesday, March 25, 2009.

6. In accordance with the provisions of Section 205A of the Companies Act, 1956, the Company shall transfer the unclaimed dividend relating to the financial year 2001–2002 to the Investor Education and Protection Fund of the Central Government after the expiry of seven years from the date of transfer to unpaid dividend account. Members who have a valid claim to the said unclaimed dividend may claim the same from the Company before the transfer takes place.
7. The Company has obtained an exemption from the Ministry of Corporate Affairs for publication of the Accounts of its subsidiaries under the provision of Section 212 of the Companies Act, 1956. The accounts of the subsidiary companies, therefore, are not separately included in the Annual Report. However, the consolidated financial statements, duly audited by the Statutory Auditors, include accounts of subsidiary companies. The Accounts of subsidiary companies and other detailed information will be made available to the investors seeking information at the Company's Registered Office.
8. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days from the date hereof upto the date of the Meeting.

Pursuant to Clause 49 of the listing agreement with the stock exchanges, the following information is furnished about the Directors proposed to be appointed/re-appointed.

ITEM NO. 3

Mr. Thomas Schiller, Director, retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. Thomas Schiller is given below:

Mr. Thomas Schiller is Executive Managing Director and region head for Standard & Poor's business in Asia-Pacific. He assumed this position in August 2004 and is responsible for further developing Standard & Poor's leading position in the region's financial markets. He helped build Standard & Poor's strong regional franchise through a series of management and market development positions held over the years, including Tokyo office, Head, Chief Marketing Officer for Asia-Pacific, and, most recently, Managing Director and Region Head for Standard & Poor's in Japan and Korea. He joined Standard & Poor's in 1987 as a corporate analyst in the Industrial Ratings group.

He is Director on the Board of CRISIL Risk and Infrastructure Solutions Limited.

He does not hold any shares in the Company.

The Board considers it in the interest of the Company to appoint Mr. Thomas Schiller as a Director.

None of the Directors, except Mr. Thomas Schiller, is interested or concerned in this Resolution.

ITEM NO. 4

Mr. David Pearce, Director, retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. David Pearce is given below:

Mr. David Pearce joined Standard & Poor's in 1997 when McGraw-Hill acquired Micropal, where he was Group Financial Controller. Following this he served as Finance Director for Standard & Poor's Funds Services. More recently Mr. Pearce was Vice President and European Controller for the McGraw-Hill Companies. In July 2002, he took up the position of Vice President, European Finance for Standard & Poor's providing strategic and managerial direction for Standard & Poor's European financial operations. In early 2006 he was promoted as Senior Vice President, Finance for Standard & Poor's Europe/Asia.

Mr. David Pearce does not hold any shares in the Company.

The Board considers it in the interest of the Company to appoint Mr. David Pearce as a Director.

None of the Directors, except Mr. David Pearce, is interested or concerned in this Resolution.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6

Dr. Nachiket Mor who has been appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 effective July 24, 2008 holds office upto the date of this Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company. The Company has received Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the candidature of Dr. Nachiket Mor for the office of director.

Dr. Nachiket Mor is a Yale World Fellow (2004); has a Ph.D. in Economics from the University of Pennsylvania with a specialisation in Finance from the Wharton School; an MBA from the Indian Institute of Management, Ahmedabad and an undergraduate degree in Physics from the Mumbai University. While completing his Ph.D., he was associated with a Philadelphia based hedge fund (Quantitative Financial Strategies) for three years. He worked with ICICI from 1987 to 2007 in a variety of jobs including Corporate Planning, Project Finance and Treasury. In October 2007, he stepped down from the Board of Directors of ICICI Bank to assume charge of the ICICI

Foundation for Inclusive Growth as its President. In addition to his work within ICICI Bank, among other things, in the past he has served as the Chairman of the Fixed Income Money Market and Derivatives Association of India (FIMMDA) for two years and as a Board Member of Wipro Limited for five years. His current assignments include memberships of the Board of the Institute for Financial Management and Research (IFMR), CARE USA, International Food Policy Research Institute (IFPRI), and several task forces of the Planning Commission. He is currently on the Board of IndiaMart InterMESH Limited, RUDI Multi Trading Company Limited and Financial Information Network and Operations Limited.

Dr. Nachiket Mor does not hold any shares in the Company.

The Board of Directors considers it in the interest of the Company to appoint Dr. Nachiket Mor as a Director.

None of the Directors, except Dr. Nachiket Mor, is interested or concerned in this resolution.

By Order of the Board
For CRISIL Limited
Shrikant Dev
Company Secretary

Mumbai, February 23, 2009.

Registered Office:

CRISIL House,
121-122, Andheri Kurla Road,
Andheri (East), Mumbai -400 093.

REGISTERED OFFICE

'CRISIL House', Plot No. 121/122,
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Tel.: + 91 (22) 6691 3001-09
Fax: + 91 (22) 6691 3228

CITY OFFICES

Andheri

Solitaire Corporate Park
Unit nos. 201-202, 212, 261-262, 341-342,
621-622, 631-632, 961-962, 1001-1002,
1021-1022, 1061-1062, 1111-1112
Andheri-Ghatkopar Link Road,
Andheri (East), Mumbai – 400 093.
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Tel.: + 91 (22) 4040 2900
Fax: + 91 (22) 4040 3030

Research

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Fax: + 91 (22) 6702 6954

Infrastructure Advisory

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Fax: + 91 (22) 6644 1810

Risk Solutions

(CRISIL Risk and Infrastructure Solutions Limited)
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Fax: + 91 (22) 6758 8288

Hiranandani Business Park

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A wing-IT / ITES- SEZ",
Hiranandani Business Park,
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REGIONAL OFFICES

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Fax: + 91 (44) 4226 3001

TVH –Belicia Towers
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Chennai – 600 028.
Tel.: + 91 (44) 4226 3000
Fax: + 91 (44) 4226 3001
www.irevna.com

Hyderabad

Uma Chambers, 3rd Floor,
Plot no. 9 & 10 Nagarjuna Hills,
Near Punjagutta Cross Road,
Hyderabad – 500 482.
Tel.: +91 (40) 2335 8103/8105
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Fax: + 91 (33) 2283 0597

website : www.crisil.com

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Fax: +91 (20) 2553 9068

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Irevna LLC

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New York, New York 10036,
U.S.A.
Tel.: +1 877 747 3862
Tel.: (Outside USA) +1 646 292 3520
Fax: +1 646 292 3521
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CRISIL Irevna Argentina SA

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B1638BGF Olivos,
Provincia de Buenos Aires,
Argentina.
Tel.: (+5411) 4837 7600
Fax: (+5411) 4837 7667
www.irevna.com.ar

CRISIL Irevna Poland Sp.Z.o.o

Powstancow Slaskich 2-4 Street,
Wroclaw 53-333.

CRISIL LIMITED

Registered Office: CRISIL House, 121-122, Andheri-Kurla Road, Andheri (East), Mumbai-400 093.

PROXY FORM

Regd. Folio No.

No. of Shares held

I/We

of

being member(s) of CRISIL LIMITED hereby appoint Mr./Ms.

of

or failing him Mr./Ms.

of

as my/our/proxy to vote for me/us on my/our behalf at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on April 28, 2009 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.

Signed this day of 2009.

Signature

Revenue
stamp of
15 paise

Note : This form, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

22nd Annual General Meeting - April 28, 2009

I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company held on April 28, 2009 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.

Full Name of the Member

(in BLOCK LETTERS)

Regd. Folio No.

No. of Shares held

Full Name of the Proxy (in BLOCK LETTERS)

Member's/Proxy's Signature



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