



CRISIL Limited

25th Annual Report

2011



A Standard & Poor's Company





Gaurav Waskar, Manager, CRISIL Global Research & Analytics designed CRISIL's Silver Jubilee logo.



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CORPORATE

Overview

MESSAGE FROM THE CHAIRMAN

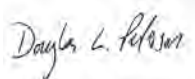


CRISIL has maintained an unwavering commitment to its strong core values, its extraordinarily talented and dedicated people, its tremendous scalability, and its uniquely innovative culture.

The celebration of CRISIL's 25th anniversary provides an uplifting story of continuous transformation and growth. From a courageous start as a small credit rating agency in the Indian market, where the concept was completely new, CRISIL has grown to become a global analytical company providing ratings, research, risk and policy advisory services. CRISIL has been guided throughout by its vision of making markets function better, starting with the nascent corporate credit market in India, and growing to become an integral part of the global financial markets today.

Along the way, CRISIL has maintained an unwavering commitment to its strong core values, its extraordinarily talented and dedicated people, its tremendous scalability, and its uniquely innovative culture. CRISIL has pioneered services ranging from grades for small enterprises with a few dozen employees, to research and analytical services for global banks with hundreds of thousands of employees throughout the world. And it has done all of this while consistently delivering solid value to all its stakeholders.

As we move forward towards the next set of milestones, I am proud of my association with this great company. I thank all of you for your ongoing support, and I look forward to celebrating many more achievements with you in the future.



Douglas Peterson
Chairman, CRISIL

MILESTONES

Since its inception, CRISIL has constantly redefined industry standards through best practices and innovations.

We share with you, key milestones from our journey...

2007

Roopa Kudva takes over as the MD & CEO

Assigns India's first Bank Loan Rating under the Reserve Bank of India's Basel II related regulations

The Provident Fund Regulatory and Development Authority appoints CRISIL to assist in the selection of Fund Managers under the New Pension Scheme

2002

Sets up the Centre for Economic Research to apply economic principles to live business situations

1997

S&P acquires a 9.68 per cent stake in CRISIL

1992

Offers technical assistance and training to help set up Rating Agency Malaysia Berhad and MAALOT, the Israeli securities rating company

January 29 1987

Incorporation of India's first credit rating agency – CRISIL, under the leadership of N. Vaghul, Chairman and Pradip Shah, Managing Director

2008

Launches Complexity Levels, an initiative to strengthen India's capital markets by providing greater transparency to investors

2003

Sets up its investment and risk management services group

1993

Whopping success in IPO – 20,00,000 shares are oversubscribed by 2.47 times

January 1 1988

Commences operations within a year of its incorporation
Assigns its first rating

2009

Launches Independent Equity Research (IER)

Assigns its 5,000th SME rating

Captures about half of India's bank loan rating market

1999

CRISIL's proprietary Risk Assessment Model (RAM) becomes the banking industry standard

1994

R. Ravimohan takes over as CRISIL's MD & CEO

Diversifies business portfolio with strategic inclusion of advisory services

Wins its first major mandate in the infrastructure policy advisory domain

2010

Launches Real Estate Star Ratings

Acquires Pipal Research, further strengthening its leadership in Global Research & Analytics

2005

Culminates S&P's majority control through strategic alliance

Acquires Irevna, extending its services in global research and analytics

Launches Small and Medium Enterprise (SME) Ratings to serve the specialised needs of the SME sector

2000

Acquires Information Products and Research Services (India) Pvt. Limited (INFAC), making itself India's leading provider of integrated research

1995

Launches the CRISIL500 Equity Index in partnership with the National Stock Exchange of India Limited (NSEIL)

1990

Launches the CRISILCARD Service to provide comprehensive information and analytical opinion on India's corporate entities

2011

Launches Education Grading, Solar Grading and, Gold and Gilt Index

Announces 20,000th SME Rating

CRISIL Global Research & Analytics receives NASSCOM Exemplary Talent Practices Award

2006

Launches IPO grading services to provide investors with independent, reliable, and consistent assessments of the fundamental strengths of new public issues

2001

Launches Mutual Fund Awards in association with CNBC TV18 – a benchmark award for India's best performing mutual funds

Launches the CRISIL Young Thought Leader (CYTL) Award to attract outstanding talent and provide a platform to India's future business leaders to showcase their views

1996

Forges a strategic business alliance with Standard & Poor's (S&P) Ratings Group

2012

More to accomplish...

RATINGS

India's first, largest, and most prominent credit rating agency

One out of every two companies rated in India has a CRISIL rating

GLOBAL RESEARCH & ANALYTICS

The largest team of equity research analysts in the world, outside banks

Analysed over 200,000 structured trades till date

RESEARCH

Coverage on 69 industries and 139 sub-sectors

Largest and most comprehensive database on India's debt market, covering more than 14,000 securities

INFRASTRUCTURE ADVISORY

Serves a variety of clients, including government bodies, multilaterals, banks, and infrastructure companies

Offers a wide range of solutions focused on infrastructure policy, corporate advisory, integrated risk management, and associated consulting services

RISK SOLUTIONS

Our internal rating system, RAM, is the benchmark for the Indian banking industry and helps differentiate the good credits from the bad

25
years

Two-thirds of India's corporate bonds and 45 banks that account for 90 per cent of India's banking industry are rated by CRISIL

Pioneered the concept of SME Ratings in India in 2005 and so far have rated highest number of SMEs anywhere in the world

Manages data for 30,000 issuers, 92 industries and 120 economies globally

Values more than Rs.33 trillion (USD 650 billion) of Indian debt securities, comprising 85 per cent of outstanding securities

25 Years of Making Markets Function Better

CRISIL is a Global Analytical Company Providing Ratings, Research, and Risk and Policy Advisory Services.

WHO we are

We are India's leading rating agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations. With sustainable competitive advantage arising from our strong brand, unmatched credibility, market leadership across businesses, and large customer base, we deliver analysis, opinions, and solutions that make markets function better.

Our defining trait is our ability to convert data and information into expert judgements and forecasts across a wide range of domains, with deep expertise and complete objectivity.

At the core of our credibility, built up assiduously over the years, are our values: Integrity, Independence, Analytical Rigour, Commitment, and Innovation.

CRISIL's majority shareholder is Standard and Poor's (S&P). Standard & Poor's, a part of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of credit ratings.

We address a rich and globally diversified client base.

Within India, our customers range from small enterprises to the largest corporations and financial institutions; outside India, our customers include the world's largest banks and leading corporations. We also work with governments and policy-makers in India and other emerging markets in the infrastructure domain.

WHO we serve

“At the core of our credibility, built up assiduously over the years, are our values: Integrity, Independence, Analytical Rigour, Commitment, and Innovation.”

We empower our customers, and the markets at large, with independent analysis, benchmarks, and tools.

These help lenders and borrowers, issuers and investors, regulators, and market intermediaries make better-informed investment and business decisions.

Our offerings allow markets and market participants to become more transparent and efficient — by mitigating and managing risk, taking pricing decisions, generating more revenue, reducing time-to-market, and enhancing returns. By helping shape public policy on infrastructure in the emerging markets, we help catalyse economic growth and development in these countries.

HOW we add value

CRISIL BUSINESSES

RATINGS

Bond Ratings
Bank Loan Ratings
SME Ratings
Real Estate Star Ratings

GLOBAL ANALYTICAL CENTRE

RESEARCH

GLOBAL RESEARCH & ANALYTICS

Equity Research
Credit Research
Risk & Analytics

INDIA RESEARCH

Economy & Industry Research
Funds & Fixed Income Research
Equity & Company Research

ADVISORY*

CRISIL INFRASTRUCTURE ADVISORY

CRISIL RISK SOLUTIONS

* Wholly owned subsidiary –
CRISIL Risk and Infrastructure Solutions Limited

CRISIL Ratings

Unmatched coverage: one out of every two companies rated in India has a CRISIL rating

HOW WE ADD VALUE

CRISIL's ratings assist issuers and borrowers in enhancing their access to funding, widening the range of funding alternatives, and optimising the cost of funds.

Investors and lenders use our ratings to supplement their internal evaluation process and to benchmark credit quality across investment options.

WHO WE ARE

CRISIL Ratings is India's leading rating agency. We pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we have a leadership position. We have rated over 46,000 entities, by far the largest number in India.

We are a full-service rating agency. We rate the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial guarantees.

CRISIL sets the standards for every aspect of the credit rating business.

We have instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions.

We pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs). This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance.

We have an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding our rating criteria and to disseminate our analytical insights and knowledge.

WHO WE SERVE

CRISIL Ratings serves lenders, investors, issuers, market intermediaries, and regulators by improving information availability and providing benchmarks. We rate most of India's largest companies and several of the smallest.

We have rated 15,000 large and mid-corporates and financial institutions, and 31,000 small and medium enterprises across 190 industry sectors. Our ratings cover manufacturing companies, banks, non-banking finance companies, public sector undertakings, financial institutions, state governments, urban local bodies, and mutual funds.

Rated 31,000 SMEs, by far the highest number globally

Two-thirds of India's corporate bonds and 45 banks that account for 90 per cent of India's banking industry are rated by CRISIL

For the markets at large, our ratings act as a market benchmark for pricing and trading of debt instruments.

We help regulators in measurement and management of credit risks at a systemic level. CRISIL's ratings are used in the computation of capital adequacy in the banking sector. Our ratings are also used to determine the eligible investment pool for insurance companies, pension funds, and provident funds.

We have rated more than 550 retail loan portfolios aggregating Rs.1.2 trillion

CRISIL Global Research & Analytics

WHO WE ARE

CRISIL Global Research & Analytics (GR&A) is the world's largest and top-ranked provider of high-end research and analytics services.


We are the world's largest provider of equity and credit research services. We are also the foremost provider of end-to-end risk and analytics services to trading and risk management functions at the world's leading financial institutions and corporations.

We operate from research centres in Argentina, China, India, and Poland, working with our clients across several time zones and in multiple languages.

Being a part of CRISIL enables us to attract and retain top-quality talent. 75% of our employees hold advanced degrees in finance, accounting and management. We employ the largest number of CFAs and CFA aspirants in India.



We annually review over 20 per cent of outstanding exotic equity derivatives globally



We won top honours at the NASSCOM Exemplary Talent Practices Award (NExT Practices) for Skill Enhancement. The award recognises us as a firm that has the vision to proactively invest in its people and get them future-ready.

We are committed to delivering cutting-edge analysis, opinions, and solutions. This underscores our proposition of being the best people to work with.



Our equity research covers 90 per cent of global trading volumes, 88 per cent of global market capitalisation



WHO WE SERVE

We serve the world's leading commercial and investment banks, insurance companies, corporations, consulting firms, private equity players, and asset management firms. Our clients are present in Asia, Europe, the Middle East, Africa, and the Americas, and include

- 12 of the top 15 global investment banks
- 2 of the top 10 global asset management companies
- 3 of the top 15 global insurance companies
- 2 of the top 10 global consulting groups
- 37 Fortune 500 companies

HOW WE ADD VALUE

We help clients to grow their revenues and strengthen their market position. Our high-quality research has enabled our clients to improve their institutional ranking, increase their coverage, enter new markets, get better business insights, and deliver new path-breaking research.

Our services enable our clients to make their operations more efficient, improve their productivity, and grow their profits.

Our strong derivatives, quantitative, risk and actuarial specialists help clients apply incisive analytics to internal models, transition to more robust risk and trading platforms, measure risk in a more real-time manner, and comply with regulatory requirements including model validation, stress testing, and Solvency II.



Our credit research supports 80 per cent of global structured finance market, more than 60 per cent of global credit markets



CRISIL Research

WHO WE ARE

CRISIL Research is India's largest independent and integrated research house. We provide insights, opinions, and analysis on the Indian economy, industries, capital markets, and companies.

We are India's most credible provider of economy and industry research. Our industry research covers 69 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our network of more than 4,500 primary sources, including industry experts, industry associations, and trade channels.

We play a key role in India's fixed income markets. We are India's largest provider of valuations of fixed income securities, serving the mutual fund, insurance, and banking industries. We are the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries.

We pioneered independent equity research in India, and are today India's largest independent equity research house.

Our defining trait is the ability to convert information and data into expert judgements and forecasts with complete objectivity. We leverage our deep understanding of the macroeconomy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages.

We deliver our research through an innovative web-based research platform.

Our talent pool comprises economists, sector experts, company analysts, and information management specialists.

Sole provider of fixed income and hybrid indices to mutual funds and insurance companies; we maintain 12 standard indices and over 80 customised indices

WHO WE SERVE

We serve more than 1,200 Indian and global clients. These include banks, exchanges, companies, mutual funds, insurance companies, wealth managers, brokers, private equity firms, investment banks, consultants, industry associations, and educational institutions. Our clients include

- 90 per cent of India's banks
- 22 of the top 30 Indian companies (by market capitalisation)
- The entire Indian mutual fund industry
- 19 of the 23 life insurance companies
- 4 of the top 5 global consulting firms

Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 100 companies

HOW WE ADD VALUE

Our opinions and insights help our clients to take informed lending, investment and strategic decisions, thereby mitigating and managing risk.

Our fixed income valuations and indices provide greater transparency in the fixed income markets and empower investors with independent benchmarks to evaluate the performance of their investments.

Our independent equity and company research reports provide insights to investors on under-researched companies. Our reports have improved transparency levels and trading volumes in India's equity markets.

Coverage on 69 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks

90 per cent of India's commercial banks use our industry research for credit decisions

CRISIL Infrastructure Advisory

WHO WE ARE

CRISIL Infrastructure Advisory is a leading advisor to regulators and governments, multilateral agencies, investors, and large public and private sector firms. We help shape public policy and enable infrastructure development.

Viability gap financing mechanism for Vietnam, sponsored by The World Bank

Our services span a wide array of infrastructure development activities. Our work in the areas of policy formulation, regulation, design and implementation of public-private partnership (PPP) frameworks and infrastructure financing mechanisms helps create a vibrant ecosystem for infrastructure development. Our services at the project level include bid process management, valuations and due diligence to enable investment decisions.

We are known for our core values of independence and analytical rigour combined with deep domain expertise.

Our teams have expertise across the complete range of infrastructure sectors – urban development, energy, transport and logistics, natural resources, education, and healthcare. We have a rich understanding of PPP and financing related issues.

We operate in India and 22 other emerging economies in Asia, Africa, and the Middle East.

CRISIL Infrastructure Advisory is a division of CRISIL Risk and Infrastructure Solutions Limited (CRIS), a wholly owned subsidiary of CRISIL Limited.

WHO WE SERVE

Our clientele includes

- National and provincial governments and their parastatals
- Multilateral organisations and development aid agencies working in Asia and Africa
- Regulatory bodies dealing with economic and sector regulation
- Top public and private sector enterprises engaged in developing natural resources, utilities, and infrastructure
- Leading banks and non-banking financial companies involved in infrastructure finance and development
- Over 100 urban local bodies and municipal agencies in India
- Numerous private equity firms

City development plans for five cities with a million plus population under JnNURM

HOW WE ADD VALUE

Our services enable governments to shape public policy, create sustainable and transparent regulatory frameworks, carry out reforms and create bankable infrastructure projects, thereby attracting investments in infrastructure.

We help public institutions undertake economic and sectoral reforms and improve service delivery.

We catalyse private sector participation by providing investors' support in investment analysis and valuation, and in bidding activities.

PPP policy frameworks for Namibia and Thailand

CRISIL Risk Solutions

WHO WE ARE

CRISIL Risk Solutions (CRS) provides a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks, and corporates. We have been ranked India's No. 1 Risk Solutions provider in a survey by Indian Banks' Association. We also work in several countries outside India.

Our solutions help clients identify, measure, and calibrate a comprehensive range of risks: credit risk, price and market risk, exchange and liquidity risk, operational risk, strategic and regulatory risk.

Our expertise in executing and managing diverse risk-related engagements globally, in-depth understanding of geography-specific regulatory and implementation requirements, and a pool of experienced and outstanding professionals enable us to deliver enterprise risk management frameworks from ideation to implementation.

We supplement our core consulting strength and analytical skills with robust proprietary software to provide efficient solutions for risk management. Our software and service offerings include internal rating systems to assess the credit worthiness of borrowers, loan origination systems to automate the lending and administration process, automated capital computation processes for credit risk, market risk, and operational risk as per Basel II and economic capital modelling systems.

We have adopted global quality assurance standards and are ISO 9001:2008 certified.

We are a division of CRISIL Risk & Infrastructure Solutions Limited (CRIS), a wholly owned subsidiary of CRISIL Limited.

Our internal rating system, RAM, is the benchmark for the Indian banking industry and helps differentiate the good credits from the bad

WHO WE SERVE

The customers for our risk offerings include the leading banks and financial institutions in India, Middle-East, Africa, and South Asia. In India, we help the leading public and private sector banks and large corporates in addressing their enterprise risk management requirements. Globally, we work with Standard & Poor's to deliver risk-related frameworks and solutions to a large number of multinational financial institutions. We have

- Helped over 50 banks and financial institutions adopt best practices in risk management
- Undertaken risk management assignments in 20 countries
- Provided risk management solutions to 8 of the top 10 banks in India

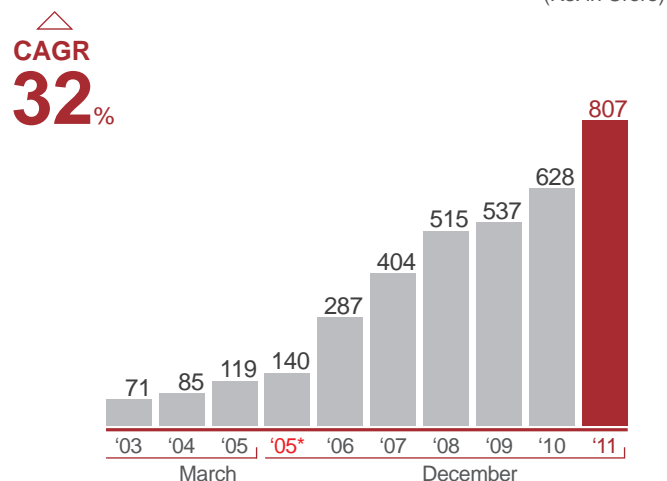
HOW WE ADD VALUE

We help our clients adopt global best practices in risk management. Our solutions help clients to minimise and intelligently manage their business risks.

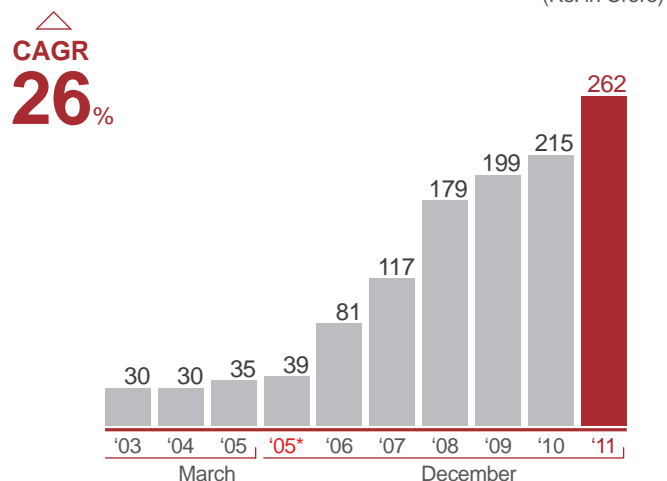
- Our internal rating system, RAM, is the benchmark for the Indian banking industry and helps differentiate the good credits from the bad
- Our risk management solutions help clients spread the risk management practices and culture across their entire branch network
- Our Basel II and Basel III offerings help in demystifying the Basel and local regulatory guidelines and automate the entire regulatory capital computation

CRISIL CONSOLIDATED TEN YEAR FINANCIAL HIGHLIGHTS

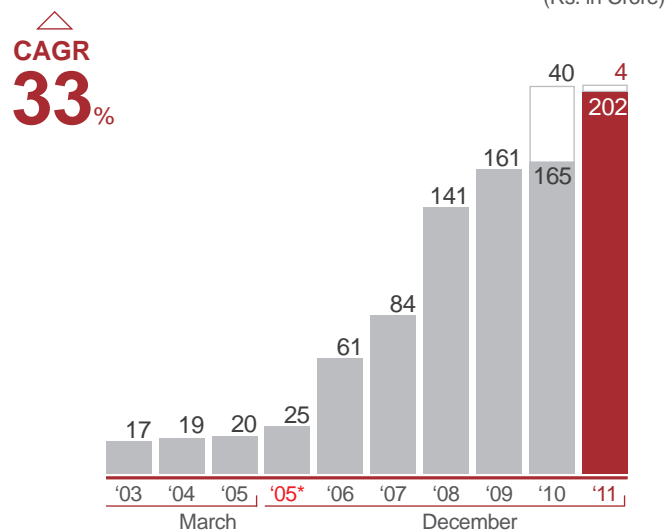
Income from operations



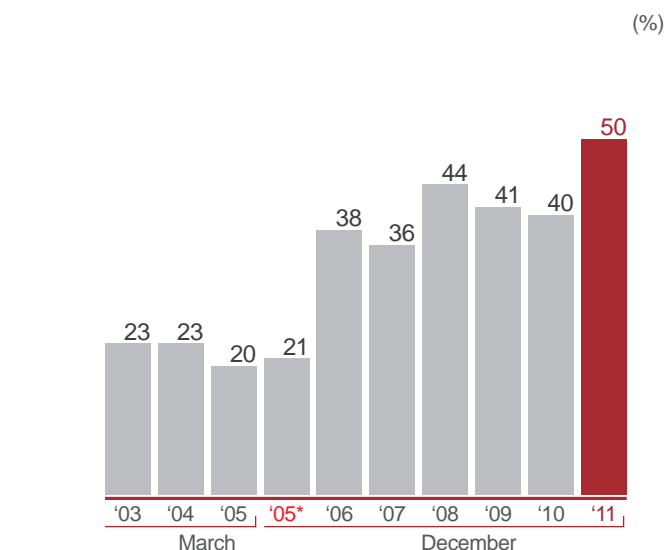
EBIDTA



Profit After Tax (PAT)



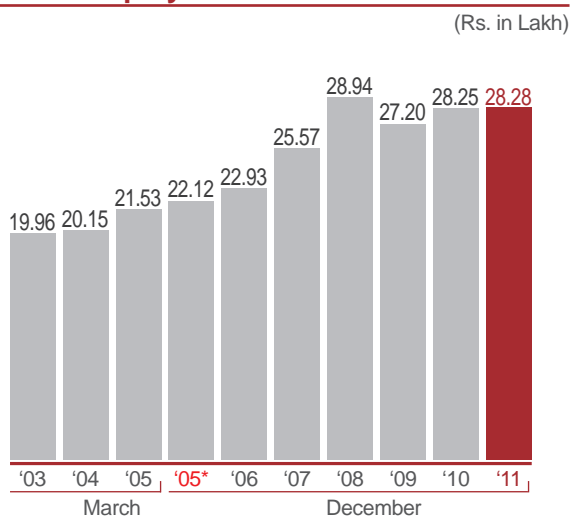
Return on Net Worth



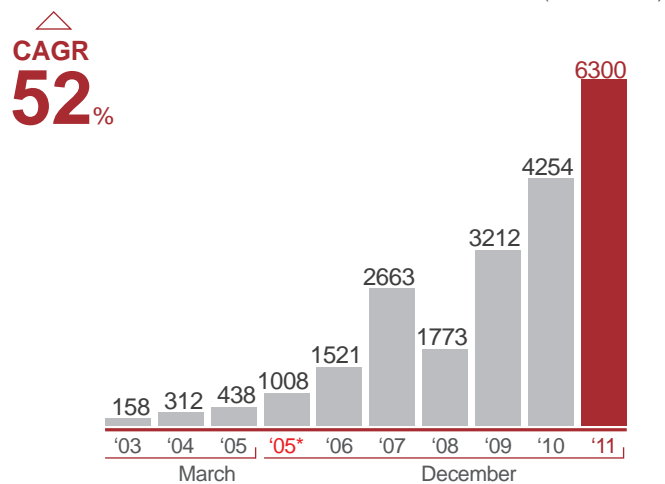
Note:

Above numbers are based on Profit After Tax excluding gains on sale of properties and long term investments in 2010 and 2011.

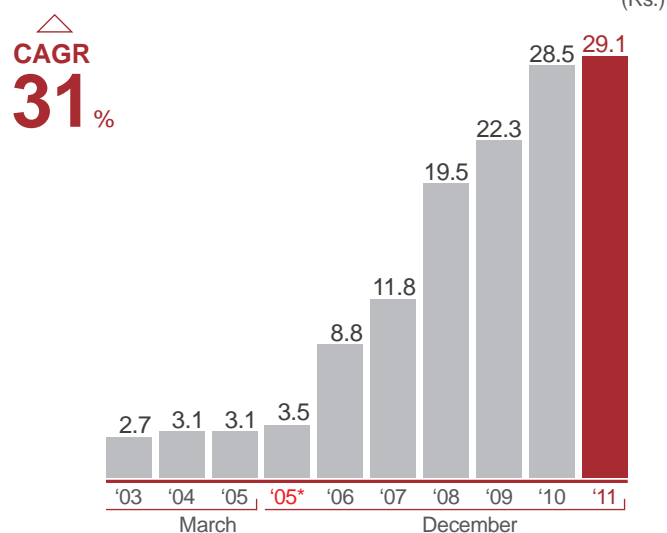
Income Per Employee



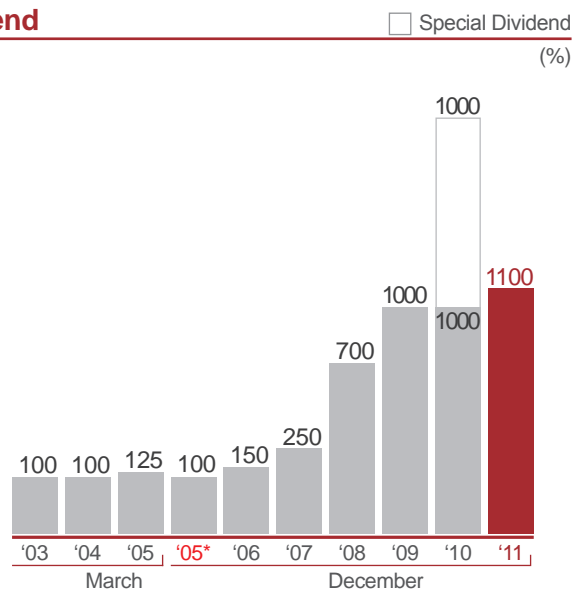
Market Capitalisation



EPS



Dividend



Note:

- 1) Previous year's EPS have been restated for stock split adjustment
- 2) EPS above is Basic EPS

*The figures are for 9 months ending December 31, 2005



2011

– A Glance

EVENTS

RATINGS

(From L to R) M. Ramsekhar, CEO, CRISIL, A. Subbarao, Group Chief Financial Officer, GMR Infrastructure Limited, Pawan Agrawal, Director – Corporate & Government Ratings, CRISIL, D.S. Ahluwalia, Executive Director – Finance, Rural Electrification Corporation Limited, and S. Ramakrishnan, Executive Director – Finance, The Tata Power Company Limited at the investor discussion forum on credit quality of power sector lenders.



CRISIL Investor Discussion Forum 'Power Sector Lenders: Will the credit quality trip?'

(From L to R) Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited, R. Sridhar, Managing Director, Shriram Transport Finance Company Limited, Pawan Agrawal, Director – Corporate & Government Ratings, CRISIL, Ramesh Iyer, Managing Director, Mahindra and Mahindra Financial Services Limited, and N. Sivaraman, Senior Vice President – Financial Services, L&T Limited at the investor discussion forum to address trends in the retail NBFC sector.



CRISIL Investor Discussion Forum 'NBFCs: The shine is back, but will it last?'

(From L to R) Roopa Kudva, MD & CEO, CRISIL, Dr. Indu Shahani, Honourable Sheriff of Mumbai and Principal of H.R. College of Commerce & Economics, and Jerry Rao, Chairman, Value and Budget Housing Corporation Pvt. Limited at the launch event of CRISIL Education Grading.



CRISIL Education Grading launch

EVENTS (Contd.)

(From L to R) Yogesh Dixit, Head – SME Ratings, CRISIL, Milind Sarwate, Group Chief Finance Officer & Chief Human Resource, Marico Industries Ltd, Bipin Chandran, Editor, Entrepreneur, K.V. Srinivasan, Chief Executive Officer, Reliance Commercial Finance & Reliance Home Finance, and Hariharan Iyer, Chief Financial Officer, APM Terminals, Maersk Group at the Mumbai SME Leader's Conclave. CRISIL SME Ratings partnered with CNBC TV18 in organising this event, to focus on crucial issues affecting India's SME enterprises.



SME Leader's Conclave

GLOBAL RESEARCH & ANALYTICS

(From L to R) Chris Graham, Director, Business Development – North America, CRISIL GR&A and Gabriel David, Global Head – Business Development & Marketing, CRISIL GR&A at the Risk USA 2011 Conference.



Risk USA 2011 Conference sponsored by CRISIL

RESEARCH

(From L to R) Roopa Kudva, MD & CEO, CRISIL and C. Jayaram, ED, Kotak Mahindra Bank Limited at the launch of 'Top of The Pyramid', a unique report on ultra high networth individuals (UHNIs).



Launch of 'Top of the Pyramid' report

(From L to R) Bharat Pareek, Fund Manager Fixed Income, HDFC Mutual Fund, Roopa Kudva, MD & CEO, CRISIL, and Tarun Bhatia, Director – Capital Markets, CRISIL Research at the CNBC TV18 – CRISIL Mutual Fund Awards 2011.



CNBC TV18 – CRISIL Mutual Fund Awards 2011

PUBLICATIONS

RATINGS



**Power Sector Lenders –
Will the credit quality trip?**

CRISIL BLRConnect

**Retail NBFCs – The shine
is back, but will it last?**

SME Insight

GLOBAL RESEARCH & ANALYTICS



GR&A Insight Series

**India Knowledge Services Industry – Creating
Global Business Impact**

RESEARCH



**Bracing for a Crisis –
Sustainable Water Management
& Corporate India**

**Employment in India – Uneven
and Weak**

**Infrastructure Investments –
A Realistic Assessment**



Retail Loan Products – Opportunities and risks beyond the metros and mini-metros



Real(i)ty Next – Beyond the top 10 cities of India

CRISIL INFRASTRUCTURE SOLUTIONS



New gas-based power plants must use imported LNG to avoid distress

THOUGHT LEADERSHIP IN INDUSTRY FORUMS

CRISIL

CII Annual CFO Conference 2011

Roopa Kudva, MD & CEO, CRISIL, addressed the banquet session 'Lessons from the Past, Leadership for the Future' at the Annual CFO Conference organised by the Confederation of Indian Industry (CII). CRISIL was the knowledge partner for the event.



Roopa Kudva addressing the session

India Investment Forum

Roopa Kudva, MD & CEO, CRISIL, participated in a panel discussion on 'Banking on growth' at the 8th Annual India Investment Forum 2011 co-hosted by IIFL, in partnership with Yes Bank Limited, the Federation of Indian Chambers of Commerce & Industry (FICCI) and Central Bank of India.



Roopa Kudva at the India Investment Forum, New York

Bloomberg UTV Innovation for BFSI in Technology Conference

Ramnath Iyer, Chief Technology Officer, CRISIL, was a panelist at a discussion on information security laws and regulations for the financial services industry in India at the Bloomberg UTV Innovation for BFSI in Technology Conference.



Ramnath Iyer (Extreme Right)

RATINGS

Bloomberg UTV Power Summit 2011

Pawan Agrawal, Director – Corporate & Government Ratings, CRISIL, was a panelist at a discussion on power project financing at the Power Summit organised by Bloomberg UTV in association with the Ministry of Power.



Pawan Agrawal (Extreme Right)

8th FICCI International Real Estate Summit 2011

Akash Deep Jyoti, Head – Real Estate Ratings, CRISIL, was a panelist at the 'Time for a Paradigm Shift in Realty' session in the Federation of Indian Chambers of Commerce and Industry (FICCI) International Real Estate Summit 2011.



Akash Deep Jyoti (Extreme Left)

FICCI-Indian Banking Association (IBA) conference on 'Global Banking: Paradigm Shift'

Ramraj Pai, Director – Ratings, represented CRISIL at the FICCI-IBA conference on 'Global Banking: Paradigm Shift'.



Ramraj Pai speaking at the event

THOUGHT LEADERSHIP IN INDUSTRY FORUMS (Contd.)

GLOBAL RESEARCH & ANALYTICS

NASSCOM BPO Strategy Summit 2011

(From L to R) Rajendra Pawar, Chairman, NASSCOM, Roopa Kudva, MD & CEO, CRISIL and Vikram Talwar, Chairman, EXL Services and Chair, NASSCOM BPO Forum released the report 'India Knowledge Services Industry' at the NASSCOM BPO Strategy Summit 2011. CRISIL was the knowledge partner for the event.



Launch of the 'India Knowledge Services Industry' report

NASSCOM BPO Strategy Summit 2011

Roopa Kudva, MD & CEO, CRISIL, made a presentation on 'Playing with Big Data for Bigger Business Returns' at the NASSCOM BPO Strategy Summit 2011.



Roopa Kudva at the NASSCOM BPO Strategy Summit 2011.

The New India and the New Latin America – Complementarities and Synergies Seminar

G.V. Mani, Senior Director, CRISIL GR&A, spoke at 'The New India and the New Latin America – Complementarities and Synergies' Seminar at the Festival of India event organised by the Indian embassy in Buenos Aires, Argentina.



G.V. Mani (Second from Right)

The Latin America India Investors' Forum

G.V. Mani, Senior Director, CRISIL GR&A, participated in a panel discussion on 'Information Technology and ITeS' at the The Latin America India Investors Forum organised by LatinFinance.



G.V. Mani (Centre)

FICCI Seminar 'Opportunities in Latin America for Indian Companies: Strategic Legal, Regulatory and Business Issues'

Mohit Modi, Head – International Operations, CRISIL GR&A, shared his experience at the 'Opportunities in Latin America' seminar organised by the FICCI.



Mohit Modi sharing his views

RESEARCH

India Automotive Summit

Sridhar Chandrasekhar, Head, CRISIL Research, presented an overview of India's automotive industry at the India Automotive Summit organised by Noppen, an international events facilitator.



Sridhar Chandrasekhar addressing the summit

THOUGHT LEADERSHIP IN INDUSTRY FORUMS (Contd.)

ASSOCHAM 12th Mutual Fund Summit, 'Multiply your Wealth with Investors' Protection'

CRISIL Research was the knowledge partner at this event, jointly organised by ASSOCHAM and the Department of Financial Services, Government of India. CRISIL released a report on investor protection and wealth creation through mutual fund investing. Mukesh Agarwal, Senior Director, and Tarun Bhatia, Director – Capital Markets from CRISIL Research were key speakers at the event.



Mukesh Agarwal (Extreme Right) at the release of the CRISIL Report

Assocham 2nd Annual Private Equity Convention 2011

Tarun Bhatia, Director – Capital Markets, CRISIL Research, was a panelist at a discussion on 'Valuations: Bridging Expectations,' at the Assocham 2nd Annual Private Equity Convention.



Tarun Bhatia (Extreme Right)

Global Economic Outlook at ICASL CEO Forum

Dharmakirti Joshi, Chief Economist, CRISIL, made a presentation on the Global Economic Outlook and its implications for Asia at the Institute of Chartered Accountants of Sri Lanka (ICASL) CEO Forum hosted by RAM Ratings, Sri Lanka.



Dharmakirti Joshi addressing the forum

CRISIL INFRASTRUCTURE ADVISORY

Indian Chamber of Commerce's 2nd India International Water Summit

CRISIL Infrastructure Advisory was the knowledge partner at this summit, organised by Indian Chamber of Commerce in association with the Ministry of Urban Development. Abhay Kantak, Head – Urban Practice, CRISIL Infrastructure Advisory, spoke on the status of urban infrastructure in India.



Abhay Kantak sharing highlights of the knowledge paper

CII's 'International Symposium on Solid Waste Management'

Confederation of Indian Industry (CII) organised an International Symposium on Solid Waste Management in association with Andhra Pradesh Tourism Development Corporation (APTDC). Rakesh Bangera, Head – Urban Practice, CRISIL Infrastructure Advisory, made a presentation on 'Public Private Partnerships in Solid Waste Management'.



Rakesh Bangera presenting at the event

CRISIL RISK SOLUTIONS

Indian Overseas Bank's Annual Bankers' Conference BANCON 2011

M. Ramsekhar, CEO, CRIS, participated in a panel discussion on 'Enterprise risk management towards global best practices' at the BANCON 2011.



M. Ramsekhar (Second from Right)

AWARDS AND ACCOLADES

ABCI Annual Awards

CRISIL won the following awards at the Association of Business Communicators of India (ABCI) Annual Awards:

- Best corporate website – CRISIL website www.crisil.com – Bronze
- Best new publication – CRISIL Star Ratings Book – Gold



The CRISIL Website and CRISIL Star Ratings Book

CIO Creative - 100 Award

Ramnath Iyer, Chief Technology Officer, CRISIL, won the CIO Creative – 100 Award in recognition of the rollout of Ratings Operations Workflow (ROW), which has enabled CRISIL's ratings business to cater to large business volumes, maintain focus on quality and compliance, and generate real-time data for business analytics.



Ramnath Iyer (Left) receiving the award

Distinguished Alumnus Award – IIM Ahmedabad

Roopa Kudva, MD & CEO, CRISIL received Distinguished Alumnus Award from the Indian Institute of Management, Ahmedabad (IIM-A) at the closing ceremony of the institute's golden jubilee year celebrations.



Roopa Kudva (Left) receiving the award

ICAI Awards for Excellence in Financial Reporting

CRISIL Annual Report won the Plaque for commended Annual Report in the Services Sector category. Every year, the Institute of Chartered Accountants of India (ICAI) honours companies for excellence in the preparation and presentation of financial information for greater accountability and informed decision making.



Dinesh Sharma, (Extreme Left) Director – Finance, CRISIL, receiving the award

NASSCOM Exemplary Talent Practices Award (NExT Practices) for Skill Enhancement

CRISIL GR&A won the NExT Practices award for the breadth, depth, complexity and geographical reach of skill enhancement initiatives in technical, behavioural and leadership categories.



The CRISIL Team (3rd & 4th from Left) at the award function

CRISIL IN THE MEDIA

Higher rate to hit banks' asset quality: Crisil

By ANAND K. SINGH
Mumbai, 13 September

WEAKENING debt servicing ability of the corporate sector, particularly the small and medium enterprises, due to higher interest rates, might result in higher non-performing assets (NPAs) in the next financial year.

According to a report by rating agency Crisil, banks' gross non-performing assets, which was 2.2 per cent as on March 31, is expected to increase to nearly three per cent by March 31 next year.

Crisil expects overall slippage in NPAs for banks to increase to around 2.5 per cent in 2011-12, from an average of 2.2 per cent over the past three years.

The increase with a weak domestic supply scenario, intense competition, and high leverage will be the most impacted. Also, sustainability of demand across industries, such as cement, automobile, construction, and utilities, will be a key consideration for the credit quality of banks' exposures. "The impact will

be more on banks' asset quality than on their income," says Crisil. "Over the last 18 months, the average net interest margin of the banks is expected to slip below three per cent, which will hit the ability of banks to pass up further hike in policy rates to 'lenders'."

"The Reserve Bank of India has raised the policy rate or the repo rate 12 times (by 450 basis points) to 8.25 per cent. So far, banks have largely passed on the increase by raising the lending rates, but this has resulted in a pressure on the asset quality."

"The fact that banks have been passing on an increase in funding cost without

passing it on to borrowers, has enabled them to maintain their net interest margin at around three per cent. Consequently, the banks' exposure to a healthy book of about 1.5 per cent in 2010-11, despite higher provisions for provisioned liabilities. This book will have to be tested to see if any further increase in funding costs will impact it. This will result in their NPA touching on three per cent, and book slippage to

Polska powinna wzorować się na Indiach

Central country's strategic role in world specialization — according to Crisil
Jacek Kozłowski / Two Głosy w Rydze



66% of QIPs trading at discount: Crisil

R Ravichandran

Chennai, Jun 13: About two-thirds (66 %) of Qualified Institutional Placements (QIPs) made in 2010 have given negative returns, with 33 out of the 50 QIPs trading below their offer

Crisil Lowers India Growth Forecast to 7.6% from 8%

Growth Pangs

ENTRIES	COMPANIES (IN %)	REVIEWED	EARLIER
ICICI	7.5	8.0	8.0
AXIS	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0
Axis Bank	7.5	8.0	8.0

Source: Crisil
(FY12)

After many foreign investment banks and multilateral bodies have cut their India growth forecast for FY12, rating firm Crisil is the latest to join the league. It has lowered India's growth

forecast for FY12 to 7.6% from its earlier estimate of 7.7-7.8% released in May this year, on concerns over a slowdown in advanced economies.

In the past few months, Morgan Stanley, Citigroup, Goldman Sachs, IMF and ADB, have scaled

down their GDP forecasts for the year. Crisil has scaled down its forecast in view of the deteriorating global economic scenario and the grim investment climate in India on account of the policy environment. Its revised forecast is based on the assumption that developed economies will witness a slowdown, but avoid another recession.

Inflation hurts households badly, says Crisil study

Food inflation likely to remain high due to supply-side issues

Special Correspondent

NEW DELHI: Inflation is likely to remain high due to supply-side issues, says a study by rating agency Crisil.

The study, titled 'Inflation in India: A Study by Crisil', says that inflation is likely to remain high due to supply-side issues, such as food inflation. It also says that inflation is likely to remain high due to supply-side issues, such as food inflation.

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NBFCs' loan portfolio to touch Rs.4 lakh crore in two years: Crisil

By ANAND K. SINGH
Mumbai, 23 May

Over the next two years, the loan portfolio of Non-Banking Financial Companies (NBFCs) is expected to touch Rs.4 lakh crore, says a study by rating agency Crisil.

The study, titled 'NBFCs' Loan Portfolio: A Study by Crisil', says that the loan portfolio of NBFCs is expected to touch Rs.4 lakh crore in two years.

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Companies should be ready to redeem FCCBs: Crisil report

By ANAND K. SINGH
Mumbai, 23 May

Companies should be ready to redeem Foreign Currency Convertible Bonds (FCCBs) issued by them, says a study by rating agency Crisil.

The study, titled 'FCCBs: A Study by Crisil', says that companies should be ready to redeem FCCBs issued by them.

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CRISIL: CREDIT DOWNGRADES OF INDIAN FIRMS ARE ON THE RISE

By ANAND K. SINGH
Mumbai, 23 May

NEW DELHI: Indian companies are seeing accelerated pace of credit downgrades while upgrades are slowing as pressure on profitability mounts, and demand moderates, rating agency Crisil said on Tuesday.

Crisil's downgrade rate has gone up to 1.5% in April-September 2011, compared to 1.2% in the second half of the last fiscal. The upgrade rate has fallen to 1.0% from 1.5% in the same period.

Crisil rates 7,500 companies and says the frequency of upgrades and downgrades has fallen to 1.0% from 1.5% and over fall further.

"We are expecting further downward pressure (on rating action rate), primarily driven by demand moderation," said Rupa Kulkarni, managing director, Crisil, adding 10 of the top 20 industries in terms

Ramnath Iyer
Chief Technology Officer
Crisil

"This project helps us exceed story benchmarks and achieve six sigma adherence to regulatory requirements and our internal SLAs."

ISSUE MATTERS

Rating agency Crisil has issued a report on the issue matters of Indian firms. The report highlights the following issues:

- 1. **Rating Agency Crisil**
- 2. **Issue Matters**
- 3. **Rating Agency Crisil**
- 4. **Issue Matters**
- 5. **Rating Agency Crisil**
- 6. **Issue Matters**
- 7. **Rating Agency Crisil**
- 8. **Issue Matters**
- 9. **Rating Agency Crisil**
- 10. **Issue Matters**

BORROWING CONCERNS

Rising interest rates to affect SMEs most, finds Crisil study

By ANAND K. SINGH
Mumbai, 23 May

The study, titled 'Rising Interest Rates: A Study by Crisil', says that rising interest rates will affect SMEs most.

Crisis averted
Infrastructure developers will benefit from the continued funding available for their existing and new projects, without the constraint of group exposure norms. The returns on their operational projects can also improve because of lower refinancing costs. More, the fixed-rate nature of the bonds offsets the interest-rate risk inherent in bank loans," it adds.

EMPLOYEE EVENTS

Douglas Peterson's Global Town Hall

Douglas Peterson, Chairman, CRISIL, held a global town hall at CRISIL House, Mumbai where he addressed all CRISILites.



Douglas Peterson addressing the gathering

Annual Day

Like every year, CRISILites celebrated the annual day along with their families. This year's theme was 'Colours of India'.



A group performing at the Annual Day

Training Programmes

During the year, CRISIL conducted 730 training programmes aggregating 81,900 man hours.



Learning through games at an offsite training programme

CORPORATE SUSTAINABILITY INITIATIVES

Placing sustainability in its business context

CRISIL is a knowledge-driven company geared towards making markets function better, based on strong intellectual capital. Driven by this explicit and overarching purpose, CRISIL's work has fostered tremendous positive externalities.

In India, CRISIL offers credit rating, research, and advisory services. Credit rating enriches market functioning by making large amounts of credible, usable information and analysis freely available to all market participants. CRISIL's role in this sphere is unparalleled: in 2011 alone, CRISIL released over 7,000 rating analyses, and CRISIL's aggregate studies of credit ratings are benchmarks that the market uses to understand and predict trends in credit quality. Other ratings and grades that CRISIL publishes are also freely available. CRISIL's equity research and company reports (covering over 1,500 companies), mutual funds reports, releases, and opinion pieces on developments in industries and in the economy, are all published and distributed. This is a huge amount of information and analysis, covering all aspects of economic activity in India, and all of it is available and is widely disseminated to the market. CRISIL's work in the risk management space has helped many leading banks and financial institutions manage and mitigate their risks, contributing to the stability of the Indian financial sector.

Globally, CRISIL offers high-end research and analytics services to the world's leading commercial and investment banks, insurance companies, and corporations. Today CRISIL Global Research & Analytics (CRISIL GR&A) has the largest team of equity research analysts in the world; its research support covers 90% of global trading volumes and 88% of global market capitalisation in equities. Similarly, in the credit research space, CRISIL GR&A has the largest team of credit analysts in the world outside rating agencies, and its research supports around 80% of the global structured finance market. CRISIL thus makes available to its clients a vast amount of analytical capacity, helping them make better and faster decisions, and contributing to global market efficiency.

The outlines of CRISIL's sustainability effort

CRISIL's sustainability philosophy aims to benefit stakeholders across the spectrum by building on the strengths and capabilities acquired through its business operations. The effort rests on four pillars: Fostering Financial Awareness, Protecting the Environment, Giving Back to Society, and Respecting the Individual.

1 Fostering Financial Awareness

Financial awareness forms an integral part of CRISIL's corporate social responsibility (CSR) agenda and integrates tightly with CRISIL's role of making markets function better. As part of this commitment, CRISIL is a knowledge partner of Swatantra, India's largest investor awareness campaign. Swatantra is initiated by UTI Mutual Fund in association with the Union Ministry of Corporate Affairs; over the next few months, it will reach investors in more than 6,000 Indian villages and 500 cities. CRISIL has developed specialised content for Swatantra in the form of easy-to-understand one-page guides to mutual fund investments. As part of Swatantra, CRISIL will make presentations to small investors at more than 100 locations, and to more than 20 clusters of small and medium enterprises (SMEs). CRISIL will also contribute regular opinion pieces in The Times of India under this initiative.



Publications developed by CRISIL for Swatantra

CORPORATE SUSTAINABILITY INITIATIVES (Contd.)

2 Protecting the Environment

CRISIL is fully committed to the environment. Perhaps the greatest symbol of this commitment is CRISIL House, CRISIL's headquarters in Mumbai, which holds the coveted LEED Platinum level certification.

CRISIL's initiatives can broadly be summarised under three heads:

- Saving energy

Energy efficiency underlies the green building concept. at CRISIL House in Mumbai, which houses around 40% of CRISIL's employees, energy efficiency has been adopted as a guiding philosophy, and manifests itself in a number of the building's features, including:

• Frugal use of artificial lighting:

Around 75% of the daytime working light requirements in CRISIL House are met using natural light, compared with an average of 50-60% for other leading buildings in the category. An atrium in the centre of the building brings light to workstations on all floors, and large windows on most floors directly light the work areas. Workstations have task lights that are used as needed in the evenings; the use of area lighting is minimised.



CRISIL House Atrium

• Energy-efficient air-conditioning:

The design and usage of the air-conditioning system in CRISIL House conserves energy and minimises electricity usage. Air-conditioning units are specific to areas; individual units are controlled and adjusted zone-wise using an integrated building management system. The building is designed and built to minimise thermal leakage, both inward and outward.

• Server virtualisation:

This initiative resulted in a net reduction in the number of servers in 2011 to 229 from 345, saving around 202,000 Kilowatt hours of electricity.

- Reducing pollution

Pollution is an endemic problem in cities today, and CRISIL has taken numerous innovative steps to combat it. A few of these are:

• Waste sorting for appropriate treatment:

CRISIL limits the areas where food and drink can be consumed in CRISIL House. This allows food waste and paper waste to be separated: liquid waste is treated in a dedicated Sewage Treatment Plant (STP), while about 1.5 tonnes of paper and paper products are recycled every month.

• Avoiding transport of drinking water:

CRISIL offices in Mumbai use Reverse Osmosis (RO) water purifiers, instead of buying treated bottled water, the commonest source of drinking water in Indian offices. This avoids the huge environmental costs associated with transport of the water from central purification locations. A total of 160 kilolitres of water is treated in this way annually in CRISIL.

- Conserving scarce resources

CRISIL's philosophy emphasises conservation of natural resources in all forms. Two ways in which CRISIL has implemented this guiding principle are:

• Paper saving:

One of the most pervasive uses of paper is the paper cup – a company of CRISIL's size can save as much as 12 tonnes of paper in a year, besides

savings on transport and disposal, by not using these cups. CRISIL has replaced paper cups with metal cups, which can be washed and re-used. CRISIL has also adopted other methods of saving paper: CRISIL Research industry reports are distributed in electronic form, and the CRISIL Ratings workflow stores only soft copies of all documents. Other similar efforts are on across CRISIL to cut down on paper usage.

• **Water saving and recycling in CRISIL House:**

The use of dishwashers in CRISIL House saves upwards of 5 million litres of water in a year. The STP in CRISIL House enables water savings estimated at another 12.5 million litres per year. The recycled water is routed to sanitary use, and is also used for watering CRISIL House's 17,000 square feet of green areas.



Green area inside CRISIL House

3 Giving Back to Society

Notable achievements in 2011 included a large number of registrations for CRISIL's Payroll Giving scheme, CRISIL's participation in the McGraw-Hill Global Volunteer Day event, and the inception of CRISIL's Giving Circle.

- **Payroll Giving for donation to various causes**

Over 600 CRISIL employees have enrolled in this programme. In 2011, CRISILites donated around Rs.2 million to various causes of their choice. CRISIL has itself contributed 10% of the amount as the processing charges for these donations.

- **McGraw-Hill Global Volunteer Day**

Celebrated in June, McGraw-Hill Global Volunteer Day enables employees of the McGraw-Hill Companies to contribute a day's effort to a cause of their choice. Over 250 CRISILites participated in more than 20 activities, including building houses for the underprivileged as part of a Habitat for Humanity project, and visiting



CRISILites in front of a newly-built house, as part of a Habitat for Humanity Project

NGOs working with children. In 2011, for the first time, CRISIL employees in Argentina also participated in the Global Volunteer Day activities.

- **CRISIL Giving Circle**

CRISIL enabled interested employees to get together and choose a project that they would jointly fund. The project that the employees chose is a centre of Mumbai Mobile Creches, which provides food, education, and a secure environment to about 20 children of migrant construction labourers. These children would otherwise have had to endure the hardship and hazards of life on construction sites. The CRISIL employees, contributing around Rs.60,000 each, funded teachers' salaries for a period of one year at this centre.

CORPORATE SUSTAINABILITY INITIATIVES (Contd.)

4 Respect for the Individual

The cornerstone of CRISIL's relationship with its employees is an attitude of respect. CRISIL is committed to providing a secure and nurturing environment for its employees, encouraging them to grow and achieve their potential.

- Securing

• Physical security:

CRISIL offices have strong security teams and stringent procedures for access and safety. Going beyond the basics, CRISIL has implemented numerous measures such as home drops for employees working late, with special care for the security of women employees.

• Fairness:

CRISIL is bound by its own practices, and by the McGraw-Hill Code of Business Ethics, to ensure that no employee faces discrimination or harassment. Women are well-represented in the CRISIL hierarchy, and the pursuit of diversity is a key goal in hiring and people development in CRISIL.

- Engaging

CRISIL conducts annual Employee Engagement Surveys, now in their fourth year; the participation level is more than 95%, and the consistently improving scores and great insights about keeping people motivated and making their work meaningful speak to the usefulness of this tool.



A training programme in progress

- Developing

CRISIL carried out more than 83,000 person-hours of training in 2011, covering over 90% of its employee base. CRISIL won a NASSCOM skill enhancement award in 2011.

CRISIL recognises the criticality of the sustainability agenda as it takes centre stage in the corporate consciousness worldwide. Roopa Kudva, MD & CEO of CRISIL, observes: "A sustainability mindset and the pursuit of corporate success are mutually reinforcing. Sustainability thinking is no longer a matter of choice, it is a necessity."



STATUTORY **Reports**

BOARD OF DIRECTORS

MR. DOUGLAS PETERSON, Chairman

Mr. Douglas Peterson was named President of Standard & Poor's Ratings Services, the leading credit rating company and division of The McGraw-Hill Companies, in 2011.

Previously, Mr. Peterson was the Chief Operating Officer of Citibank, N.A., Citigroup's principal banking entity that operates in over 100 countries. He was with Citigroup for 25 years.

Until the beginning of 2010, Mr. Peterson was the CEO of Citigroup, Japan where he oversaw the entire franchise covering Capital Markets, Corporate & Investment Banking, Global Transaction Services and Retail Banking, managing over 15,000 employees. Mr. Peterson had previously been the Chief Auditor of Citigroup from 2001 to 2004 where he had led the enterprise-wide integration of the Internal Audit teams after the merger of Citicorp and Travellers. In prior roles, he served as country manager in Costa Rica and Uruguay and as a Corporate Banker in Argentina and New York.

Mr. Peterson received his undergraduate degree in Mathematics and History at Claremont McKenna College and his MBA from the Wharton School at the University of Pennsylvania, USA.

He is currently on the Boards of Advisors for the Wharton Financial Institutions Center and the Kravis Leadership Institute, and the Board of Trustees of the Paul Taylor Dance Company.



MR. B.V. BHARGAVA, Director

Mr. B.V. Bhargava has been associated with CRISIL since 1992, and was Chairman from May 1999 to 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 currently on the Board of ICICI Lombard General Insurance Company Limited, Supreme Industries Limited, Grasim Industries Limited, J.K. Lakshmi Cement Limited, Excel Crop Care Limited, L&T Infrastructure Finance Limited, Grasim Bhiwani Textiles Limited, Lakshmi Precision Screws Limited and L&T Finance Holdings Limited.



MR. H.N. SINOR, Director

Mr. H.N. Sinor has been a veteran banker having spent over 4 decades in banking. Starting his career in 1965 he has worked in Central Bank of India, Union Bank of India and ICICI Bank from where he retired in May 2003. During his long career, he worked in various capacities both in the public sector as well as in the private sector banks. He was Managing Director and CEO of ICICI Bank from July 1997 to March 2002 and post merger of ICICI with ICICI Bank, he became Joint Managing Director till his superannuation. He thereafter joined Indian Banks' Association as Chief Executive where he was the spokesperson for the Banking Industry from June 2003 to 2008. Later, in February 2010 he joined Association of Mutual Funds in India, in a similar capacity where he continues till now. He is also an Independent Director on boards of several companies in ICICI Group and Tata Group, besides being Non-whole-time Chairman of 3i Infotech Limited and Themis Medicare Limited.



■ Board of Directors	Directors' Report	Management Discussion and Analysis Report
Auditor's Certificate for Corporate Governance	Report of the Directors on Corporate Governance	General Information for Members

MS. RAMA BIJAPURKAR, Director

Ms. Rama Bijapurkar is a recognised thought leader on marketing 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; 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 has worked with ICICI from 1987 to 2007 in a variety of jobs, including Corporate Planning, Project Finance, Rural Finance and Treasury and was a member of its Board of Directors from 2001 to 2007. From October 2007 to August 2010, he assisted ICICI in setting up a philanthropic foundation, the ICICI Foundation for Inclusive Growth and served as its founding President. He is now the Chairman of the Boards of Sughavazhvu Health Care, CARE India and IFMR Trust and is closely involved in the evolution of these three organisations.

Dr. Nachiket Mor is currently also an independent member of a few other Boards including CRISIL; IKP Trust; IKP Centre for Technologies in Public Health; IKP Centre for Advancement in Agricultural Practice; and the Institute for Financial Management and Research. In the past he has served as the Chairman of the Fixed Income Money Market and Derivatives Association of India for two years and as a Board Member of Wipro Limited for five years.



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.



BOARD OF DIRECTORS (Contd.)

MR. YANN LE PALLEC, Director

Mr. Yann Le Pallec is Standard & Poor's Executive Managing Director for Europe, Middle East, and Africa (EMEA) since December 2011. Yann is a member of S&P's Global Executive Committee and reports to Douglas Peterson, its President.

Based in Paris, Yann leads a team of over 400 ratings analysts and support staff operating from 11 offices: Paris, London, Frankfurt, Madrid, Milan, Moscow, Stockholm, Dubai, Johannesburg, Tel Aviv, and Istanbul. S&P is the market leader in credit ratings in EMEA, covering more than 1,000 companies, financial institutions, insurers, public sector entities, and sovereigns.

Before his appointment in December 2011, Yann occupied various managerial and analytical positions at S&P including Head of EMEA Corporate and Government Ratings (from August 2010 until December 2011), Regional Practice Leader for EMEA Sovereign, International Public Finance and Insurance Ratings (from July 2009 until August 2010), Regional Practice Leader for EMEA Insurance Ratings (from December 2006 until July 2009).

Before joining S&P in 1999, Yann was a senior manager with Paris-based audit firm Salustro Reydel. He holds a masters' degree in Business from Ecole Supérieure des Sciences Economique et Commerciales (ESSEC) in France.



MR. RAVINDER SINGHANIA, Director (Alternate to Douglas Peterson, Yann Le Pallec 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 and Region Head, South Asia, Standard & Poor's. Prior to this, she was the Executive Director and Chief Rating Officer of CRISIL. She joined CRISIL in 1992. She 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 in the Project Finance department. She is a graduate in Statistics and a post-graduate in Management from IIM, Ahmedabad.



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SENIOR MANAGEMENT

Mr. G.V. Mani	Senior Director – Strategy and New Initiatives
Mr. M. Ramsekhar	Chief Executive Officer – CRISIL Risk and Infrastructure Solutions Limited
Mr. Raman Uberoi	Senior Director – Operations
Mr. Sanjeev Sinha	Senior Director – CRISIL Global Research and Analytics
Mr. Mukesh Agarwal	Senior Director – CRISIL Research
Mr. Arun Panicker	Chief Analytical Officer – CRISIL Ratings
Mr. Ramraj Pai	Director – CRISIL Ratings

ALLOTMENT COMMITTEE

Dr. Nachiket Mor, Chairman
Mr. H.N. Sinor
Ms. Rama Bijapurkar
Ms. Roopa Kudva

AUDIT COMMITTEE

Mr. H.N. Sinor, Chairman
Mr. B.V. Bhargava
Mr. David Pearce
Dr. Nachiket Mor

COMPENSATION COMMITTEE

Mr. B.V. Bhargava, Chairman
Ms. Rama Bijapurkar
Mr. Douglas Peterson

INVESTMENT COMMITTEE

Mr. B.V. Bhargava, Chairman
Mr. David Pearce
Ms. Roopa Kudva

INVESTOR'S GRIEVANCE COMMITTEE

Mr. B.V. Bhargava, Chairman
Mr. Yann Le Pallec
Ms. Roopa Kudva

RATING COMMITTEE

Mr. B.V. Bhargava, Chairman
Ms. Roopa Kudva

AUDITORS

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

SOLICITORS

Messrs. Wadia Ghandy & Co.

COMPANY SECRETARY

Mr. Shrikant Dev

BANKERS

ICICI Bank Limited
Andhra Bank
Citibank N.A.

SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Karvy House, 21, Avenue – 4,
Plot No. 17 to 24, Near Image Hospital
Vittalrao Nagar, Madhapur,
Hyderabad - 500081

REGISTERED OFFICE

CRISIL House,
Central Avenue, Hiranandani Business Park,
Powai, Mumbai - 400076.
India

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 25th Annual Report of CRISIL Limited, along with the audited accounts for the year ended December 31, 2011.

■ PERFORMANCE

A summary of the Company's financial performance in 2011:

	(Rupees Lakh)	
	Year ended December 31, 2011	Year ended December 31, 2010
Total Income for the year was	68,217.01	60,233.43
Profit before depreciation and taxes was	26,924.68	27,192.65
Deducting depreciation of	2,168.46	2,020.85
Profit before tax was	24,756.22	25,171.80
Deducting taxes of	6,105.00	5,321.90
Profit after tax and before prior period items	18,651.22	19,849.90
Prior period expenses, net of tax	-	274.45
Profit after tax	18,651.22	19,575.45
The proposed appropriations are:		
Dividend	7,781.55	14,417.96
Corporate Dividend Tax	1,255.52	2,387.67
General Reserve	1,865.12	1,957.54
Balance carried forward is	31,302.39	23,553.37

■ DIVIDEND

The Directors recommend, for approval of the members at the Annual General Meeting to be held on April 16, 2012, payment of final dividend of Rs.2.75 per share for the year under review. During the year, the Company paid first and second interim dividends of Rs.27.5 per share each on face value of Rs.10 per equity share and a third interim dividend of Rs.2.75 per share on face value of Re.1 per equity share. The total dividend for the year works out to Rs.11 per share on a face value of Re.1 per share as against Rs.100 per share on a face value of Rs.10 per share for 2010. In addition the Company paid a special dividend of Rs.100 per share on a face value of Rs.10 per share in 2010.

■ SUBDIVISION OF EQUITY SHARES

The Board of Directors at its meeting held on July 20, 2011 approved a proposal to sub-divide the face value of equity

shares of the Company from Rs.10 to Re.1 per share. The Company received shareholders' approval through postal ballot for sub-division of shares on September 5, 2011.

The record date fixed for sub-division was September 30, 2011 and the sub-division became effective from October 1, 2011. Shareholders with equity shares of Rs.10 each of the Company in electronic form received direct credit of the sub-divided shares of Re.1 each of the Company to their depository account. The Company issued a new composite share certificate of Re.1 each in place of the old share certificate, for shareholders holding shares in physical form.

■ BUYBACK OF EQUITY SHARES

The Board of Directors, at its meeting held on October 18, 2011, approved the buyback of equity shares of the Company for a total consideration not exceeding Rs.80 crore and at a price not exceeding Rs.1000 per equity share of Re.1 each from the open market through the stock exchanges. The Company received shareholders' approval through postal ballot for the buyback on December 7, 2011, and issued a public announcement on December 13, 2011. The buyback commenced on December 26, 2011 and closed on December 30, 2011. The Company bought back 910,000 equity shares at an average price of Rs.871.06 per equity share.

The paid-up equity share capital of the Company (pre and post buyback of shares) is as follows:-

Share Capital of the Company (Pre and Post Buyback)

Sr No.	Particulars	No. of shares	Share Capital (Rupees)
1	Paid up Equity Share Capital (Pre Buyback)	7,09,68,440	7,09,68,440
2	Total Equity Shares bought back	9,10,000	9,10,000
3	Paid up Equity Share Capital (Post Buyback)	7,00,58,440	7,00,58,440

■ REVIEW OF OPERATIONS

A. RATINGS

Highlights

- Over 8,000 Bank Loan Ratings (BLRs) outstanding, the largest number of BLRs in India; 2,760 new ratings announced during the year

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- Constituted the Analytical Quality Board to continuously review rating quality metrics, macroeconomic environment and monitor quality metrics to ensure rating quality remains strong
- Crossed 30,000 small and medium enterprise (SME) ratings/ assessments
- Launched CRISIL Business School Gradings – India's first grading services for the education sector. Partnered with The Indian Institute of Management, Ahmedabad (IIM-A) in auditing placement information under the Indian Placement Reporting Standards
- Global Analytical Centre (GAC) increased its support to new geographies, supported high-end analytics for S&P Ratings and initiated product operation support for S&P Capital IQ

Business Environment

The domestic business environment remained challenging for most of 2011, due to high interest rates, tight liquidity, and the focus of monetary policy to rein in inflation. India's corporate bond market remained inactive for most of the year, with issuers delaying long-term issues, expecting interest rates to peak by early 2012. The global conditions also deteriorated with deepening of the Eurozone crisis.

Steady increase of base rates by banks, however, made short-term capital market instruments attractive for corporates in the last quarter of 2011 – when there was increased issuance of commercial paper by some companies. Despite a sluggish business environment, BLRs maintained healthy growth over the previous year.

The bond market is expected to remain subdued in the first half of 2012, on account of continued high interest rates, constrained liquidity in the economy, and expected recession in the Eurozone. The long-term prospects, however, remain strong because of expected domestic growth and increased demand for funding infrastructure growth in the country. The BLR market is expected to remain stable in 2012.

Despite the challenging macro environment, the demand for SME ratings remained steady during the year. This was on account of intensive outreach activities, leading to enhanced awareness, increased acceptance of our ratings by banks, and expansion into new markets and territories. The demand for SME ratings is expected to remain robust in 2012, despite the economic headwinds.

Despite the challenging business environment and increased competition, CRISIL Ratings maintained its market leadership in 2011, backed by strong performance in the BLR business. CRISIL announced **2,760** new BLRs during the year.

GAC will continue to play a critical role for S&P Ratings and S&P Capital IQ, driven by the changing dynamics of the global credit markets, conscious cost management initiatives, and S&P's focus on excellence in ratings and services.

Operations

Despite the challenging business environment and increased competition, CRISIL Ratings maintained its market leadership in 2011, backed by strong performance in the BLR business. CRISIL announced 2,760 new BLRs during the year. CRISIL SME Ratings maintained its market leadership in 2011, backed by a steady performance across most regions in the country. CRISIL now has assigned over 30,000 SME ratings/assessments. CRISIL Real Estate Star Ratings (CREST) launched in 2010 has been well accepted for the real estate sector and witnessed significant demand pick up this year with leading developers across several cities choosing to get their projects graded by CRISIL.

CRISIL Ratings launched CRISIL Business School Grading, India's first independent and rigorous grading service for the education sector. Through this service, CRISIL aims to recognise and nurture quality management education, while helping employers and aspiring management graduates find business schools that best match their needs. The product has received an encouraging response from all stakeholders, business schools and students. CRISIL business school gradings also partnered with IIM-A in auditing placement information under the Indian Placement Reporting Standards.

CRISIL Ratings organised discussion forums on non-banking finance companies (NBFCs) and the power sector, with CEOs from the leading companies as

speakers and panelists. The forums received extensive media coverage. CRISIL Ratings' commentaries, including those on MFIs, gold loan companies, textile units, cement producers, diamond prices, auto sector, gold retailers, and toll roads were also timely and impactful, and were well received.

CRISIL has continued to conduct regular outreach programmes to provide value to investors and market participants. A large number of events including leadership conclaves, bankers meetings, and seminars were conducted, which helped CRISIL reach companies and bankers across the country.

GAC consolidated its relationship as a preferred knowledge partner for S&P Ratings and S&P Capital IQ. GAC continued to see good traction for its services as S&P Ratings strengthened its criteria and ratings function and S&P Capital IQ repositioned itself into a premier financial intelligence provider. GAC set up new operations in Pune to support the S&P businesses.

B. RESEARCH

B.1. GLOBAL RESEARCH & ANALYTICS (INCLUDES IREVNA AND PIPAL RESEARCH)

Highlights

- Integrated Pipal Research, which was acquired in December 2010
- Repositioned our knowledge off-shoring business (Irevna and Pipal) as CRISIL Global Research & Analytics (GR&A)
- Large new client additions, including several global financial institutions and Fortune 500 companies

CRISIL GR&A has maintained its leadership position in the research and analytics space. We added a large number of new clients in 2011, including several of the world's largest financial institutions and Fortune 500 companies.

- Published the most comprehensive research report on the global knowledge services industry in association with NASSCOM
- Opened a new research centre in Pune, and a second office in Buenos Aires to support growth

Business Environment

The global economic environment remained volatile through 2011, driven by continuing uncertainty in Europe, and weakening economic situation in USA. This impacted financial market volumes, leading to weak business performance by most market participants, and cost reduction exercises, including staff reductions and closure of business segments and desks. Increased regulatory scrutiny and demand for more information, analysis and documentation drove up compliance costs, adding to pressure on the financial markets to improve operating efficiencies. The economic turmoil also impacted the corporate segment (manufacturing and non-financial services) across the globe, forcing it to restructure and improve efficiencies. The overall theme in the market place has been to 'do more with less'. This environment presented CRISIL GR&A with an opportunity to provide solutions to its clients to meet regulatory requirements, improve efficiencies, enhance revenues, and strengthen market presence. We considerably deepened our engagement with clients, who looked to us as a strategic partner, working in tandem with them in the difficult operating environment.

The global business environment is expected to remain challenging in 2012 due to uncertainty surrounding EU and the Euro, dim growth prospects in the US and expected slowdown in China. Significant changes in regulations and compliance requirements for banks and financial institutions in USA and Europe are also expected to impact the industry.

Operations

The business was repositioned as CRISIL Global Research & Analytics, on the basis of an in-depth survey of over 50 stakeholders, including customers, employees, media and industry bodies. The new positioning leverages on the CRISIL brand in the market, and has been well received.

CRISIL GR&A has maintained its leadership position in the research and analytics space. We added a large number of new clients in 2011, including several of the world's largest

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financial institutions and Fortune 500 companies. Our high quality research has enabled our clients to improve their institutional ranking, increase coverage of sectors/country/stocks, enter new markets, get better business insights, and deliver new path-breaking research in the current uncertain environment. Our strong derivatives, quantitative, risk and actuarial specialists helped clients apply strong analytics to internal models, transition to more robust risk and trading platforms, and measure risk in a more real-time manner.

Pipal Research has been successfully integrated as part of the CRISIL GR&A business. The business has benefited from the support by the global business team, strong people engagement and training programmes, and robust and scalable support functions. Pipal added a large number of new clients in 2011, and grew several existing client engagements and relationships.

Our franchise-building initiatives gained momentum during the year – we published the most comprehensive study in India on the global knowledge services industry, jointly with NASSCOM and actively participated in several global conferences and seminars.

Our global business model has continued to scale up well to support demand from clients. Our research centres in Hangzhou (China), and Buenos Aires (Argentina) and our quantitative research centre in Wroclaw (Poland) have grown significantly. We opened a second research centre in Buenos Aires, and a new research centre in Pune, adding to our talent base.

B.2. INDIA RESEARCH

Highlights

- Prepared research reports on all 1,401 companies listed and traded on the National Stock Exchange (NSE). The reports are available to investors free of cost on the NSE website
- Completed a prestigious assignment for the Employee Provident Fund Organisation (EPFO), to select fund managers for managing EPFO's corpus
- Launched 5 new indices, including CRISIL Gilt Index and CRISIL Gold Index
- Released a comprehensive report on Indian infrastructure, detailing investment opportunities in the sector over the next five years

- Released an India-specific report on ultra-high-net-worth individuals, in association with Kotak Mahindra Bank

Business Environment

The business environment has turned increasingly challenging and volatile in the last few quarters. High inflation, rising interest rates, slowdown in growth, and growing uncertainty in the global economy have been a setback to the domestic capital markets. Sharp decline and volatility in the equity markets affected the equity research and IPO grading businesses of CRISIL Research. In customised research, the flow of mandates has been positive, with corporates valuing our independent research inputs highly.

Operations

Despite the challenging business environment, CRISIL Research continued to build on its powerful value proposition of timely and relevant research. The industry research, with its improved product offering, secured higher subscription renewals over the previous year. The revamped subscription-based web platform (www.crisilresearch.com), providing near-real-time access to research, has been well received.

CRISIL Research continues to proactively launch products that address evolving market dynamics and customer requirements. During the year, the industry research business expanded coverage by adding more sectors, and released three special reports – on real estate, retail loans and infrastructure sector. In addition, CRISIL Research, in association with Kotak Mahindra Bank, developed a report, 'Top of the Pyramid' on ultra-high-net-worth individuals (UHNIs).

CRISIL Research's equity research segment completed an assignment of preparing research reports on all 1,401 companies that are listed and trading on NSE. It also released its 100th independent equity research report during the year. CRISIL Research also reduced time-to-market on quarterly updates, with 90% of first-cut analysis being released within 24 hours of declaration of results.

CRISIL Research's funds and fixed income research business completed a prestigious assignment of selecting fund managers to manage the EPFO corpus. CRISIL Research continues to assist EPFO in evaluating the performance of selected fund managers. It also launched 5 new indices – CRISIL Gilt Index, CRISIL Gold Index, CRISIL

10-Year Gilt Index, CRISIL 1-Year T-Bill Index, and CRISIL 91-Day T-Bill Index – to provide independent, relevant and transparent benchmarks of performance evaluation.

CRISIL Centre for Economic Research (C-CER) continued to focus on research on macroeconomics in India and the Asia Pacific, consistently building CRISIL's franchise in the Indian and foreign media and positioning the Company as the foremost analytics-based commentator on the economy in the region.

C-CER published five special economy insight papers covering contemporary macroeconomic issues such as inflation, employment, exchange rate, and methodological issues in Indian GDP and industrial data. It also released a special report, 'Bracing for a Crisis: Sustainable Water Management and Corporate India'. C-CER's analysis of monetary policy was featured as the top research article in Asia for September 2011 by Consensus Economics in their publication, Current Economics.

C. INFRASTRUCTURE ADVISORY AND RISK SOLUTIONS

CRISIL conducts its infrastructure advisory and risk solutions business through its subsidiary, CRISIL Risk and Infrastructure Solutions Limited (CRIS).

C.1. CRISIL INFRASTRUCTURE ADVISORY BUSINESS

Highlights

- Assisted Insurance Regulatory and Development Authority (IRDA) in assessing India's debt securities market for its impact on IRDA's investment norms
- Designed and prepared a credit enhancement mechanism to enable infrastructure development companies to issue bonds, and attract long-term savings capital
- Extended advisory services to Government of Vietnam to set up a viability gap financing (VGF) mechanism and fiscal risk management (FRM) framework, and in the preparation of a pilot PPP transaction
- Assisted Tanzania's Energy, Water Utility Regulatory Authority (EWURA) in designing a regulatory information management system, and in auditing performance parameters

Business Environment

The challenging economic environment has impacted the domestic advisory business. Weak equity markets, high costs of borrowing, delay in critical reforms and policy decisions with respect to land acquisition, mining, and power sector have forced corporates to defer investment decisions, especially in the private sector. CRISIL infrastructure advisory business has, however, continued to grow by expanding its services across new verticals and geographies focusing on business from the Government and public sector during the year.

The grim macroeconomic conditions are expected to improve over the medium term. Progress on reforms and policy are also expected. With investments of USD 1 trillion envisaged in infrastructure during the 12th Five Year Plan period, the infrastructure sector is bound to witness increased activity. A significant proportion of this investment is targeted towards the urban, energy, transportation and logistics sectors, which shall offer a sizable opportunity for CRIS. In the next Five Year Plan period, government, private and not-for-profit sectors are expected to focus on improving access to and quality of, health and education and that will offer CRIS an opportunity to play an important role in the emerging social infrastructure space. Infrastructure advisory is poised to tap this growing market with its newly created social infrastructure vertical which would complement the existing capabilities in the physical infrastructure. Over the medium to long term, the advisory business would benefit from its established position across physical and social infrastructure sectors.

Operations

CRIS has reconfigured Infrastructure Advisory operations into domain-based verticals and created new verticals in promising sectors such as healthcare, transport & logistics, and natural resources. This has enhanced focus on individual sectors and helped consolidate and differentiate its position in the infrastructure advisory services.

Revenues in infrastructure advisory, especially verticals that are dependent on private sector investment, were impacted by the slowdown. However, new verticals such as transport and natural resources and exploratory foray into the financial services besides the India government business, have helped CRISIL Infrastructure Advisory business post growth over the previous year.

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CRISIL infrastructure advisory's international operations remain strongly focused on Africa and Southeast Asia, backed by a slew of assignments in Tanzania, Cambodia, Vietnam, Namibia, Mozambique, and South Africa. The renewal of the World Bank's contract with CRIS to assist EAPIRF in enhancing the regulatory reform capabilities of member regulators is a strong testimonial to CRIS' credentials as an enabler of regulatory efficiency beyond the Indian shores.

C.2. CRISIL RISK SOLUTIONS (CRS)

Highlights

- Expanded coverage in the global market, won mandates in multiple continents
- Portfolio of customers now includes 9 of India's top 10 banks
- Launched flagship internal rating solution, RAM, under larger global brand, S&P Credit Risk Evaluator
- Developed Market Risk System to enable automation of a bank's market risk capital assessment – an important element for Basel II implementation

Business Environment

Banks in most regions continue to invest considerable resources towards augmenting their internal risk management frameworks, in the face of a systems crisis gripping the global banking system. In most developed and developing economies, banks and financial institutions have made considerable progress towards complying with Basel II requirements, especially those pertaining to credit risk and the Standardised Approaches of Basel II.

CRS believes that continued steady investments in risk management systems and framework enhancements are likely over the medium term, as institutions move from simpler approaches of Basel II to advanced approaches in the areas of credit, market and operational Risk. CRS' products and services across the risk spectrum are, therefore, likely to be in increasing demand.

CRS has partnered with S&P Risk Solutions for re-branding and joint-marketing of its flagship product, RAM, under the S&P brand, labelled as Credit Risk Evaluator. This association will help CRS leverage S&P's risk solutions reputation and global reach to position and market its flagship product globally.

CRISIL Risk Solutions partnered with S&P Risk Solutions to launch its flagship internal rating solution, RAM, under the larger global brand, S&P Credit Risk Evaluator. Besides the product support service for the extant clients of S&P Credit Risk Evaluator would be managed by CRS.

Operations

CRS, continuing its focus on both consulting and software solutions, won and executed multiple assignments both in India and internationally.

CRS steadfastly concentrated on expansion of its product coverage, and on increasing its product usability. Enhancements have helped strengthen the product suites' positioning as comprehensive end-to-end solutions, encompassing risk measurement and process management. CRS has developed Market Risk System to enable automation of a bank's market risk capital assessment which was an important piece in solving the Basel II jigsaw. It has helped CRS win turnkey mandates from financial institutions.

Intensified business development initiatives in countries outside India have begun to yield results, with mandates coming in from Sri Lanka, Bangladesh, Kenya, Mauritius, the Netherlands, and USA. The business continues to maintain internal process standards at ISO 9001:2008 certification levels.

D. COLLABORATION WITH S&P

CRISIL and S&P jointly released the Standard & Poor's Indices Vs Active (SPIVA) reports for Indian mutual funds industry. This report, a bi-annual publication, compares the performance of indices and active funds.

CRISIL Risk Solutions partnered with S&P Risk Solutions to launch its flagship internal rating solution, RAM, under the larger global brand, S&P Credit Risk Evaluator. Besides the product support service for the extant clients of S&P Credit Risk Evaluator would be managed by CRS.

CRISIL is actively involved with S&P in rebalancing and maintaining the S&P ESG (Environment, Social and Corporate Governance) India Index. The 50-stock Index, developed by a consortium of Standard & Poor's, CRISIL and KLD Research and Analytics, is a financial tool to investors who look beyond financial criteria, to integrate the social, environmental and governance conduct of firms into their investment decisions. The universe for S&P ESG Index includes the top 500 Indian companies as per market capitalisation.

As part of the collaborative efforts, C-CER published 9 reports/articles on Asia-Pacific economies for S&P.

E. HUMAN RESOURCES

2011 was a significant year for CRISIL's Human Resources team, in furthering its talent attraction, retention and development agenda. CRISIL's headcount increased to 3,207 as on December 31, 2011 from 2,805 a year ago. New employees were added across 7 countries/locations, including new research centres in Hangzhou (China) and a SEZ in Pune. The training and leadership development agenda has been a key focus through the year. Targeted HR interventions resulted in significant increase in employee engagement scores for all levels across the Company including the Pipal business that was acquired in December 2010.

Highlights

- Strengthened the senior management team
- Helped the CRISIL brand maintain its strong presence on campuses, making 242 offers in 56 business schools

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

- Expanded CRISIL's global footprint by establishing presence in China. CRISIL now has presence in Argentina, Australia, China, India, Singapore, Hong Kong, Poland, the UK, and USA
- Selected 43 new participants to join the reputed CRISIL Certified Analyst Programme (CCAP), which entered its fifth year in 2011
- CRISIL GR&A won the prestigious NASSCOM Exemplary Talent Practices Award (NExT Practices) for skill enhancement
- Launched CRISILConnect, the new intranet, which is now a vibrant platform for employees to engage with colleagues across the globe.

Attracting and Developing Talent

The CRISIL Certified Analyst Programme (CCAP) has been helping improve the employability of students in the financial sector since 2006. On similar lines, CRISIL launched the six-month internship, CRISIL Certified Internship Programme (CCIP) to help graduates enhance and use their knowledge of finance. The annual CRISIL Young Thought Leader (CYTL) competition went global this year, drawing 197 responses from students of 81 business colleges in Argentina, China, Poland and India.

CRISIL is committed to enhancing employee engagement through structured communications with business leaders and managers, and a robust rewards and recognition framework. The rewards and recognition programme was modified to ensure higher transparency, uniform winner delight, coverage across all grades and designations, and greater visibility for winners.

The fourth CRISIL-wide Employee Engagement Survey saw a significant increase in overall engagement scores, especially for factors such as Relationship with Reporting Manager, Opportunity for Growth and Development, Senior Management Focus, and Rewards and Recognition.

There was continued focus on employee development through customised skill enhancement across businesses – 730 training programmes, aggregating 81,900 man hours of training were conducted during the year. Over 70% of the programmes were led by in-house subject matter experts to ensure relevance, and address specific gaps in competency and skill for each grade. The programmes ranged from technical subjects to functional and behavioural skill enhancement.

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During the year, 22 employees received remuneration of Rs.6 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 Directors' 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 without this annexure. Shareholders interested in obtaining a copy of the annexure may write to the Company Secretary at CRISIL's registered office.

F. SUBSIDIARIES

The Board of Directors have approved a resolution on October 18, 2011 for not attaching individual annual reports of its subsidiary companies to its annual report. A statement containing brief financial details of these companies is included in the annual report. The annual accounts of the subsidiary companies and the related information will be made available to shareholders who seek such information.

G. JOINT VENTURE – INDIA INDEX SERVICES AND PRODUCTS LIMITED

India Index Services and Products Limited (IISL), CRISIL's 49:51 joint venture with the National Stock Exchange of India Limited (NSE), provides a variety of indices and index-related services and products to capital markets. IISL has a licensing and marketing agreement with S&P Indices, the world's leading index provider. In 2011, IISL licensed indices to various asset managers in India including insurance companies and asset management companies, to facilitate the launch of index funds, exchange-traded funds and insurance products and the issue of debentures with returns linked to the S&P CNX Nifty Index. IISL also concluded licensing agreements for the issue of structured products linked to the S&P CNX Nifty Index outside India. In response to market requirements, IISL also launched a few broad-based, thematic and sectoral indices during the year – CNX Smallcap Index, CNX Dividend Opportunities Index, CNX Consumption Index, CNX Commodities Index, CNX Auto Index, CNX Finance Index, CNX Metal Index, CNX 200 Index and CNX Media Index.

H. DIRECTORS

Mr. Deven Sharma resigned as Chairman of the Board and Director of the Company on September 30, 2011. Your

Directors wish to place on record their sincere appreciation of the valuable contribution made by him to CRISIL.

Mr. Thomas Schiller resigned as a Director of the Company on January 11, 2012. Your Directors wish to place on record their sincere appreciation of the valuable contribution made by him to CRISIL.

The Board of Directors appointed Mr. Douglas Peterson as an additional Director and Chairman of the Board with effect from October 28, 2011. Mr. Douglas Peterson holds office as an additional Director until the next Annual General meeting.

The Board of Directors appointed Mr. Yann Le Pallec as an additional Director with effect from February 17, 2012. Mr. Yann Le Pallec holds office as an additional Director until the next Annual General Meeting.

Mr. Ravinder Singhania was appointed as an Alternate Director to Mr. Douglas Peterson and Mr. Yann Le Pallec on February 17, 2012.

In accordance with the articles of association of the Company and the provisions of the Companies Act, 1956, Mr. David Pearce and Ms. Rama Bijapurkar retire by rotation and being eligible, offer themselves for reappointment.

I. AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co, Chartered Accountants, hold office up to the next Annual General Meeting. The Board recommends their reappointment.

J. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

K. CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adhering to the corporate governance requirements as set out by SEBI.

The report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The certificate from the auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under Clause 49, is attached to this report.

L. OTHERS

L.1 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. 8 and 9 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.

L.2. 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.

Employees Stock Option Scheme

The shareholders of the Company by postal ballot on February 4, 2011 approved the Employees Stock Option Scheme for employees and Whole-time Directors of CRISIL and its subsidiaries.

The details of the options granted under the scheme are annexed to the report.

Acknowledgements

The Board of Directors wishes to thank the employees of CRISIL for their exemplary dedication and the excellence they have displayed in conducting the operations of CRISIL. The Board also wishes to place on record its sincere appreciation of the faith reposed in the professional integrity of CRISIL by customers and investors who have patronised its services. The Board acknowledges the splendid support provided by market intermediaries. The affiliation with Standard and Poor's has been a source of great strength. The Board of Directors also wishes to place on record its gratitude for the faith reposed in CRISIL by the Securities and Exchange Board of India, the Reserve Bank of India, the Government of India, and the 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,

Douglas L Peterson
Chairman

Mumbai, February 17, 2012

ANNEXURE TO THE DIRECTORS' REPORT

Information required to be disclosed under SEBI (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999.

Sr. No. Description	As on December 31, 2011
1. Pricing formula	100% of the closing market price immediately prior to the date of grant on the Stock exchange which recorded highest trading volume
2. Options outstanding at the beginning of the year	Nil
3. Options granted between January 1, 2011 and December 31, 2011	11,84,750*
4. Options vested	Nil
5. Options exercised	Nil
6. Options lapsed	24,750*
7. Total number of options in force at the end of the year	1,160,000*
8. Money raised by the exercise of options (Rs.)	Nil
9. Grant to Senior Management	Details given below
10. Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share' (Rs.)	26.19
11. Weighted average exercise price (Rs.) of the options whose :	
a. Exercise price equals market price	579.88
b. Exercise price is greater than market price	N.A
c. Exercise price is less than market price	N.A
12. Fair Value Related Disclosure	
a. Increase in employee compensation cost based on Fair value method (Rs. Crore)	1.51
b. Net profit if the compensation has been computed under Fair value method (Rs. Crore)	185.00
c. Basic EPS, if the employee compensation has been computed at Fair value (Rs.)	26.07
d. Diluted EPS, if the employee compensation has been computed at Fair value (Rs.)	25.97
13. Weighted average Fair value (Rs.) of options whose :	
a. Exercise price equals market price	184.49
b. Exercise price is greater than market price	N.A
c. Exercise price is less than market price	N.A
14. Method of calculating Fair Value of options	Black-Scholes method
15. Significant assumptions used for estimate of fair value	Expected Volatility 34.94%, Option Life - 3 Years, Expected Dividend - 2.37%, Risk free rate of interest - 8.03% and Stock Price - Rs.586.15*

Notes: -

- *After the sub-division of shares from Rs.10 per equity share to Re.1 per equity share with effect from October 1, 2011.
- None of the employees were granted, in any one year, options equal to 5% or more of total options granted during that year.
- None of the employees were granted, in any one year, options equal to 1% or more of the issued capital of the Company at the time of grant.
- There was no variation of the terms of options granted.
- Options were granted to Senior Managerial personnel up to December 31, 2011, are as follows :
Roopa Kudva – 40000, G.V. Mani – 30000, Raman Uberoi – 30000, Arun Panicker – 30000, Mukesh Agarwal – 22000, Ramraj Pai – 22000

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

■ CRISIL BUSINESS

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading rating agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations. With sustainable competitive advantage arising from our strong brand, unmatched credibility, market leadership across businesses, and large customer base, we deliver analysis, opinions, and solutions that make markets function better. CRISIL's majority shareholder, Standard and Poor's, is the world's foremost provider of independent credit ratings. Standard & Poor's is a part of The McGraw-Hill Companies.

■ CRISIL RATINGS

The domestic business environment remained challenging for most of 2011, due to high interest rates, tight liquidity, and the focus of monetary policy to rein in inflation. India's corporate bond market remained inactive for most of the year, with issuers delaying long-term issues, expecting interest rates to peak by early 2012. Bank Loan Ratings (BLR) maintained a healthy growth over the previous year whereas Small and Medium Enterprise Rating (SME) remained stable. Business from BLR and SME ratings is expected to be stable in 2012. Global Analytical Centre (GAC) consolidated its relationship as a preferred knowledge partner for S&P Ratings and S&P Capital IQ. GAC continued to see good traction for its services as S&P Ratings strengthened its criteria and ratings function and S&P Capital IQ repositioned itself into a premier financial intelligence provider.

■ CRISIL GLOBAL RESEARCH AND ANALYTICAL SERVICES (GR&A)

In 2011, CRISIL repositioned its knowledge off-shoring business (Irevna and Pipal) as CRISIL Global Research & Analytics (GR&A). CRISIL GR&A achieved robust growth in the current year with a mix of volume growth from existing clients and new business. The global economic environment remained volatile through 2011 which presented CRISIL GR&A an opportunity to provide solutions to its clients to meet regulatory requirements, improve efficiencies, enhance revenues, and strengthen market presence. CRISIL GR&A considerably deepened its client engagement; clients now look at us as a strategic partner, working in tandem with them in the difficult operating environment. Our global business model has scaled up well to support demand from clients. Our research

centres in Hangzhou (China), and Buenos Aires (Argentina) and our quantitative research centre in Wroclaw (Poland) have grown significantly. We opened a second research centre in Buenos Aires, and a new research centre in Pune, during 2011. The global business environment is however expected to remain challenging in 2012 due to uncertainty surrounding European Union and the Euro, dim growth prospects in the US and expected slowdown in China.

■ CRISIL RESEARCH

CRISIL Research continued to build on its powerful value proposition of timely and relevant research. CRISIL Research's equity research business and funds and fixed income research business executed many prestigious assignments during the year. High inflation, rising interest rates, slowdown in growth, and growing uncertainty in the global economy have been a setback to the domestic capital markets. Sharp decline and volatility in the equity markets affected the equity research and IPO grading businesses of CRISIL Research.

■ CRISIL INFRASTRUCTURE ADVISORY AND RISK SOLUTION (CRIS)

The challenging economic environment has impacted the domestic advisory business. Weak equity markets, high costs of borrowing, delay in critical reforms and policy decisions with respect to land acquisition, mining, and power sector have forced corporates to defer investment decisions, especially in the private sector. CRISIL infrastructure advisory business has, however, continued to grow by expanding its services across new verticals and geographies focusing on business from the Government and public sector during the year.

During the year, CRISIL Risk Solutions business expanded its coverage in the global markets and won mandates in large number of countries. The outlook for business is positive as Banks in most regions continue to invest considerable resources towards augmenting their internal risk management frameworks, in the face of a systems crisis gripping the global banking system.

■ ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

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

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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. The management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgment used therein.

A. FINANCIAL CONDITION

1. Share capital

The Company, during the year, sub divided the nominal face value of equity shares from Rs.10/- per share to Re.1/- per share in October 2011. The Company also completed a share buyback plan on December 30, 2011, pursuant to which 910,000 shares of Re.1 each, fully paid up, was purchased from open market. While the extinguishment of shares in the records of the depository was completed on January 4, 2012, the impact of the same is considered in the current financial statements.

2. Reserves and Surplus

Reserves and Surplus, after excluding the buyback impact, recorded a robust growth of 28% over the previous year.

3. Foreign Currency Translation account

In line with notification of the Companies (Accounting Standards) Amendment Rules, 2011 issued by the Ministry of Corporate Affairs on December 29, 2011 amending Accounting Standard - 11 (AS - 11) 'The Effects of Changes in Foreign Exchange Rates (revised 2003)', the Company has chosen to exercise the option under Para 46A inserted in the standard by the notification. Consequently, all exchange difference arising from long term foreign loan given to a subsidiary has been accumulated in the "Foreign Currency Monetary Translation Account" and amortised to the profit and loss account over tenure of the loan. The Company has adopted this change in policy to ensure that profit and loss account is not impacted by huge volatility in foreign exchange rate movement.

4. Fixed Assets

At the end of the year, the Company's investments in fixed assets were as follows:

	(Rs. Lakh)	(Rs. Lakh)	(%)
Details	Dec. 31, 2011	Dec. 31, 2010	Growth
Gross Block	19,315.50	17,738.69	9%
Less : Accumulated Depreciation	9,205.17	7,753.99	19%
Net Block	10,110.33	9,984.70	1%
Add : Capital Work in Progress	44.23	8.30	433%
Net Fixed Assets	10,154.56	9,993.00	2%
Depreciation as a % of Total Income	3%	3%	
Accumulated Depreciation as % of Gross Block	48%	44%	

During the year, the Company's investment in fixed assets and capital work in progress was Rs.2,357.66 Lakh, whereas sale of assets realised Rs.829.88 Lakh. The assets acquired included equipment, computers, and leasehold improvements to support expansion of business and to provide for replacement of existing assets. The assets sold were mainly office properties, computers and furniture. Depreciation as a percentage of total income remained constant at 3% and accumulated depreciation as a percentage of the gross block was 48% as against 44% in the previous year. The Company expects to fund its investments in fixed assets and infrastructure from its internal accruals and liquid assets. It may, however, borrow to fund capital expenditure, if considered necessary.

5. Investments and Treasury

The Company's treasury as on December 31, 2011, was Rs.19,959.10 Lakh, as against Rs.13,119.02 Lakh in the previous year. Cash and cash equivalents constituted 43% of total assets as on December 31, 2011, as against 34 % in the previous year. The details of the treasury are as under:

Category	(Rs. Lakh)	(%)	(Rs. Lakh)	(%)
Cash and Bank Balance	6,265.18	31%	3,359.75	26%
Fixed Deposit	13,693.92	69%	8,759.27	67%
Fixed Maturity Plans	-	-	1,000.00	7%
TOTAL	19,959.10	100%	13,119.02	100%

The Company actively monitors its treasury portfolio and has a policy in place for investing surplus funds. We do not invest in equity, derivative and market linked products. Appropriate limits and controls are in place to ensure that investments are made as per policy.

6. Current Assets, Loans and Advances

a. Sundry Debtors

Sundry debtors were Rs.9,088.56 Lakh as on December 31, 2011, as against Rs.10,024.50 Lakh as on December 31, 2010. The debtors constituted 14% of the total operating revenue, (representing an outstanding of 52 days of operating revenue) as against 19% (representing an outstanding of 69 days of operating revenue) during the previous year. The current year saw a substantial reduction of 17 days in debtors outstanding as compared to the previous year due to focused collection effort.

The break-up of debtors relating to segments is given below:

	Rs. Lakh	%	Rs. Lakh	%	%Change
Segment	As on Dec 31,2011		As on Dec 31,2010		
Rating Services	3,035.67	33%	3,601.10	36%	-16%
Research Services	6,052.89	67%	6,423.40	64%	-6%
TOTAL	9,088.56	100%	10,024.50	100%	-9%

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

b. Loans and Advances

Loans and advances comprise loans to staff, advances recoverable in cash or kind, sundry deposits, and loan to subsidiary. 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.

c. Other Current Assets

Other current assets mainly comprise of interest accrued and unbilled revenue.

7. Current Liabilities

a. Sundry Creditors

Sundry creditors include amounts payable to vendors for supply of goods and services, provision for bonus payable to staff, salary reimbursement provision, rent deferment. Increase in sundry creditors is mainly on account of increase in employee related payouts linked to headcount growth.

b. Fees received in advance

Fee received in advance represents fees received for which services have not yet been rendered, and unearned revenue at year-end, which pertains to services to be rendered in the next financial year, for which the related costs were not yet incurred.

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c. Other Liabilities

Other liabilities mainly represent payables on account of withholding tax, service tax, other duties which are payable in the following month.

8. Provisions

a. Provision for Leave encashment and Gratuity

Provision for leave encashment and gratuity represents the Company's liability for leave encashment and gratuity, valued on an actuarial basis as per Accounting Standards 15 Notified by Companies Accounting Standards Rules, 2006. The valuation is made as per the Projected Unit Credit Method, taking into account qualifying salary projected up to the assumed date of cessation of employment for whatever reason. The overall liability growth of 14% in the current year is mainly on account of increase in the number of employees in 2011.

b. Proposed Dividend

The proposed dividend represents the dividend recommended to the shareholders by the Board of Directors, which will 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.

	Rs. Lakh				
	12 month ended		12 month ended		Growth
Particulars	Dec-11	%	Dec-10	%	%
Income from Operations	63,915.62	94%	52,871.21	88%	21%
Other Income	4,301.39	6%	7,362.23	12%	-42%
Total Income	68,217.01	100%	60,233.44	100%	13%
Expenses					
Personnel Expenses	24,499.79	36%	19,890.45	33%	23%
Establishment Expenses	6,570.59	10%	6,123.91	10%	7%
Other Expenses	10,221.95	15%	7,026.42	12%	46%
Depreciation	2,168.46	3%	2,020.85	3%	7%
Operating Expenses	43,460.79	64%	35,061.63	58%	24%
Profit before Tax	24,756.22	36%	25,171.80	42%	-2%
Provision for Taxation	6,105.00	9%	5,321.90	9%	15%
Profit after Tax & before prior period items	18,651.22	27%	19,849.90	33%	-6%
Prior period expense, net of tax	0.00	0%	274.45	0%	-
Profit after Tax	18,651.22	27%	19,575.45	33%	-5%
PROFIT AFTER TAX EXCLUDING ONETIME SALE OF PROPERTY AND LONG TERM INVESTMENTS IN PREVIOUS YEAR	18,210.42	27%	15,427.48	26%	18%

Operating revenue grew by 21% in 2011 on account of growth in both Ratings and Research business. Other income declined by 42% mainly on account of one time impact of sale of premises and long term investment in the previous year. Operating expenses grew by 24% mainly on account of increased headcount, new delivery center setup in Pune and China and expansion of Argentina and Poland delivery centers. Net profit after tax, after excluding one-time gain on sale of premises and investments in the previous year, grew by 18%. Net profit for the current year is after taking the incremental tax impact on account of STPI tax withdrawal for nine months in the current year.

Segmental Analysis

	(Rs. Lakh)		
Segmental Details	2011	2010	Growth
Revenues :			
Rating	32,600.13	28,408.77	15%
Research	31,315.49	24,462.44	28%
TOTAL	63,915.62	52,871.21	21%
Segmental Profit :			
Rating	12,921.52	11,837.54	9%
Research	11,562.28	8,375.75	38%
TOTAL	24,483.80	20,213.29	21%

Rating revenue segment grew by 15% mainly on account of growth in Bank Loan ratings (BLR), SME and revenue from Global Analytical Centre (GAC). Research segment growth was mainly on account of a mix of volume growth from existing clients and new business in CRISIL GR&A. This growth and the profits for the research business have also been impacted positively by the favourable forex movement during the later part of the 2011. Ratings profit has grown at 9% despite a nearly dormant bond market during 2011 and an increase in lower ticket bank loan and SME ratings.

Expense Analysis

The composition and growth of expenses during the year was as follows:

	Rs. Lakh				
	12 month ended		12 month ended		Growth
Particulars	Dec-11	%	Dec-10	%	%
Personnel Expenses	24,499.79	38%	19,890.45	38%	23%
Establishment Expenses	6,570.59	10%	6,123.91	12%	7%
Other Expenses	10,221.95	16%	7,026.42	13%	46%
Depreciation	2,168.46	3%	2,020.85	4%	7%
TOTAL EXPENSES	43,460.79	68%	35,061.63	66%	24%

Personnel expense growth of 23% was mainly on account of addition of 248 employees and merit increase in the current year as the Company constantly strives to make its salary structure competitive in the market to attract and retain talent. Revenue and profit per employee were Rs.25.92 Lakh (+4%) and Rs.7.56 Lakh (+1% after excluding extra ordinary income in previous year). CRISIL will continue with its initiatives to improve its revenue and profit per employee through business process re-engineering and effective use of technology.

Revenues and profits per employee for the past five years have been as under:

Year ended	Dec-11	Dec-10	Dec-09	Dec-08	Dec-07
Average number of Employees	2,466	2,121	1,817	1,627	1,168
Operating Revenue per employee (Rs. Lakh)	25.92	24.93	24.31	23.25	21.87
Net Profit per Employee (Rs. Lakh)	7.56	*9.25	8.28	8.44	6.05

*Adjusted for one time gain on sale of premises and long term investment, Net profit per employee for 2010 was Rs.7.48 Lakh.

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Interest

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

C. RISK MANAGEMENT

The Company has in place a mechanism to identify and report key Enterprise wide Risk Matrix. CRISIL manages risks in its business operations as follow:

1. Business Risks

To mitigate the risk of high dependence any one business for revenues, the Company has adopted a strategy of launching new products/services, globalising its operations, and diversifying into different business segments. The strategy has yielded good results and the Company therefore, now has a 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 has also actively sought to diversify its client base and industry segments.

The Company strives to add value to its clients by providing services of a superior quality, and maintaining a robust franchise with investors and end-users, to mitigate the risk arising from price competition. During the year, we launched CRISIL Business School Grading – a rigorous grading service for the education sector, launched 5 new indices, including CRISIL Gilt Index and CRISIL Gold Index and added multiple service offering in CRISIL GR&A . Repeat business from large clients, nevertheless, continues to contribute significantly to the Company's revenues. CRISIL Ratings' Centre 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.

2. Foreign exchange earning risk

CRISIL's foreign currency revenue has increased significantly over the past few years. Consequently, CRISIL's profitability and margin can be impacted by any movement in rupee against foreign currency. CRISIL has in place an effective hedge mechanism which ensures that risks are mitigated in a highly volatile forex market. The hedge programme covers a significant portion of

projected future revenues over a 12 month period and is restricted to plain-vanilla forward contracts. Appropriate internal controls are in place for monitoring the hedge programme.

3. Policy risk

The Company derives a significant portion of its revenues from Rating services, which depend on several factors, including regulatory policy. The Reserve Bank of India has mandated the use 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 businesses, the Company continues to pursue its strategy of diversification, and globalising its operations. It also seeks to build a strong franchise with investors by holding investor meets and seminars for improving transparency around ratings and rating methodologies, and showcasing the utility and benefits of ratings.

4. Human Resource attrition Risk

CRISIL key assets are its employees and in a highly competitive market, it is a challenge to address attrition. CRISIL continues to accord top priority to manage employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

5. 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.

6. 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 strengthened its Compliance function by creating a separate Compliance division. The Company Secretary functions as a compliance officer to advice the Company on issues

relating to compliance with law, and to preempt violations of the same. The compliance officer reports at every board meeting on the Company's initiatives to comply with the laws of various jurisdictions. The Company also seeks independent legal advice wherever necessary.

7. Technology-Related Risks

The Company uses information technology extensively for its businesses. 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 conducted regularly to ensure that the policies and processes are satisfactory, and in line with internationally-accepted best practices. The Company's business processes are automated through customised business applications that capture and maintain information regarding business processes, thus protecting its knowledge base. The Company also possesses intellectual property rights for customised business applications. The technology used by the Company at all locations provides for redundancy, and for disaster recovery. For critical business processes, the business teams have defined a business continuity plan and have tested it with the help of the IT team. The technology department keeps continuously abreast of technology changes, and suitably undertakes projects for technology upgradation to keep the technology infrastructure current, and to provide for redundancy.

8. 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.

The above discussion contains forward-looking statements, which may be identified by their use of words such as plans, expects, will, anticipates, intends. All such statements address the expectations from, and projections for, 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 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 results, performance, or achievements may, therefore, differ materially from those projected in these 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.

AUDITOR'S 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, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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 with the conditions of Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For S.R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants

per **Shrawan Jalan**

Partner

Membership No.: 102102

Place: Mumbai

Date: February 17, 2012

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

Date: February 17, 2012

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, and disclosure standards, and enhanced 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 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.

No Director should hold directorships in more than ten Indian public limited companies.

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.

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 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 except payment for legal services provided by Singhania & Partners (Firm) in which Mr. Ravinder Singhania is a partner. Whole-time Directors are excluded from serving on the Board of any other entity unless the said entity has interests that 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. 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.

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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 as on December 31, 2011 are given below:

Name of the Director	Memberships on other Boards	Committee Memberships*
B.V. Bhargava	Excel Crop Care Limited	Chairman, Audit Committee
	Grasim Industries Limited	Chairman, Audit Committee
	ICICI Lombard General Insurance Company Limited	-
	J.K. Lakshmi Cement Limited	Chairman, Audit Committee
	Supreme Industries Limited	-
	L&T Infrastructure Finance Company Limited	Member, Audit Committee
	Grasim Bhiwani Textiles Limited	Chairman, Audit Committee
	Lakshmi Precision Screws Limited	-
	L&T Finance Holdings Limited	Member, Audit Committee
H.N. Sinor	3i Infotech Limited	-
	ICICI Venture Funds Management Company Limited	Member, Audit Committee
	ICICI Lombard General Insurance Company Limited	Member, Audit Committee
	Themis Medicare Limited	Member, Audit Committee
	Tata Capital Limited	Member, Audit Committee
	Tata Motors Finance Limited	-
	Tata Investment Corporation Limited	Chairman, Audit Committee
	Zorastrian Co-operative Bank Limited	-
	Tata Capital Financial Services Limited	-
Rama Bijapurkar	Tata Capital Markets Limited	-
	Tata Securities Limited	Member, Audit Committee
	CRISIL Risk and Infrastructure Solutions Limited	-
	Axis Bank Limited	-
	Mahindra Holidays & Resorts India Limited	Member, Audit Committee
Nachiket Mor	Mahindra and Mahindra Financial Services Limited	Member, Audit Committee
	ICICI Prudential Life Insurance Company Limited	-
	-	-
Douglas Peterson	-	-
Thomas Schiller	CRISIL Risk and Infrastructure Solutions Limited	-
David Pearce	CRISIL Risk and Infrastructure Solutions Limited	-
Ravinder Singhania (Alternate Director)	CRISIL Risk and Infrastructure Solutions Limited	-
	Unitech Limited	Member, Audit Committee
	Assets Care and Reconstruction Enterprise Limited	Member, Audit Committee
Roopa Kudva	India Index Services & Products Limited	-
	Irevna LLC, US	-
	Irevna Limited, UK	-
	CRISIL Irevna Poland Sp. Z.o.o	-
	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd	-

* Memberships/Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee is considered.

Details of Shareholdings of Directors as on December 31, 2011

Name of the Director	No. of shares held*
B.V. Bhargava	-
H.N. Sinor	-
Rama Bijapurkar	-
Nachiket Mor	-
Douglas Peterson	-
Thomas Schiller	-
David Pearce	-
Ravinder Singhania, Alternate Director	-
Roopa Kudva, MD & CEO	160,000

*After giving effect of the sub-division of nominal face value of the shares from Rs.10/- per share to Re.1/- per share, effective from October 1, 2011.

Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter 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, 2011, the Board met four times – on February 14, April 15, July 20, and October 18. Most Board meetings were well-attended as shown below. The agenda of Board meetings is sent to all the Directors well in advance and contains all the relevant information. The Company has an executive committee comprising 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. Ramraj Pai heads the domestic ratings business, Mr. G.V. Mani heads the global research and analytics business, Mr. Mukesh Agarwal heads the research business, and Mr. Raman Uberoi oversees operations. Mr. M. Ramsekhar is CEO for CRIS and heads the infrastructure advisory and risk solutions business, which is conducted by a wholly owned subsidiary.

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	Yes
Deven Sharma*	4	1	Yes
Thomas Schiller [§]	4	4	No
David Pearce	4	3	No
Roopa Kudva	4	4	Yes
Douglas Peterson [#]	4	N.A.	N.A.

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

[§] Mr. Thomas Schiller resigned as the Director of the Board with effect from January 11, 2012.

[#] Mr. Douglas Peterson appointed as Director and Chairman of the Board with effect from October 28, 2011.

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 or Indian listed Company on the basis of unpublished price-sensitive information.

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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 commissions. The commission payable to each Non-whole-time Director 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 up to 3 per cent of the net profits of the Company determined in accordance with the provisions of Sections 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 per cent 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 Whole-time Directors and employees comprises two broad components – short-term remuneration and long-term rewards. The Compensation Committee, comprising two Independent Directors, determines the remuneration of 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

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 shareholders.

The total remuneration is set at levels to attract, motivate, and retain high-calibre, and high potential personnel in a competitive global market. The 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, incentives linked to the performance of the business unit are payable if the business unit performs better than expected. 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 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, and length of service. The plan is supervised by the Compensation Committee. Non-whole-time Directors are not eligible for participation in the plan.

Sitting fees and commission paid to Non-whole-time Directors

			(In Rupees)
Name of Directors	Sitting Fees	Commission	Total
B.V. Bhargava	300,000	2,350,000	2,650,000
H.N. Sinor	180,000	2,150,000	2,330,000
Rama Bijapurkar	100,000	2,150,000	2,250,000
Nachiket Mor	80,000	2,150,000	2,230,000
Deven Sharma	20,000	900,000	920,000
Thomas Schiller	160,000	1,450,000	1,610,000
David Pearce	100,000	1,200,000	1,300,000
Ravinder Singhania (Alternate Director)	80,000	-	80,000
Total	10,20,000	12,350,000	13,370,000

Remuneration Paid to Whole-time Director for the year ended December 31, 2011

	(Rs. in Lakh)
Name	Roopa Kudva
Salary	153.37
Perquisites	6.06
Others	30.59
Variable Pay/Commission	128.00
Provident Fund	5.20
Appointment valid till	July 26, 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 has also been conscious of the need to maintain stability in its dividend payout over the years. From 2008, CRISIL has commenced the practice of paying 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 one Non-whole-time Director – Mr. B.V. Bhargava (Chairman), 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:

The Audit Committee comprises of four Non-executive Directors who are well-versed with financial matters and 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 other members of the Audit Committee. 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 in 2011 – on February 14, April 15, July 20, and October 18.

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	2
David Pearce	4	3

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
- 11) 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. B.V. Bhargava (Chairman), Mr.

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Thomas Schiller, Mr. David Pearce, and one Executive Director – Ms. Roopa Kudva. 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 October 18, 2011.

Director	No. of committee meetings held	No. of committee meetings attended
B.V. Bhargava	1	1
Thomas Schiller ^{\$}	1	1
David Pearce	1	1
Roopa Kudva	1	1

^{\$} Mr. Thomas Schiller resigned as Director and member of this Committee with effect from January 11, 2012.

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 in 2011 – on February 14, April 15, July 20, and October 18.

Director	No. of committee meetings held	No. of committee meetings attended
B.V. Bhargava	4	4
Thomas Schiller ^{\$}	4	4
Roopa Kudva	4	4

^{\$} Mr. Thomas Schiller resigned as Director and member of this Committee with effect from January 11, 2012.

Compensation Committee:

The Compensation Committee comprises of five Non-executive Directors – Mr. B.V. Bhargava (Chairman), Mr. Deven Sharma, Ms. Rama Bijapurkar, Mr. Thomas Schiller, and Mr. H.N. Sinor. The chairman of the Compensation Committee was present at the Annual General Meeting held on April 15, 2011. Mr. Deven Sharma had resigned as Director and member of this Committee with effect from September 30, 2011. 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 Whole-time Directors and employees of the Company. The annual compensation of 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 February 14, 2011.

Director	No. of committee meetings held	No. of committee meetings attended
B.V. Bhargava	1	1
Rama Bijapurkar	1	1
Thomas Schiller ^{\$}	1	1
Deven Sharma [#]	1	-
H.N. Sinor	1	1

^{\$} Mr. Thomas Schiller resigned as Director and member of this Committee with effect from January 11, 2012.

[#] Mr. Deven Sharma had resigned as Director and member of this Committee with effect from September 30, 2011.

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 (Chairman), and Ms. Rama Bijapurkar and one Executive Director – Ms. Roopa Kudva. 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 shareholders.
- 2) Quarter and annual financial results are published in the leading national and regional newspapers, and displayed on the Company's website.
- 3) News releases, press releases and presentations made to investors and analysts are displayed on the Company's website.
- 4) The annual report is circulated to all members, and is also available on the Company's website.

Note:- The Annual Report of the Company for the financial year 2011 has been emailed to the members whose email addresses are available with the depositories or are obtained directly from the members, as per the MCA Circular No. 18/2011 dated April 29, 2011 on "Green Initiative of Ministry of Corporate Affairs

for Corporate Governance". For other members, who have not registered their email addresses, the Annual Report has been sent at their registered address. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

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 companies in which he/she holds directorship, and membership of Committees of the Board.

Grievance Redressal

The Board has appointed an Investor Grievance Committee to review and redress 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. Shrikant Dev, Company Secretary, to approve the transfer and transmission of shares.

A reconciliation of share capital 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
Twenty Second Annual General Meeting	April 28, 2009 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.
Twenty Third Annual General Meeting	April 16, 2010 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.
Twenty Fourth Annual General Meeting	April 15, 2011 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.

No Special Resolutions were passed at the last three general body meetings.

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Postal Ballot System:

The Central Government has notified the Companies (Passing of Resolution by Postal Ballot) Rules 2011, which lays down the businesses required to be passed by postal ballot.

The Company has passed the following resolutions by postal ballot for the period from the date of the last Annual General Meeting till the date of this report:

Sr. No.	Date of Declaration of Postal Ballot Result	Description
1	September 5, 2011	Ordinary Resolution for sub-division of equity shares of the Company from nominal value of Rs.10/- each to nominal value of Re.1/- each and consequent alteration of the Memorandum of Association
2	September 5, 2011	Special Resolution for Alteration of Articles of Association consequent to sub-division of the shares of the Company from nominal value of Rs.10/- each to nominal value of Re.1/- each
3	December 7, 2011	Special Resolution under Section 77A of the Companies Act, 1956 for the purchase of its own shares

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 to 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; the same is available on the website of the Company.

Whistle-Blower Policy:

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

GENERAL INFORMATION FOR MEMBERS

1.	Annual General Meeting	:	
	Date and Time		April 16, 2012 at 3.30 p.m.
	Venue		CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076.
2.	Calendar for Financial Reporting for the	:	
	First Quarter ending March 31, 2012		Monday, April 16, 2012
	Second Quarter ending June 30, 2012		Wednesday, July 18, 2012
	Third Quarter ending September 30, 2012		Wednesday, October 17, 2012
	Year Ending December 31, 2012		End of February, 2013
	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.bseindia.com and www.nseindia.com
3.	Proposed Final Dividend	:	Rs.2.75 per share having nominal value of Re.1/- each.
4.	Dates of Book Closure	:	Thursday, March 15, 2012 to Friday, March 16, 2012 (both days inclusive)
5.	Dividend Payment Date	:	Before May 15, 2012 (if dividend payment is approved at the Annual General Meeting).
6.	Listing Details	:	<p>The shares of the Company are listed on:</p> <ul style="list-style-type: none"> • National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051. • Bombay Stock Exchange Limited (BSE) Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001. <p>The Company has paid listing fees at both the exchanges and has complied with the listing requirements.</p>
7.	Stock Code	:	<p>National Stock Exchange of India Limited (NSE) – CRISIL</p> <p>Bombay Stock Exchange Limited (BSE) - 500092.</p> <p>ISIN Number: INE007A01025</p>

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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 - 500081. Phone No. +91 40 2342 0818-828 Fax. No. +91 40 2342 0814
9.	Compliance Officer	:	Mr. Shrikant Dev, Company Secretary CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 Fax: +91 22 3342 3810
10.	Depository System	:	Currently, 99.62% 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)	:	<p>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.</p> <p>For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.</p>
14.	Investor Complaints to be addressed to	:	Registrars and Share Transfer Agents or to Mr. Shrikant Dev, Company Secretary, at the above mentioned address.
15.	Email ID of Grievance Redressal Division	:	investors@crsil.com

■ SHAREHOLDING PATTERN AS ON DECEMBER 31, 2011

Sr. No	Category	No. of shares held	% Holding
1.	Group Holding of the The McGraw-Hill Companies		
	a) Standard & Poor's International LLC	31,209,480	43.98
	b) S&P India LLC	6,000,000	8.45
2.	Individuals	12,313,381	17.35
3.	FIIIs	7,438,486	10.48
4.	Mutual Funds/UTI	4,741,222	6.68
5.	Insurance Companies	4,743,500	6.68
6.	Financial Institutions/Banks	2,148,100	3.03
7.	Bodies Corporate	1,578,006	2.22
8.	Directors	160,000	0.23
9.	NRIs	157,266	0.22
10.	Clearing Members	478,999	0.68
	TOTAL	7,09,68,440	100.00

■ MEMBERS HOLDING MORE THAN 1% OF THE PAID-UP SHARE CAPITAL AS ON DECEMBER 31, 2011.

Sr. No	Name of the Shareholder	No. of shares held	% Holding
1.	Group Holding of The McGraw-Hill Companies		
	a) Standard & Poor's International LLC	31,209,480	43.98
	b) S&P India LLC	6,000,000	8.45
2.	Jhunjhunwala Rakesh & Rekha	5,500,000	7.75
3.	General Insurance Corporation of India	3,030,390	4.27
4.	Unit Trust of India	2,219,646	3.13
5.	State Bank of India	2,003,900	2.82
6.	Acacia Partners, LP/Acacia Institutional Partners, LP	1,716,880	2.42
7.	Life Insurance Corporation of India	1,713,110	2.41
8.	Franklin Templeton Investment Funds	1,250,000	1.76
9.	Tata Trustee Co. Pvt. Ltd- A/c Tata Mutual Fund	833,815	1.17
10.	Variable Insurance Products Fund III - Mid Cap	823,245	1.16
11.	Bright Star Investments Pvt Ltd	810,380	1.14
12.	Templeton Mutual Fund A/c-Franklin India	779,330	1.10
13.	Goldman Sachs Fund/Trust	712,532	1.00
	TOTAL	58,602,708	82.56

Note:

- 1) The Company had subdivided the nominal face value of the equity shares of Rs.10/- each to Re 1/- each. The record date for the purpose of share sub-division was September 30, 2011 and the sub-division was effective from October 1, 2011. The changes in the share capital consequent to the sub-division have been reflected in the above tables on shareholding.
- 2) The Company had concluded a buyback of equity shares from the open market through the Stock Exchange mechanism using electronic trading facilities of BSE and NSE. The total number of equity shares bought back is 910,000 equity shares at an average price of Rs.871.06 per equity share. The buyback commenced on December 26, 2011 and closed on December 30, 2011. The extinguishment of the shares in the record of NSDL and CDSL had been effected on January 3, 2012 and January 4, 2012. Hence, the changes in share capital consequent to the buyback are not reflected in the above tables on shareholding.

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■ STATUS REPORT ON NUMBER OF SHAREHOLDER REQUESTS/COMPLAINTS RECEIVED AND RESOLVED BY THE COMPANY DURING THE YEAR ENDED DECEMBER 31, 2011

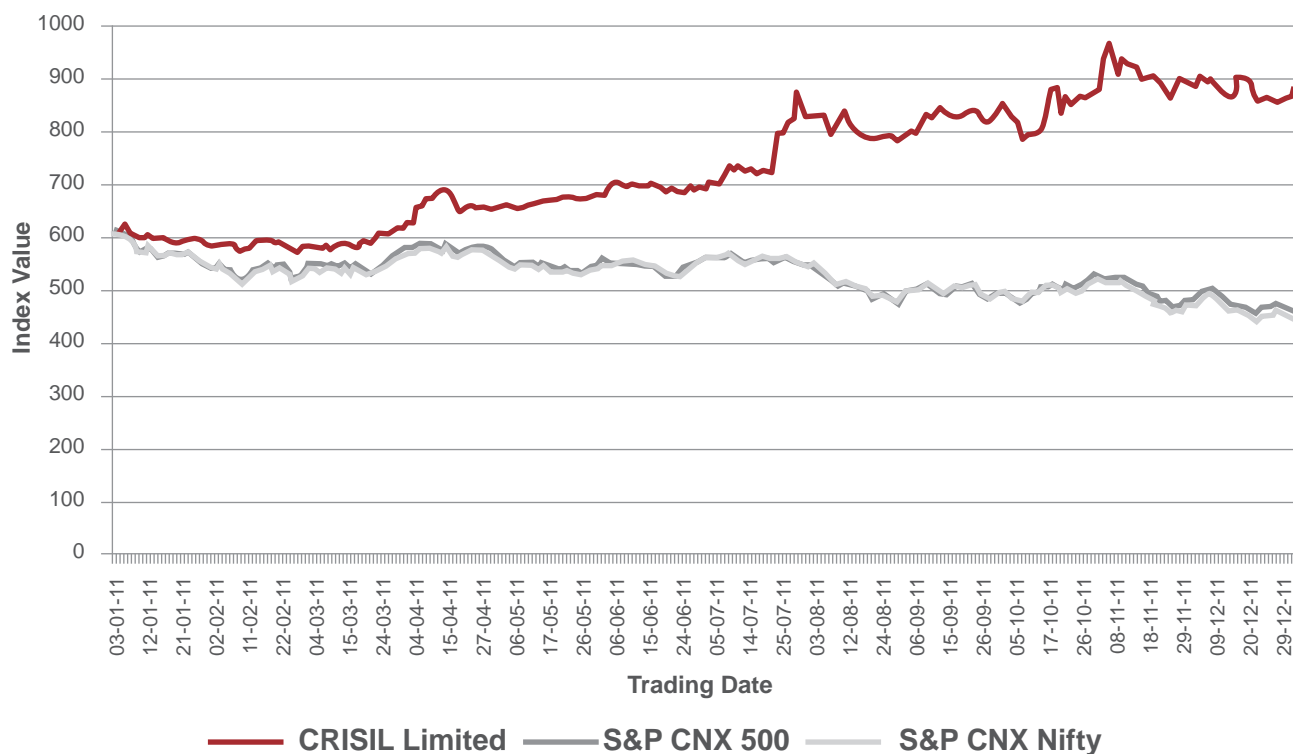
Nature of Correspondence	Received	Resolved	Pending
Transfer/Transposition/Transmission	15	15	-
Dematerialisation/Remat/ECS	22	22	-
Registration of Power of Attorney	-	-	-
Issue of duplicate share certificate/correction/process queries	10	10	-
Non-receipt of dividend warrant	50	50	-
Issue of duplicate drafts in lieu of warrants/revalidation of warrants	57	57	-
Incorporation of change of address	18	18	-
Incorporation of bank mandate	11	11	-
Other requests/queries	23	23	-
TOTAL	206	206	-

■ PRICE MOVEMENTS OF THE COMPANY'S SHARES ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BOMBAY STOCK EXCHANGE LIMITED FOR THE PERIOD FROM JANUARY 2011 TO DECEMBER 2011.

NSE			BSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
January	710.00	585.51	January	634.90	575.00
February	608.00	560.00	February	607.00	561.10
March	644.99	571.50	March	639.00	570.50
April	744.53	620.10	April	704.00	620.01
May	695.00	651.50	May	690.50	652.50
June	712.30	679.80	June	709.00	680.00
July	902.50	694.60	July	903.19	695.00
August	860.00	757.60	August	858.00	765.00
September	890.10	790.05	September	888.80	815.05
October	936.70	731.75	October	945.00	771.05
November	976.90	848.00	November	976.95	845.00
December	950.00	827.25	December	950.00	850.40

Note: The nominal face value of the equity shares of the Company had been sub-divided from Rs.10/- per share to Re.1/- per share. The ex-stock split price in the stock exchanges were recorded from September 28, 2011. The stock prices prior to September 28, 2011 had been adjusted in the above tables to make stock prices comparable.

CRISIL LIMITED v/s S&P CNX 500, S&P CNX NIFTY



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.

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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.

STANDALONE FINANCIAL STATEMENTS



AUDITOR'S REPORT

To the Members of

CRISIL Limited

- 1) We have audited the attached Balance Sheet of CRISIL Limited ('the Company') as at December 31, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2011 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, 2011;
 - 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.

Firm registration number: 301003E

Chartered Accountants

per **Shrawan Jalan**

Partner

Membership No.: 102102

Place: Mumbai

Date: February 17, 2012

ANNEXURE

Referred to in Paragraph 3 of our Report of Even Date

- (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. 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 Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order 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 rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (v) (b) of paragraph 4 of the 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it. 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 material 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 as well as sales 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	5,000,000	A.Y. 2000-01	High Court
		3,875,417	A.Y. 2001-02	High Court
		3,638,159	A.Y. 2003-04	High Court
		6,005,778	A.Y. 2004-05	High Court
		2,876,744	A.Y. 2005-06	Deputy Commissioner of Income Tax
		1,625,404	A.Y. 2006-07	Commissioner of Income Tax (Appeals)
		2,316,119	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
Sales Tax Act, 1956	Sales Tax demands raised on the Company	1,927,861	F Y 2003-04	Asst Comm. Of Sales Tax (Appeals)
		3,445,717	F Y 2004-05	Asst Comm. Of Sales Tax (Appeals)
Finance Act	Service Tax demands raised on the Company	15,042,302	F Y 1999-2000 to 2001-2002	Commissioner of Central Excise

- (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 and not issued any debentures.
- (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 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 has not taken any term loans 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 did not have any outstanding 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 year.

For S.R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants

per **Shrawan Jalan**

Partner

Membership No.: 102102

Place: Mumbai

Date: February 17, 2012

BALANCE SHEET

as at December 31, 2011

Particulars	Schedule	Rupees	
		December 31, 2011	December 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	70,058,440	70,968,440
Reserves and Surplus	B	3,536,406,030	3,554,086,835
Foreign Currency Monetary Item Translation Account (Refer Note 2.3 and 2.11- Schedule P)		45,664,182	-
TOTAL		3,652,128,652	3,625,055,275
APPLICATION OF FUNDS			
Fixed Assets	C		
Gross Block		1,931,550,188	1,773,869,090
Less: Accumulated Depreciation/Amortisation		920,517,237	775,399,236
Net Block		1,011,032,951	998,469,854
Capital Work-In-Progress (including capital advances)		4,423,308	829,817
		1,015,456,259	999,299,671
Investments	D		
Deferred Tax Assets (Net) (Refer Note 6 - Schedule P)		1,084,114,979	1,175,057,829
		90,556,855	121,763,199
Current Assets, Loans And Advances			
Sundry Debtors	E	858,116,840	964,189,743
Cash and Bank Balances	F	2,005,347,909	1,219,895,840
Loans and Advances	G	831,001,409	782,050,670
Other Current Assets	H	134,583,682	74,950,779
		3,829,049,840	3,041,087,032
Less: Current Liabilities and Provisions			
Current Liabilities	I	1,888,915,381	1,283,396,888
Provisions	J	478,133,900	428,755,568
		2,367,049,281	1,712,152,456
Net Current Assets		1,462,000,559	1,328,934,576
TOTAL		3,652,128,652	3,625,055,275
Significant Accounting Policies and Notes to the Accounts	P		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E
Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

PROFIT AND LOSS ACCOUNT

for the Year ended December 31, 2011

Particulars	Schedule	Rupees	
		Year Ended December 31, 2011	Year Ended December 31, 2010
INCOME			
Income from Operations	K	6,391,562,389	5,287,120,859
Other Income	L	430,138,959	736,222,592
TOTAL		6,821,701,348	6,023,343,451
EXPENDITURE			
Personnel Expenses	M	2,449,979,464	1,989,045,470
Establishment Expenses	N	657,059,266	612,391,462
Other Expenses	O	1,022,195,035	702,641,687
Depreciation	C	216,845,862	202,085,414
		4,346,079,627	3,506,164,033
Profit Before Tax		2,475,621,721	2,517,179,418
Tax Expense (Refer Note 4 - Schedule P)			
Current Tax		578,359,699	565,438,050
Wealth Tax		934,000	694,760
Deferred Tax Charge / (Benefit) (Refer Note 6 - Schedule P)		31,206,344	(33,854,695)
Income Tax of earlier years		-	(88,469)
		610,500,043	532,189,646
Profit After Tax and before prior period items		1,865,121,678	1,984,989,772
Prior period expense, net of tax (Refer Note 25- Schedule P)		-	27,444,953
Profit After Tax		1,865,121,678	1,957,544,819
Balance brought forward from previous year		2,355,337,107	2,274,109,516
Profit Available for Appropriation		4,220,458,785	4,231,654,335
Dividend			
Interim		585,494,277	1,264,375,000
Proposed Final Dividend		192,660,710	177,421,100
TOTAL		778,154,987	1,441,796,100
Dividend Tax on Interim and Proposed final dividend		125,552,428	238,766,646
Transfer to General Reserve		186,512,168	195,754,482
Balance carried to Balance Sheet		3,130,239,202	2,355,337,107
		4,220,458,785	4,231,654,335
Earnings per share : Nominal value of Re.1 per share :			
Basic		26.28	27.16
Diluted		26.19	27.16
Number of Shares used in Computing (Refer Note 23, 24 and 26)			
Basic Earnings Per Share		70,967,771	72,070,930
Diluted Earnings Per Share		71,225,814	72,070,930
Significant Accounting Policies and Notes to the Accounts	P		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E
Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

CASH FLOW STATEMENT

for the Year ended December 31, 2011

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	2,475,621,721	2,517,179,418
Adjustments for :		
Depreciation	216,845,862	202,085,414
Unrealised Foreign exchange (gain)/ loss	(28,869,304)	7,176,625
(Profit) on sale of fixed assets	(64,163,685)	(250,971,101)
(Profit) on sale of investments	(10,933,500)	(355,262,165)
Provision for bad debts	65,835,877	49,702,921
Interest on deposits	(111,644,415)	(71,261,822)
Interest on loan to subsidiary	(18,798,026)	(2,694,835)
Dividend Income - Other Investments	(8,701,955)	(23,732,040)
Dividend income from Subsidiaries	-	(6,603,721)
Operating profit before working capital changes	2,515,192,575	2,065,618,694
Movements in working capital		
- (Increase)/decrease in sundry debtors	71,192,701	(325,574,179)
- (Increase)/decrease in sundry deposits	(11,882,547)	81,319,460
- (Increase)/decrease in loans	(8,011,584)	88,570
- (Increase)/decrease in advances	9,294,923	39,301,568
- (Increase)/decrease in accrued revenue	(65,169,923)	34,919,044
- Increase/(decrease) in sundry creditors	302,944,363	(66,271,553)
- Increase/(decrease) in fee received in advance	146,893,388	39,128,197
- Increase/(decrease) in Provision for leave encashment	43,516,674	32,277,116
- Increase/(decrease) in Provision for gratuity (Refer Note 25- Schedule P)	(11,159,112)	22,472,536
- Increase/(decrease) in other liabilities	(15,944,961)	(22,980,349)
Cash generated from operations	2,976,866,497	1,900,299,104
- Taxes paid	(591,828,813)	(548,230,556)
Net cash generated from operating activities - (A)	2,385,037,684	1,352,068,548
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(235,085,627)	(93,092,109)
Proceeds from sale of fixed assets	82,360,002	318,967,166
Investments in mutual funds	(250,000,000)	(100,000,000)
Sale proceeds from investments in mutual funds	361,017,025	1,016,997,252
Investment in fixed deposits	(1,368,075,093)	(865,469,188)
Proceeds from fixed deposit maturity/renewal	874,609,999	607,586,055
Payment made for acquisition of Pipal Research Analytics and Information Services India Private Limited	-	(111,292,051)
Investment in National Commodity and Derivative Exchange Limited	-	(99,000,000)

CASH FLOW STATEMENT

for the Year ended December 31, 2011

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
Sale proceeds from Investment in National Commodity and Derivative Exchange Limited	-	374,433,189
Investment in Irevna Limited, UK	-	(144,760,380)
Sale proceeds from investments in Gas Strategies Group Limited (Refer Note 21- Schedule P)	-	58,728,000
Interest on deposits	79,284,164	50,211,339
Investment in CRISIL Irevna Information Technology (Hangzhou) Co. Limited	(9,557,150)	-
Proceed from dissolution of CRISIL Credit Information Services Limited	416,475	-
Dividend Income - Other Investments	8,701,955	23,732,040
Dividend income from Subsidiaries	-	6,603,721
Net cash generated (used in)/from investing activities - (B)	(456,328,250)	1,043,645,034
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loan (given) to Subsidiary	-	(337,616,370)
Dividend and dividend tax paid	(885,237,071)	(1,680,735,331)
Payment towards Buy Back of Shares (Refer Note 24- Schedule P)	(788,175,184)	(796,858,024)
Interest on loan to Subsidiary	15,033,940	3,995,147
Loan repaid by Subsidiary	22,722,356	32,500,000
Net cash generated from/(used in) financing activities - (C)	(1,635,655,959)	(2,778,714,578)
D. EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS - (D)	(1,044,500)	(346,345)
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	291,986,975	(383,347,341)
Cash and cash equivalents - Opening balance	343,968,849	727,316,190
Cash and Cash Equivalents - Closing balance	635,955,824	343,968,849
Net Increase/(decrease) in Cash and Cash Equivalents	291,986,975	(383,347,341)
Components of Cash and Cash Equivalents as at		
With banks on current account	626,517,726	335,974,528
Unpaid dividend account	9,438,098	7,994,321
	635,955,824	343,968,849
Significant accounting policies and notes to the Accounts	Schedule P	

The schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E
Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE A:		
Share Capital		
Authorised Capital:		
100,000,000 Equity Shares of Re.1 each (P.Y. 10,000,000 of Rs.10 each)	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
70,968,440 Equity Shares of Re.1 each fully paid up (P.Y. 7,096,844 of Rs.10 each)	70,968,440	70,968,440
[Of the above, 6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC , USA (P.Y. 600,000 of Rs.10 each) and 31,209,480 of Re.1 Equity Shares are held by S&P India, LLC (P.Y. 3,120,948 of Rs.10 each) (a wholly owned subsidiary of The McGraw-Hill Companies, Inc., The Ultimate Holding Company)]		
During the year, the Company has sub-divided the nominal face value of equity shares from Rs.10/- per share to Re.1/- per share .		
Less :- Payment made towards Buy Back of Shares (Refer Note 23, 24 and 26 - Schedule P)	(910,000)	-
TOTAL	70,058,440	70,968,440

SCHEDULE B:		
Reserves and Surplus		
Securities Premium Account		
Opening Balance	-	474,890,071
Less:- Used towards buy back of equity shares (Refer Note 24 - Schedule P)	-	(474,890,071)
TOTAL	-	-
Capital Reserve	122,232,111	122,232,111
Capital Redemption Reserve		
Opening Balance	1,281,560	-
Add:- Transfer on account of buy back of equity shares (Refer Note 24 - Schedule P)	910,000	1,281,560
TOTAL	2,191,560	1,281,560
Profit and Loss Account	3,130,239,202	2,355,337,107
General Reserve		
Opening Balance	1,052,568,228	1,178,781,699
Add : Transferred from Profit and Loss Account	186,512,168	195,754,482
Less :Transfer to Capital Redemption Reserve account (Refer Note 24 - Schedule P)	(910,000)	(1,281,560)
Less :Used towards buy back of equity shares (Refer Note 24 - Schedule P)	(794,061,069)	(320,686,393)
TOTAL	444,109,327	1,052,568,228
Foreign Currency Translation Reserve	-	(2,880,388)
Hedging Reserve Account (Refer Note 2.11 - Schedule P)	(162,366,170)	25,548,217
TOTAL	3,536,406,030	3,554,086,835

SCHEDULES

annexed to and forming part of the Accounts

SCHEDULE C: Fixed Assets

	Rupees									
	Gross Block at Cost					Accumulated Depreciation/Amortisation				
	As on January 1, 2011	Additions	Deductions/ Adjustments	As on December 31, 2011	As on January 1, 2011	For the Year	Deductions/ Adjustments	As on December 31, 2011	As on December 31, 2011	As on December 31, 2010
Buildings (Refer note below)	161,565,478	-	-	161,565,478	89,750,830	8,078,268	-	97,829,098	63,736,380	71,814,648
Furniture and Fixtures (Refer note below)	197,950,101	20,721,999	5,310,798	213,361,302	79,537,961	18,948,695	3,456,865	95,029,791	118,331,511	118,412,140
Office Equipment (Refer note below)	300,057,988	18,300,735	119,800	318,238,923	96,479,426	27,989,686	83,635	124,385,477	193,853,446	203,578,562
Computers	497,024,381	105,401,199	62,884,330	539,541,250	388,343,610	82,648,054	62,691,251	408,300,413	131,240,837	108,680,771
Vehicles	41,594,186	17,701,287	5,496,110	53,799,363	25,888,003	11,056,858	5,496,110	31,448,751	22,350,612	15,706,183
Leasehold Improvements	575,676,956	69,366,916	-	645,043,872	95,399,406	68,124,301	-	163,523,707	481,520,165	480,277,550
TOTAL	1,773,869,090	231,492,136	73,811,038	1,931,550,188	775,399,236	216,845,862	71,727,861	920,517,237	1,011,032,951	998,469,854
Previous Year	1,099,008,181	728,945,160	54,084,251	1,773,869,090	604,554,675	202,085,414	31,240,853	775,399,236	998,469,854	-

Adjustment with respect to building, furniture and office equipment are on account of certain premises being classified as held for sale in the Previous Year having a net written down value Rs. 16,113,140. Refer Schedule H.

SCHEDULES

annexed to and forming part of the Accounts

	Rupees			
	December 31, 2011	December 31, 2011	December 31, 2010	December 31, 2010
SCHEDULE D:				
Investments				
A. Long Term (Unquoted - At Cost)				
Investment in Subsidiaries (Companies under same management)				
49,999,900 (P.Y. 49,999,900) Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re.1 each, fully paid up		49,999,900		49,999,900
2,056,000 (P.Y. 2,056,000) Equity Shares of Irevna Limited UK, of £ 1 each, fully paid up		840,144,239		840,144,239
Nil (P.Y. 50,000) Equity Shares of CRISIL Credit Information Services Limited of Rs.10 each, fully paid up (Company has been dissolved during the current year)		-		500,000
704,018 (P.Y. 704,018) Equity Shares of CRISIL Irevna Argentina of ARS 1 each, fully paid up		10,501,668		10,501,668
10,000 Equity Shares (P.Y. 10,000) of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up		111,292,051		111,292,051
100% Investment in the capital (P.Y. Nil) of CRISIL Irevna Information Technology (Hangzhou) Co. Limited		9,557,150		-
Other Investments				
637,000 (P.Y. 637,000) Equity Shares of India Index Services and Products Limited of Rs.10 each, fully paid up		6,369,970		6,369,970
1,875,000 (P.Y. 1,875,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up		56,250,000		56,250,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency of US\$1 each, fully paid up	13,642,500		13,642,500	
Less: Provision for diminution in value of Investment	(13,642,499)	1	(13,642,499)	1
TOTAL LONG TERM (AT COST) - {A}		1,084,114,979		1,075,057,829
B. Current Investments (Unquoted -At Cost Or Market Value, whichever is lower) *				
Investments In Mutual Funds				
Nil (P.Y. 10,000,000) Units of Rs.10 Each ICICI Prudential FMP Series 53 - 1 Year Plan D cumulative (Sold 10,000,000 Units during the current year)		-		100,000,000
Units Purchase/Sold during the year				
ICICI Prudential Liquid Super Institutional Plan-Growth (658,522 Units)				
SBI Premier Liquid Fund - Super Institutional - Daily Dividend (14,951,408 Units)				
TOTAL INVESTMENTS IN MUTUAL FUNDS {B}		-		100,000,000
TOTAL UNQUOTED INVESTMENTS {A} + {B}		1,084,114,979		1,175,057,829
*Aggregate market value of Company's investment in Unquoted Mutual Funds		-		100,343,000

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE E:		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Unsecured, Considered good	47,212,597	38,871,267
- Unsecured, Considered doubtful	50,739,326	38,260,332
Other debts		
- Unsecured, Considered good	810,904,243	925,318,476
Less : Provision for Doubtful Debts (Refer Note 12 - Schedule P)	(50,739,326)	(38,260,332)
TOTAL	858,116,840	964,189,743

SCHEDULE F:		
Cash and Bank Balances		
Balances with Scheduled Banks		
On Current Accounts	626,517,726	335,974,528
On Deposit Accounts	1,369,392,085	875,926,991
On Unpaid Dividend Accounts	9,438,098	7,994,321
Deposit includes Fixed Deposits with Banks Rs.4,925,880 (P.Y. Rs.9,982,393) marked as lien for Guarantees issued by Banks on behalf of the Company. (Refer Note 3 - Schedule P)		
TOTAL	2,005,347,909	1,219,895,840

SCHEDULE G:		
Loans and Advances		
(Unsecured, Considered Good)		
Loans to Staff	28,391,472	20,379,888
Advance Recoverable In Cash or Kind for Value to be Received	45,593,205	54,888,128
Advance Tax (Net of provision)	12,529,317	-
Sundry Deposits	383,929,219	372,046,672
Loan to Subsidiary (Refer Note 13 - Schedule P)	360,558,196	334,735,982
TOTAL	831,001,409	782,050,670

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE H:		
Other Current Assets		
Interest Accrued on Fixed Deposits with Banks	59,324,331	26,964,080
Accrued Revenue	70,194,953	5,025,030
Interest Accrued on Loan to Subsidiary	5,064,398	1,300,312
Forward Contract Receivable (Refer Note 2.11 and 22 - Schedule P)	-	25,548,217
Assets held for sale (Refer note on Schedule C)	-	16,113,140
TOTAL	134,583,682	74,950,779

SCHEDULE I:		
Current Liabilities		
Sundry Creditors (Refer Note 5 - Schedule P) :		
Due to micro, small and medium enterprises	-	-
Others	914,801,486	604,041,367
Fees received in advance	741,795,910	594,902,522
Unclaimed Dividend	9,438,098	7,994,321
Other Liabilities	60,513,717	76,458,678
Forward Contract Payable (Refer Note 2.11 and 22 - Schedule P)	162,366,170	-
TOTAL	1,888,915,381	1,283,396,888

SCHEDULE J:		
Provisions		
Proposed Dividend	192,660,710	177,421,100
Corporate Dividend Tax thereon	31,254,384	29,467,427
Provision for Tax (Net of Advance Tax)	-	5,797
Provision for Leave Encashment	208,417,488	164,900,814
Provision for Gratuity (Refer Note 19 and 25- Schedule P)	45,801,318	56,960,430
TOTAL	478,133,900	428,755,568

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
SCHEDULE K:		
Income from Operations		
Income from Rating Services	3,260,013,484	2,840,877,156
Income from Research Services	3,131,548,905	2,446,243,703
TOTAL	6,391,562,389	5,287,120,859

SCHEDULE L:		
Other Income		
Interest on Deposits [TDS -Rs.12,052,699 (P.Y. Rs.6,021,547)]	111,644,415	71,261,822
Interest on Loan to Subsidiary [TDS -Rs.2,819,704 (P.Y. Rs.195,745)]	18,798,026	2,694,835
Profit on sale of Fixed Assets (Net)	64,163,685	250,971,101
Dividend Income - Other Investments	8,701,955	30,335,761
Foreign Exchange Gain (Net) (Refer Note 2.3 and 2.11 - Schedule P)	178,355,649	-
Profit from sale of current investments	11,017,024	355,262,165
Rental Income	13,200,000	-
Miscellaneous Income	24,258,205	25,696,908
TOTAL	430,138,959	736,222,592

SCHEDULE M:		
Personnel Expenses		
Salaries and Bonus	2,321,168,132	1,850,301,764
Contribution to : Provident Fund	64,216,742	53,663,432
Other Funds (Refer Note 25 - Schedule P)	13,635,553	28,483,086
Staff Training and Welfare Expenses	79,971,349	83,505,239
Less : Recoveries from Subsidiaries towards Overhead Allocated	(29,012,312)	(26,908,051)
TOTAL	2,449,979,464	1,989,045,470

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance - Buildings	75,846,402	62,386,080
Repairs and Maintenance - Others	71,587,243	65,121,325
Electricity	57,475,453	52,648,040
Communication Expenses	65,526,615	57,344,074
Insurance	2,291,178	737,719
Rent (Refer Note 18 - Schedule P)	384,996,064	377,882,978
Rates and Taxes	4,997,827	2,229,262
Less : Recoveries from Subsidiaries towards Overhead Allocated	(5,661,516)	(5,958,016)
TOTAL	657,059,266	612,391,462

SCHEDULE O:		
Other Expenses		
Printing and Stationery	30,508,433	26,747,996
Conveyance and Travelling	160,568,244	137,199,732
Books and Periodicals	26,652,512	21,850,275
Vehicle Expenses	1,232,177	1,421,061
Remuneration to Non-whore-time Directors (Refer Note 7 - Schedule P)	13,370,000	13,303,380
Business Promotion and Advertisement	12,207,405	18,989,323
Foreign Exchange Loss (net)	-	29,491,424
Professional Fees	657,404,676	347,745,059
Software Purchase & Maintenance Expenses	37,617,094	20,764,613
Loss on Dissolution of Subsidiary	83,524	-
Provision for Bad Debts	65,835,877	49,702,921
Auditors' Remuneration (Refer Note 10 - Schedule P)	3,014,995	3,069,450
Recruitment Expenses	19,624,636	18,300,560
Sales Commission	-	18,483,453
Seminars and Conferences	151,726	1,166,381
Miscellaneous Expenses	6,078,010	5,978,613
Less : Recoveries from Subsidiaries towards Overhead Allocated	(12,154,274)	(11,572,554)
TOTAL	1,022,195,035	702,641,687

SCHEDULES

annexed to and forming part of the Accounts

SCHEDULE P:

Significant Accounting Policies and Notes to the Accounts

1 Nature of Operations

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

2 Statement of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

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 Changes in Accounting Policies

Foreign Currency Translation on long term monetary items

In line with notification of the Companies (Accounting Standards) Amendment Rules, 2011 issued by Ministry of Corporate Affairs on December 29, 2011 amending Accounting Standard - 11 (AS - 11) 'The Effects of Changes in Foreign Exchange Rates (revised 2003)', the Company has chosen to exercise the option under para 46A inserted in the standard by the notification. Accordingly, exchange differences on all long term monetary items, with prospective effect from April 01, 2011, has been accumulated in the "Foreign Currency Monetary Translation Account" and amortised to the profit and loss account over the balance life of the long term monetary item. As a result of this change, the net profit before tax for the year is lower by Rs.45,664,182.

2.4 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets.

SCHEDULES

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2.5 Depreciation

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

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

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

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

2.6 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 the present value at interest rate specific to the asset and in case where the specific rate is not available at the weighted average cost of capital which is adjusted for country risk/ currency risk.

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

2.7 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.

2.8 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.

2.9 Revenue Recognition

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

Income from Operations

Income from Operations comprises of income from initial rating and surveillance services, global analytical services, credit assessments, special assignments and subscriptions to information products and services. Initial rating fees are deemed to accrue at 94% on the date the rating is awarded and the balance 6% is recorded equally over 11 months subsequent to

SCHEDULES

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the month in which the rating was awarded. Surveillance fee and subscription to information products are accounted on a time proportion basis. Fees received for credit assessments and special assignments are fully recognised as income in the year in which such assessments/assignments are carried out or milestones achieved or as per agreement with client.

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Act.

Profit /(loss) on sale of investment

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

2.10 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.

2.11 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 relating to long term monetary items, arising during the year, such differences are accumulated in the " Foreign Currency Monetary Item Translation Account" and amortised to the profit and loss account over the balance life of the long term monetary item. All other exchange differences are recognised as income or expense in the profit and loss account.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account

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Forward Contract

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

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

The Company has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to profit and loss account for the year.

2.12 Taxes On Income

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

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

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

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.

SCHEDULES

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2.13 Segment Reporting Policies

Segment Policies:

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

Identification of segments:

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

Inter segment transfers:

The Company generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocable income and expenses 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 cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.17 Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

SCHEDULES

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3 Details of Contingent liabilities are as under :

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
1) Bank Guarantee in the normal course of business	4,925,880	9,982,393
2) Disputed Income, Service & Sales Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	36,730,113	16,070,858
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	23,506,360	22,513,543
3) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for.	37,980,423	17,797,299
TOTAL	103,142,776	66,364,093

4 Income Tax

The tax year of the Company being the year ending March 31, 2012, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2011 and the provision for the nine months upto December 31, 2011. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2011 to December 31, 2011, the ultimate tax liability of which will be determined for the period April 1, 2011 to March 31, 2012.

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

6 Components of Deferred Tax Assets and Liabilities are:

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Deferred Tax Liability		
Depreciation / Amortisation	(96,015,194)	(67,477,222)
Tax attributable towards tax holiday deduction	-	(6,500,000)
TOTAL (A)	(96,015,194)	(73,977,222)
Deferred Tax Asset		
Provision for Leave Encashment	59,180,570	55,498,929
Provision for Gratuity	8,070,254	15,186,273
Lease Rent equalisation	44,200,359	32,016,485
Provision for Bonus and Commission	45,486,208	67,865,625
Provision for bad debts	16,286,603	14,307,731
Deferment of Rating fees	8,933,504	8,826,779
Disallowance under section 40(a)	4,414,551	2,038,599
TOTAL (B)	186,572,049	195,740,421
NET DEFERRED TAX ASSET / (LIABILITIES) (A+B)	90,556,855	121,763,199

SCHEDULES

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7 Managerial Remuneration:

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Managing Director :		
Salary	15,337,522	13,002,119
Variable Pay / Commission	12,800,000	10,670,000
Contribution to Provident Fund	519,912	467,964
Perquisites	605,748	490,438
Others	3,059,014	-
TOTAL	32,322,196	24,630,521
Non-whole-time Directors:		
Fees paid	1,020,000	1,020,000
Commission	12,350,000	12,283,380
TOTAL	13,370,000	13,303,380

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

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Profit before tax as per Profit and Loss Account	2,475,621,721	2,517,179,418
1) Provision for Doubtful Debts	65,835,877	49,702,921
2) (Profit)/Loss on Sale of Fixed Assets	(64,163,685)	(250,971,101)
3) Profit on sale of long term investment (Net)	-	(338,225,751)
Net Profit under Section 349	2,477,293,913	1,977,685,487
1) Remuneration to Whole-time Directors	32,322,196	24,630,521
2) Remuneration to Non-whole-time Directors	13,370,000	13,303,380
Net Profit under Section 198	2,522,986,109	2,015,619,388
Managerial Remuneration Payable to Whole-time director upto 5% of the Net Profit (as computed above) Rs.126,149,305 (P.Y. Rs.100,780,969), restricted to :	32,322,196	24,630,521
Commission Payable to Non-whole-time directors upto 3% of the Net Profit (as computed above) Rs.75,689,583 (P.Y.Rs.60,468,581), restricted to :	12,350,000	12,283,380

The Company depreciates fixed assets at the rates which are higher than the rates prescribed in Schedule XIV of the Act. Accordingly no adjustments are made on account of depreciation in computation of profit as per section 349 of the Act.

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

SCHEDULES

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8 Earnings in foreign currency (on accrual basis):

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Rendering of Rating and Research Services	3,490,924,406	2,788,221,401
TOTAL	3,490,924,406	2,788,221,401

9 Payments in Foreign Currency

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

The value of imports calculated on C.I.F basis for capital goods is Rs.12,546,261 (P.Y Rs. Nil)

b) Expenditure in foreign currency

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Foreign travel	65,990,754	58,863,864
Sales Commission	-	18,545,553
Other Expenses	325,006,581	125,931,994
TOTAL	390,997,335	203,341,411

10 Auditor's Remuneration includes

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
As auditor	2,425,000	2,667,500
In any other matter:		
Certification work	505,000	357,500
Out of Pocket Expenses	84,995	44,450
TOTAL	3,014,995	3,069,450

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

	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Number of shareholders	2	2
Number of equity shares of Re.1 each held by them on which dividend was paid	37,209,480	37,209,480
Amount remitted (Rs.)	400,001,910	744,189,600

SCHEDULES

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

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Irevna LLC, U.S.	156,085,786	215,670,743
Irevna Limited, U.K.	300,468,267	250,332,991
Irevna Poland Sp.zo.o	8,185,032	4,334,204
Standard & Poor's LLC	61,132,376	108,087,894
Standard & Poor's South Asia Services Private Limited	7,626,119	3,508,663
McGraw-Hill Education India Private Limited	-	345,602
TOTAL	533,497,580	582,280,097

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

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Irevna Limited (UK)	360,558,196	334,735,982
Maximum Amount Outstanding During the year	360,558,196	367,235,982

14 Segment Reporting

Business Segments:

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

- Rating services includes credit ratings for corporates, banks, small and medium enterprises (SME), training in the credit rating field, credit analysis services, grading services and global analytical services
- Research segments provides high end equity research, industry reports, customised research assignments, subscription to data services and IPO gradings

SCHEDULES

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Segment Reporting for the year ended December 31, 2011

Particulars			Rupees
	Business Segments		Total
	Ratings	Research	
Operating Revenue	3,260,013,484	3,131,548,905	6,391,562,389
Segment Results	1,292,152,180	1,156,227,931	2,448,380,111
Add / (Less) Unallocables:			
1) Unallocable Income			
Interest Income			130,442,441
Profit on sale of investments			11,017,024
Profit on Sale of Fixed Assets			64,163,685
Others			46,160,160
2) Unallocable Expenditure			(7,695,838)
3) Depreciation			(216,845,862)
Profit Before Tax			2,475,621,721
Tax Expense			(610,500,043)
Profit After Tax but before prior period item			1,865,121,678
Prior Period Expense, Net of Tax			—
Profit After Tax			1,865,121,678
Non-cash expenses other than depreciation and amortisation	55,065,183	5,770,694	60,835,877
Segment Assets*			
Investments	-	977,865,078	977,865,078
Segment Debtors	303,567,119	605,289,047	908,856,166
Segment Liabilities*			
Fees Received in advance	546,933,439	194,862,471	741,795,910

Revenue by Geographic Segments

	Rupees
Country	
India	2,900,637,983
United Kingdom	1,298,058,849
United States Of America	1,748,445,365
Others	444,420,192
TOTAL	6,391,562,389

SCHEDULES

annexed to and forming part of the Accounts

Segment Reporting for the Year ended December 31,2010

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

Revenue by Geographic Segments

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

Notes to Segmental Results :

*Fixed Assets used in the Company's business or Liabilities contracted have not been identified to any of the reportable segments, as the Fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practical to provide segment disclosure, except as disclosed above, relating to total assets and liabilities since a meaningful segregation of the available data is not feasible.

The Company recovered certain common expenses from subsidiaries based on management estimates and the same form a part of the segment results and disclosed as Recoveries in Schedules to the Profit and Loss Account.

SCHEDULES

annexed to and forming part of the Accounts

15 List of Related Parties

Parties	Relationship
Related parties where control exists	
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
Irevna Limited, UK	Subsidiary
Irevna LLC, USA	Subsidiary of Irevna Limited, UK
CRISIL Credit Information Services Limited*	Subsidiary
CRISIL Irevna Poland Sp.zo.o	Subsidiary of Irevna Limited, UK
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary
Other Related parties	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC, USA	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
McGraw-Hill Education India Private Limited	Fellow Subsidiary
India Index Services and Products Limited	Joint Venture
Standard & Poor's Australia Pty. Limited	Fellow Subsidiary
Capital IQ	Fellow Subsidiary
Ravinder Singhania	Alternate Director
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

*Company was dissolved on March 16, 2011

SCHEDULES

annexed to and forming part of the Accounts

16 Related Party Disclosure

Name of the related party	Nature of transaction	Rupees	
		Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Standard & Poor's LLC	Professional Services Rendered	981,757,379	814,068,721
	Reimbursement of expenses	1,322,484	1,051,712
	Amount Receivable	61,132,376	108,087,894
S&P India, LLC	Dividend	343,304,280	624,189,600
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses	25,775,898	18,456,188
	Amount Receivable	7,626,119	3,508,663
Standard & Poor's International LLC, USA	Dividend	66,000,000	120,000,000
	Share Capital Outstanding	6,000,000	6,000,000
Standard & Poor's Australia Pty. Limited	Reimbursement of expenses	12,329,527	-
	Amount Payable	2,695,657	-
The McGraw-Hill Companies, Inc	Expenses Recovered	-	35,441
McGraw-Hill Education India Private Limited	Expenses Recovered	-	377,179
	Amount Receivable	-	345,602
CRISIL Risk and Infrastructure Solutions Limited	Revenue share paid	225,000	175,000
	Revenue share received	2,035,843	1,615,297
	Loan repaid during the year	-	32,500,000
	Interest Income	-	1,394,523
	Expenses Recovered	44,414,377	60,684,151
	Share of overhead expenses received	46,828,102	44,438,621
	Amount Receivable (Net)	8,018,763	11,060,017
	Investment Outstanding	49,999,900	49,999,900
Irevna Limited, UK	Professional Services Rendered	1,241,129,564	874,969,400
	Sales Commission Expense	-	4,707,956
	Reimbursement of Expenses	-	5,563,050
	Amount Receivable (net)	300,468,267	250,332,991
	Investment Outstanding	840,144,239	840,144,239
	Loan/Advance	360,558,196	334,735,982
	Interest Income	18,798,026	1,300,227
Irevna LLC, USA	Professional Services Rendered	614,449,585	506,946,987
	Sales Commission Expense	-	13,837,597
	Amount Receivable (net)	156,085,786	215,670,743
CRISIL Credit Information Services Limited	Investment Outstanding	-	500,000
CRISIL Irevna Argentina, S.A.	Investment Outstanding	10,501,668	10,501,668
	Professional Fees Paid	170,827,510	78,486,170
	Amount Payable	41,605,966	9,400,607

SCHEDULES

annexed to and forming part of the Accounts

16 Related Party Disclosure (Contd.)

Name of the related party	Nature of transaction	Rupees	
		Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
CRISIL Irevna Poland Sp.zo.o	Amount Receivable (net)	1,191,450	-
	Professional Fees Paid	70,216,153	27,796,743
	Amount Payable (net)	-	2,992,129
	Reimbursement of Expenses	10,367,142	7,365,795
India Index Services and Products Limited	Dividend Received	5,733,000	4,458,979
	Investment Outstanding	6,369,970	6,369,970
Pipal Research Analytics and Information Services India Pvt. Limited	Investment Outstanding	111,292,051	111,292,051
	Reimbursement of Expenses	148,101	-
	Amount Payable (net)	13,055	-
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	Investment Outstanding	9,557,150	-
	Amount Payable	5,150,112	-
	Professional Fees Paid	18,761,251	-
	Professional Fees Paid	46,750	-
Ravinder Singhania	Remuneration paid	32,322,196	24,630,521
*Roopa Kudva	Option Granted	40,000	-

*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 included above.

- 17** The Company has 49% interest in India Index Services and Products Limited (a joint venture in India with National Stock Exchange). As per the Accounting Standard relating to Financial Reporting of Interest in Joint Venture (AS 27) notified by Companies Accounting Standards Rules, 2006 as amended, the details of interest in the Joint Venture are as under :

	Rupees	
	Unaudited	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Assets	228,771,848	169,426,889
Reserves and Surplus	215,445,110	151,399,383
Liabilities	6,956,737	11,657,506
Income	125,269,006	86,332,820
Expenses	23,636,818	15,470,305
Tax Expense	31,971,584	22,353,567
Contingent Liability	14,270,937	9,034,660

SCHEDULES

annexed to and forming part of the Accounts

18 Operating Lease

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Lease Payment recognised in Profit and Loss Account	384,996,064	377,882,978
Future Minimum Lease Payments :		
Not later than One Year	375,130,323	356,023,588
Later than One Year & not later than Five Years	1,470,205,678	1,506,453,118
Later than Five Years	592,547,196	852,269,381
TOTAL	2,437,883,197	2,714,746,087

19 Gratuity and Leave Encashment Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service, subject to ceiling prescribed under the Income Tax Act. 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)

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Current Service cost	26,330,470	14,275,170
Interest cost on defined benefit obligation	8,494,560	4,093,320
Expected return on plan assets	(5,183,522)	(3,434,500)
Net actuarial (gain)/ loss recognised in the year	9,561,530	40,819,410
Past service cost	(26,151,020)	-
NET GRATUITY BENEFIT EXPENSE	13,052,018	55,753,400

Balance Sheet:

Details of Provision for Gratuity Benefit

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Present value of funded obligations	118,386,100	108,091,000
Less: Fair value of plan assets	(72,584,782)	(51,130,570)
NET LIABILITY	45,801,318	56,960,430

SCHEDULES

annexed to and forming part of the Accounts

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Opening Defined Benefit Obligation	108,091,000	53,926,870
Current Service Cost	26,330,470	14,275,170
Interest Cost	8,494,560	4,093,320
Plan Amendment Cost	(26,151,020)	-
Actuarial (gain)/loss	10,618,610	43,812,226
Benefits paid	(8,997,520)	(8,016,586)
CLOSING DEFINED BENEFIT OBLIGATION	118,386,100	108,091,000

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Opening Fair value of plan assets	51,130,570	46,883,930
Expected return on plan assets	5,183,522	3,434,500
Actuarial gain/ (loss)	1,057,080	2,992,816
Contribution by employer	24,211,130	5,835,910
Benefits paid	(8,997,520)	(8,016,586)
CLOSING FAIR VALUE OF PLAN ASSETS	72,584,782	51,130,570

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

	Rupees	
Years	Plan Assets	Plan Liabilities
2011	1,057,080	(44,958,020)
2010	2,992,816	(41,461,230)
2009	(1,457,120)	(2,662,050)
2008	3,533,558	(142,570)
2007	3,334,554	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, 2011	Year Ended Dec 31, 2010
Investment with Insurer	100	100
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2011/2010)	9.30	9.25

SCHEDULES

annexed to and forming part of the Accounts

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, 2011	Year Ended Dec 31, 2010
Discount Rate	8.50	8.20
Estimated rate of return on plan assets	8.50	8.50
Expected Employee Turnover		
Age : 21-44 Years	6.5	6.5
Age : 45-57 Years	6.0	6.0
Expected Employer's Contribution next year (Rs.)	30,000,000	32,500,000

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

20 Details of unhedged foreign exposure

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Current Assets, Loans and Advances	1,150,243,242	1,055,345,935
Current Liability	67,294,173	16,727,711

21 CRISIL Limited sold Nil (P.Y. 10%) stake in Gas Strategies Group Limited in September 2010.

22 The Company has a revenue hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per guidelines under AS 30 "Financial Instruments: Recognition and Measurement wherein mark to market on forward contracts are routed through hedge reserve account.

Forward Contract Outstanding as at 31st December 2011 :	2011		2010	
Currency	Amount	Amount in INR	Amount	Amount in INR
USD	30,274,000	1,533,549,704	16,000,000	752,973,336
GBP	9,378,000	753,595,830	6,000,000	442,547,500
EUR	4,014,000	278,637,230	3,000,000	187,153,750

23 The Company has sub-divided the nominal face value of equity shares from Rs.10/- per share to Re.1/- per share and record date fixed for the said sub-division was September 30, 2011. Consequently, the earning per share (EPS) has been calculated based on the revised number of equity shares. EPS for the previous year has been restated accordingly

SCHEDULES

annexed to and forming part of the Accounts

- 24** "In accordance with Sec 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back from the open market through stock exchanges. Details of the buy back are as under :

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Date of public announcement	13-Dec-11	9-Sep-10
Number of shares purchased	910,000	1,281,560
Face value of shares purchased (Refer note 23, Schedule P)	1	1
Consideration paid towards buy back	794,971,069	796,858,024
Share Capital Reduction	(910,000)	(1,281,560)
Share Premium Utilised	-	474,890,071
General Reserve Utilised	794,971,069	321,967,953
Amount transferred to Capital Redemption Reserve on extinguishment of share capital	910,000	1,281,560
	794,971,069	796,858,024

In the current year, the buy back of shares was completed on December 30, 2011 but the actual extinguishment in the records of depositories happened on January, 4, 2012. The Company has given the impact of the buy back of shares in the current years financial statement.

- 25** Prior period item includes gratuity expense Nil (P.Y. Rs.27,444,953, net of tax).

26 Employee Stock Option Scheme ("ESOS")

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant . Details of the ESOS scheme are as under :

Details	ESOS 2011 (1)	ESOS 2011 (2)
Date of Grant	14-Feb-11	14-Feb-11
No. of options granted	1,161,000	23,750
Exercise Price (Rs.)	579.88	579.88
Graded Vesting Period :		
1st Year	232,200	23,750
2nd Year	464,400	-
3rd Year	464,400	-
Weighted average price of options as per Black-Scholes Option Pricing model at the grant date (Rs)	185.21	149.41

SCHEDULES

annexed to and forming part of the Accounts

A summary of status of Company's Employee Stock Option Scheme is as given below:

	As At December 31, 2011	As At December 31, 2010
Outstanding at the beginning of the year	-	-
Add: granted during the year	1,184,750	-
Less: Forfeited/lapsed during the year	(24,750)	-
Exercised during the year	-	-
OUTSTANDING AT THE END OF THE YEAR	1,160,000	-

The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS. The Company has not recorded any compensation cost as the grant has been given at the market price. Had the Company recorded the compensation cost on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by Rs.15,080,391 and EPS would have been as under :

Earnings per share : Nominal value of Re.1 per share :	31-Dec-11
Basic (Rupees)	26.07
Diluted (Rupees)	25.97

The Key assumptions used to estimate fair value of options are Expected Volatility 34.94%, Option Life - 3 Years, Expected Dividend - 2.37% and Risk free rate of interest - 8.03%

27 Previous year comparatives

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

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

SCHEDULES

annexed to and forming part of the Accounts

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	CRISIL Credit Information Services Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland SP.Zo.o.	Irevna Limited, UK	Irevna LLC, US	Pipal Research Analytics and Information Services (I) Pvt. Limited	CRISIL Irevna Information Technology (Hangzhou), Co., Ltd
2. The financial period of the subsidiary Company ended on	December 31, 2011	December 31, 2011	December 31, 2011	December 31, 2011	December 31, 2011	December 31, 2011	December 31, 2011	December 31, 2011
3. a) Number of shares in the subsidiary held by CRISIL Limited at the above date	49,999,900 Equity Shares of Re.1 each, fully paid up	Nil (P.Y. 50,000) Equity Shares of Rs.10 each, fully paid up	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	2,056,000 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US\$ 200 each, fully paid up	10,000 Equity Shares of Rs.10 each, fully paid up.	100% Investment in the capital
b) Extent of interest of CRISIL in the capital of the subsidiary	100%	100%	100%	100%	100%	100%	100%	100%
4. Net aggregate amount of the profits/ (losses) of the subsidiary so far it concerns the members of CRISIL as is not dealt with the Company's Accounts :								
a) Profits / (losses) for the period ended December 31, 2011 of the subsidiary (Rupees)	88,355,325	-	9,420,998	5,590,096	(21,335,773)	24,568,372	28,297,215	420,535
b) Profits / (losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	50,254,003	(11,085)	5,232,195	2,039,590	(5,562,061)	748,498	2,878,489	-

SCHEDULES

annexed to and forming part of the Accounts

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY (Contd.)

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, 2011 (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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Shrikant Dev Company Secretary
Roopa Kudva Managing Director & CEO	H.N. Sinor Director	Yann Le Pallec Director	Date: February 17, 2012 Place: Mumbai

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, 2011

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	3,652,129
Total Assets	3,652,129
Source of Funds	
Paid up Capital	70,058
Reserves & Surplus	3,536,406
Foreign Currency Monetary Item Translation Account	45,665
Secured Loans	-
Unsecured Loans	-
Application of Funds	
Net Fixed Assets	1,011,033
Capital Work-In-Progress (including capital advances)	4,423
Investments	1,084,115
Deferred Tax Asset	90,557
Net Current Assets	1,462,001
Miscellaneous Expenditure	-
Accumulated Losses	-

ADDITIONAL INFORMATION

as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet abstract and Company's General Business Profile (Contd.)

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover	6,821,701
Total Expenditure	4,346,080
Profit/(Loss) Before Tax	2,475,621
Profit/(Loss) After Tax	1,865,122
Earnings Per Share (Rs.)	26.28
Dividend Rate%	1,100

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

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

CONSOLIDATED FINANCIAL STATEMENTS



AUDITOR'S 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, 2011, 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 CRISIL'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 five subsidiaries, whose financial statements reflect total assets of Rs.229,314,230 as at December 31, 2011, the total revenue of Rs.3,122,499,995 and net cash inflow amounting to Rs.32,215,683 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 11 of the Notes to the Consolidated Financial Statements, the audited financial statements are not available in respect of one joint venture company, which represents total assets of Rs.9,210,460 as at December 31, 2011, total revenue of Rs.125,269,000 and total cash flow of Rs.18,748 for the year then ended. Consequently, the unaudited financial statements of one joint venture company for the year ended December 31, 2011 as certified by CRISIL'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 CRISIL'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 notified pursuant to the Companies (Accounting Standards) Rules, 2006, as amended.
- 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, 2011 of 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 matter stated in paragraph 4 above and Note 11 of the Consolidated Financial Statements of the Group:
 - a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at December 31, 2011;
 - b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - c) 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.

Firm registration number: 301003E

Chartered Accountants

per **Shrawan Jalan**

Partner

Membership No.: 102102

Place: Mumbai

Date: February 17, 2012

CONSOLIDATED BALANCE SHEET

as at December 31, 2011

Particulars	Schedule	Rupees	
		December 31, 2011	December 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	70,058,440	70,968,440
Reserves and Surplus	B	4,063,263,898	3,873,552,940
TOTAL		4,133,322,338	3,944,521,380
APPLICATION OF FUNDS			
Fixed Assets	C		
Gross Block		3,343,709,565	3,098,908,198
Less: Accumulated Depreciation/Amortisation		1,081,151,520	850,733,770
Net Block		2,262,558,045	2,248,174,428
Capital Work-In-Progress (including Capital Advances)		5,799,358	854,150
		2,268,357,403	2,249,028,578
Investments	D	158,547,312	262,041,253
Deferred Tax Assets (Net) (Refer Note 5 - Schedule P)		131,023,295	142,329,182
Current Assets, Loans And Advances			
Sundry Debtors	E	878,572,237	1,085,900,744
Cash and Bank Balances	F	2,575,415,458	1,613,102,807
Loans and Advances	G	538,735,669	510,107,447
Other Current Assets	H	435,428,992	221,294,902
		4,428,152,356	3,430,405,900
Less: Current Liabilities and Provisions			
Current Liabilities	I	2,319,136,289	1,676,889,605
Provisions	J	533,621,739	462,393,928
		2,852,758,028	2,139,283,533
Net Current Assets		1,575,394,328	1,291,122,367
TOTAL		4,133,322,338	3,944,521,380
Significant Accounting Policies and Notes to the Accounts	P		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date.

For S.R. Batliboi & Co.Firm Registration No.: 301003E
Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
ChairmanRama Bijapurkar
DirectorB.V. Bhargava
DirectorRoopa Kudva
Managing Director & CEOH.N. Sinor
DirectorYann Le Pallec
DirectorShrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the Year ended December 31, 2011

Particulars	Schedule	Rupees	
		Year Ended December 31, 2011	Year Ended December 31, 2010
INCOME			
Income from Operations	K	8,069,576,871	6,284,427,569
Other Income	L	428,177,309	730,314,730
TOTAL		8,497,754,180	7,014,742,299
EXPENDITURE			
Personnel Expenses	M	3,517,059,065	2,581,730,350
Establishment Expenses	N	781,028,507	712,685,671
Other Expenses	O	1,146,514,003	838,879,245
Depreciation	C	298,288,150	212,581,735
TOTAL		5,742,889,725	4,345,877,001
Profit Before Tax		2,754,864,455	2,668,865,298
Tax Expense			
Current Tax		678,461,624	628,506,315
Fringe Benefit Tax		-	-
Wealth Tax		946,000	692,020
Deferred Tax Charge / (Benefit) (Refer Note 5 - Schedule P)		11,305,887	(42,355,766)
Income Tax of earlier years		-	(88,469)
		690,713,511	586,754,100
Profit After Tax and before prior period items		2,064,150,944	2,082,111,198
Prior period expense, net of tax (Refer Note 15 - Schedule P)		-	27,444,953
Profit After Tax		2,064,150,944	2,054,666,245
Balance brought forward from previous year		2,674,309,810	2,496,718,603
Amount Available for Appropriation		4,738,460,754	4,551,384,848
Dividend			
Interim		585,494,277	1,264,375,000
Proposed Final Dividend		192,660,710	177,421,100
TOTAL		778,154,987	1,441,796,100
Dividend Tax on Interim and Proposed final dividend		126,482,468	239,524,456
Transfer to General Reserve		186,512,168	195,754,482
Balance carried to Balance Sheet		3,647,311,131	2,674,309,810
		4,738,460,754	4,551,384,848
Earnings per share : Nominal value of Re.1 per share :			
Basic		29.09	28.51
Diluted		28.98	28.51
Number of Shares used in Computing (Refer Note 14, 16 and 17 - Schedule P)			
Basic		70,967,771	72,070,930
Diluted		71,225,814	72,070,930
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.

Firm Registration No.: 301003E
Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended December 31, 2011

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	2,754,864,455	2,668,865,298
Adjustments for :		
Depreciation	298,288,150	212,581,735
Foreign Currency Translation Reserve	(43,065,264)	4,372,399
Unrealised Foreign exchange Gain	(28,586,656)	5,526,836
(Profit)/ Loss on sale of fixed assets	(63,633,612)	(251,327,478)
(Profit)/ Loss on sale of investments	(11,017,024)	(345,799,613)
Provision for bad debts	76,845,758	82,427,271
Interest on deposits	(121,151,084)	(75,060,339)
Dividend income from Other Investments	(2,968,955)	(25,876,782)
Proportionate share in operating income of Joint Venture	(13,901,483)	(6,155,135)
Operating profit before working capital changes	2,845,674,285	2,269,554,192
Movements in working capital		
- (Increase)/decrease in sundry debtors	159,427,952	(277,498,924)
- (Increase)/decrease in sundry deposits	(14,375,327)	91,934,018
- (Increase)/decrease in loans	(7,605,492)	1,747,186
- (Increase)/decrease in Grant (Refer Note 3.9 - Schedule P)	(12,397,168)	-
- (Increase)/decrease in advances	10,478,634	33,321,256
- (Increase)/decrease in accrued income	(218,600,529)	(24,901,609)
- Increase/(decrease) in sundry creditors	328,713,518	(93,152,744)
- Increase/(decrease) in fee received in advance	150,773,232	75,268,820
- Increase/(decrease) in Provision for leave encashment	64,165,353	30,646,383
- Increase/(decrease) in Provision for gratuity (Refer Note 15 - Schedule P)	(17,400,901)	28,191,311
- Increase/(decrease) in other liabilities	3,226,077	(22,310,037)
Cash generated from operations	3,292,079,634	2,112,799,852
- Taxes paid	(689,091,240)	(650,368,698)
Net cash generated from operating activities - (A)	2,602,988,394	1,462,431,154
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(264,421,007)	(498,538,005)
Proceeds from sale of fixed assets	81,788,971	323,722,834
Investments in mutual funds	(250,000,000)	(205,791,252)
Investment in National Commodity and Derivative Exchange Limited	-	(99,000,000)
Sale proceeds from Investment in National Commodity and Derivative Exchange Limited	-	374,433,189
Sale proceeds from investments in Gas Strategies Group Limited (Refer Note 12 - Schedule P)	-	58,728,000
Sale proceeds from investments in mutual funds	364,510,965	1,130,634,750
Payment made for acquisition of Pipal Research Analytics and Information Services India Private Limited	-	(111,292,051)
Investment in fixed deposits	(1,497,148,496)	(975,058,928)

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended December 31, 2011

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
Proceeds from fixed deposit maturity/renewal	877,330,499	623,410,714
Interest on deposits	83,878,454	48,292,677
Proportionate share in operating income of Joint Venture	13,901,483	6,155,135
Dividend income from Other Investments	2,968,955	25,876,782
Net cash generated from/(used in) investing activities - (B)	(587,190,176)	701,573,845
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Payment towards Buy Back of Shares (Refer Note 16 - Schedule P)	(788,175,183)	(796,858,024)
Dividend and dividend tax paid	(886,167,111)	(1,680,735,331)
Net cash generated from/(used in) financing activities - (C)	(1,674,342,294)	(2,477,593,355)
D. EFFECT OF EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS - (D)		
	1,038,730	(2,944,387)
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	342,494,654	(316,532,743)
Less : Adjustment towards acquisition	-	2,275,822
Net Increase/(decrease) in cash and cash equivalents after divestiture adjustment	3 42,494,654	(314,256,921)
Cash and cash equivalents - Opening balance	595,336,093	909,593,014
Cash and cash equivalents - Closing balance	937,830,747	595,336,093
Net Increase/(decrease) in Cash and Cash Equivalents	342,494,654	(314,256,921)
Components of cash and cash equivalents as at*		
Cash on hand	172,779	175,126
With banks on current account	937,657,968	595,160,967
	937,830,747	595,336,093

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

Significant Accounting Policies and Notes to the Accounts

Schedule P

The schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson

Chairman

Rama Bijapurkar

Director

B.V. Bhargava

Director

Roopa Kudva

Managing Director & CEO

H.N. Sinor

Director

Yann Le Pallec

Director

Shrikant Dev

Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE A:		
Share Capital		
Authorised Capital:		
100,000,000 Equity Shares of Re.1 each (P.Y. 10,000,000 of Rs.10 each)	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
70,968,440 Equity Shares of Re.1 each fully paid up (P.Y. 7,096,844 of Rs.10 each)	70,968,440	70,968,440
[Of the above, 6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC , USA (P.Y. 600,000 of Rs.10 each) and 31,209,480 Equity Shares of Re.1 are held by S&P India, LLC (P.Y. 3,120,948 of Rs.10 each) (a wholly owned subsidiary of The McGraw-Hill Companies, Inc., The Ultimate Holding Company)]		
During the year, the Company has sub-divided the nominal face value of equity shares from Rs.10/- per share to Re.1/- per share		
Less :- Payment made towards Buy Back of Shares (Refer Note 14, 16 and 17 - Schedule P)	(910,000)	-
TOTAL	70,058,440	70,968,440

SCHEDULE B:		
Reserves and Surplus		
Securities Premium Account		
Opening Balance	-	474,890,071
Less:- Used towards buy back of equity shares (Refer Note 16 Schedule P)	-	(474,890,071)
TOTAL	-	-
Capital Reserve	122,232,111	122,232,111
Capital Redemption Reserve		
Opening Balance	1,281,560	-
Add:- Transfer on account of buy back of equity shares (Refer Note 16 Schedule P)	910,000	1,281,560
TOTAL	2,191,560	1,281,560
Profit and Loss Account	3,647,311,131	2,674,309,810
General Reserve as per last Balance Sheet		
Opening Balance	1,052,568,228	1,178,781,699
Add : Transfer from Profit and Loss Account	186,512,168	195,754,482
Less :Transfer to Capital Redemption Reserve account (Refer Note 16 Schedule P)	(910,000)	(1,281,560)
Less :Used towards buy back of equity shares (Refer Note 16 Schedule P)	(794,061,069)	(320,686,393)
TOTAL	444,109,327	1,052,568,228
Foreign Currency Translation Reserve as per last Balance Sheet	(2,386,986)	(6,759,385)
Add/Less : Movement during the year	12,172,925	(4,372,399)
TOTAL	9,785,939	(2,386,986)
Hedging Reserve Account (Refer Note 3.11 - Schedule P)	(162,366,170)	25,548,217
TOTAL	4,063,263,898	3,873,552,940

SCHEDULES

annexed to and forming part of the Accounts

SCHEDULE C:

Fixed Assets

	Rupees									
	Gross Block at Cost					Accumulated Depreciation/Amortisation				
	As on January 1, 2011	Additions	Deductions	Currency Translation Reserve Adjustments	As on December 31, 2011	As on January 1, 2011	For the Year	On Assets sold	Currency Translation Reserve Adjustments	As on December 31, 2011
										As on December 31, 2010
Intangibles										
Goodwill On Consolidation	825,225,891	-	-	-	825,225,891	-	-	-	-	825,225,891
Customer Relationship	202,507,074	-	-	32,997,345	235,504,419	1,160,859	32,559,183	-	3,592,106	198,192,271
Brand	25,563,445	-	-	4,165,414	29,728,859	203,107	3,936,740	-	444,565	25,144,447
Non Compete	32,525,773	-	-	5,299,885	37,825,658	861,413	11,415,495	-	1,333,420	24,215,330
Goodwill	124,499,661	-	-	20,286,494	144,786,155	494,587	13,306,493	-	1,062,293	129,922,782
SUB TOTAL INTANGIBLE ASSETS	1,210,321,844	-	-	62,749,138	1,273,070,982	2,719,966	61,217,911	-	6,432,384	70,370,261
Tangibles										
Buildings (Refer note below)	161,565,478	-	-	-	161,565,478	89,750,830	8,078,268	-	-	63,736,380
Furniture and Fixtures Refer note below)	207,658,091	24,525,796	5,310,798	8,194,585	235,067,674	82,883,092	20,477,464	3,456,865	947,650	100,851,341
Office Equipment (Refer note below)	316,237,888	19,409,006	354,605	(5,989,585)	329,302,704	103,574,187	29,374,170	370,396	(3,335,898)	129,242,063
Computers	567,994,830	125,108,912	64,186,504	(2,275,515)	626,641,723	443,670,753	93,116,662	63,982,425	3,000,716	475,805,706
Vehicles	46,279,803	21,065,169	7,360,422	-	59,984,550	29,218,923	12,613,942	7,360,422	-	34,472,443
Leasehold Improvements	588,850,264	69,366,916	-	(140,726)	658,076,454	98,916,019	73,409,733	-	254,856	172,580,608
SUB TOTAL TANGIBLE ASSETS	1,888,586,354	259,475,799	77,212,329	(211,241)	2,070,638,583	848,013,804	237,070,239	75,170,108	867,324	1,010,781,259
TOTAL	3,098,908,198	259,475,799	77,212,329	62,537,897	3,343,709,565	850,733,770	298,288,150	75,170,108	7,299,708	1,081,151,520
Previous Year	1,843,681,824	1,267,624,021	65,232,355	-	52,834,708	3,098,908,198	642,705,151	212,581,735	37,989,666	850,733,770
										2,248,174,428

Adjustment with respect to building, furniture and office equipment are on account of certain premises being classified as held for sale in the current year (Previous Year net written down value Rs.16,113,140). Refer Schedule H.

SCHEDULES

annexed to and forming part of the Accounts

	Rupees			
	December 31, 2011	December 31, 2011	December 31, 2010	December 31, 2010
SCHEDULE D:				
Investments				
A. Long Term (Unquoted - At Cost)				
1,875,000 (P.Y.1,875,000) Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up		56,250,000		56,250,000
300,000 (P.Y. 300,000) Equity Shares of Caribbean Information and Credit Rating Agency Of US \$ 1 each, fully paid up	13,642,500		13,642,500	
Less: Provision for diminution in value of Investment	(13,642,499)	1	(13,642,499)	1
TOTAL LONG TERM (AT COST) - {A}		56,250,001		56,250,001
B. Current Investments (At Cost Or Market Value, whichever is lower) *				
Investments In Mutual Funds (Quoted)				
Nil Units (P.Y. 10,000,000) of Rs.10 Each ICICI Prudential FMP Series 53 - 1 Year Plan D cumulative (Sold 10,000,000 Units during the current year)		-		100,000,000
Units Purchase/Sold during the year				
ICICI Prudential Liquid Super Institutional Plan - Growth (658,522 Units)				
SBI Premier Liquid Fund - Super Institutional - Daily Dividend (14,951,408 Units)				
TOTAL INVESTMENTS IN MUTUAL FUNDS {B}*		-		100,000,000
Proportional Share of Investments in Mutual Fund by Joint Venture Company {C} (Unquoted -At Cost Or Market Value, whichever is lower) *		102,297,311		105,791,252
TOTAL INVESTMENTS {A}+{B}+{C}		158,547,312		262,041,253
*Aggregate market value of Company's investment in Unquoted Mutual Funds		102,297,311		206,208,363

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE E:		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Considered good	55,626,967	69,673,389
- Considered doubtful	88,464,933	84,946,679
Other debts		
- Considered good	822,945,270	1,016,227,355
- Considered doubtful	-	-
Less : Provision for Doubtful Debts	(88,464,933)	(84,946,679)
TOTAL	878,572,237	1,085,900,744
Amount receivable from following Companies under same management		
Standard & Poor's LLC	74,257,704	112,518,352
Standard & Poor's South Asia Services Private Limited	7,626,119	3,508,663
McGraw-Hill Education India Private Limited	-	345,602
TOTAL	81,886,823	116,372,617

SCHEDULE F:		
Cash and Bank Balances		
Cash on Hand	172,779	175,126
Balances with Scheduled Banks		
On Current Accounts	928,219,870	587,166,646
On Deposit Accounts	1,637,584,711	1,017,766,714
On Unpaid Dividend Accounts	9,438,098	7,994,321
Deposit includes Fixed Deposits with Banks Rs.57,076,699 (P.Y.Rs.63,093,157) marked as lien for Guarantees issued by Banks on behalf of the Company.		
TOTAL	2,575,415,458	1,613,102,807

SCHEDULE G:		
Loans and Advances		
(Unsecured, Considered Good)		
Loans to Staff	30,079,330	22,473,838
Advance Recoverable In Cash or kind for value to be received	54,068,523	64,547,157
Advance Taxes paid	44,234,718	27,114,310
Sundry Deposits	410,353,098	395,972,142
TOTAL	538,735,669	510,107,447

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	December 31, 2011	December 31, 2010
SCHEDULE H:		
Other Current Assets		
Interest Accrued On Fixed Deposit With Banks	71,105,718	33,833,088
Accrued Revenue	286,056,066	67,455,537
Forward Contract Receivable	-	25,548,217
Assets held for sale (Refer Note 1 on Schedule C)	-	16,113,140
Grant Receivable	78,267,208	78,344,920
TOTAL	435,428,992	221,294,902

SCHEDULE I:		
Current Liabilities		
Sundry Creditors	1,116,777,415	780,020,531
Fees received in advance	814,280,871	663,507,639
Unclaimed dividend	9,438,098	7,994,321
Other Liabilities	150,248,271	147,022,194
Deferred Grant Revenue	66,025,464	78,344,920
Forward Contract Payable	162,366,170	-
TOTAL	2,319,136,289	1,676,889,605

SCHEDULE J:		
Provisions		
Proposed Dividend	192,660,710	177,421,100
Corporate Dividend Tax thereon	31,254,384	29,467,427
Provision for Tax	9,042,614	1,605,822
Provision for Leave Encashment	250,663,958	186,498,605
Provision for Gratuity (Refer Note 10 and 15 - Schedule P)	50,000,073	67,400,974
TOTAL	533,621,739	462,393,928

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
SCHEDULE K:		
Income from Operations		
Ratings Services	3,260,013,484	2,840,877,156
Advisory Services	573,059,524	515,648,079
Research Services	4,125,136,340	2,848,807,782
Proportionate share in Joint Venture	111,367,523	79,094,552
TOTAL	8,069,576,871	6,284,427,569

SCHEDULE L:		
Other Income		
Interest on Deposits TDS Rs.12,717,641 (P.Y Rs.6,211,530)	121,151,084	75,060,339
Profit on sale of Fixed Assets (Net)	63,633,612	251,327,478
Rental Income	13,200,000	-
Foreign Exchange Gain (Net) (Refer Note 3.11 - Schedule P)	175,523,817	-
Profit from sale of Investments (Net)	11,017,024	345,799,613
Dividend income from Other Investments	2,968,955	25,876,782
Miscellaneous Income	26,781,334	26,095,383
Proportionate share in operating income of Joint Venture	13,901,483	6,155,135
TOTAL	428,177,309	730,314,730

SCHEDULE M:		
Personnel Expenses		
Salaries & Bonus	3,255,768,745	2,355,811,588
Contribution to : Provident Fund	132,937,730	87,719,755
Other Funds (Refer Note 10 and 15 - Schedule P)	19,720,403	34,206,861
Staff Training and Welfare Expenses	108,632,187	103,992,146
TOTAL	3,517,059,065	2,581,730,350

SCHEDULES

annexed to and forming part of the Accounts

	Rupees	
	Year Ended December 31, 2011	Year Ended December 31, 2010
SCHEDULE N:		
Establishment Expenses		
Repairs and Maintenance - Buildings	85,620,903	68,903,656
Repairs and Maintenance - Others	85,544,395	77,282,991
Electricity	63,876,767	58,237,200
Communication Expenses	84,934,319	66,520,368
Insurance	2,467,802	3,737,318
Rent (Refer Note 9 - Schedule P)	453,428,137	435,747,372
Rates & Taxes	5,156,184	2,256,766
TOTAL	781,028,507	712,685,671

SCHEDULE O:		
Other Expenses		
Printing and Stationery	33,569,482	29,576,217
Conveyance and Travelling	249,910,289	214,198,404
Books and Periodicals	73,535,469	28,334,419
Vehicle Expenses	1,235,901	1,419,838
Remuneration to Non-whore-time Directors	13,477,815	13,395,770
Business Promotion and Advertisement	15,748,979	23,110,630
Foreign Exchange loss(net)	-	37,471,017
Professional Fees	542,613,728	334,544,059
Software Purchase & Maintenance Expenses	46,832,931	22,612,779
Provision for Bad Debts	76,845,758	82,427,271
Auditors' Remuneration	8,066,618	6,439,473
Recruitment Expenses	43,080,418	20,641,342
Seminars & Conferences	279,196	1,612,936
Miscellaneous Expenses	10,141,123	11,295,356
Sales Commission	7,669,678	-
Proportionate share in administrative and other expense of Joint Venture	23,506,618	11,799,734
TOTAL	1,146,514,003	838,879,245

SCHEDULES

annexed to and forming part of the Accounts

SCHEDULE P:

Significant Accounting Policies and notes to the Consolidated Accounts

1 Nature of Operations

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

2 Principles of consolidation

- 2.1 The consolidated financial statements include the financial statements of CRISIL Limited consolidated with the financial statements of its wholly owned subsidiaries and joint venture ("Group").
- 2.2 The financial statements of the Group and its' subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra group balances and intra group transactions and resulting gains/ losses as per Accounting Standard 21 - Consolidated Financial Statements notified by Companies Accounting Standards Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956 ('the Act').
- 2.3 The consolidated financial statements are prepared by applying uniform accounting policies in use at the group.
- 2.4 Interests in joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures notified by Companies Accounting Standards Rules, 2006 as amended.
- 2.5 The excess of Group's purchase consideration over the net assets as at the date of investment, has been recognised as Goodwill on consolidation.
- 2.6 The list of subsidiary companies and joint venture and the Holding Company viz. CRISIL's holding directly or through Subsidiaries therein are as under :

Name of the Company*	Country Of Incorporation	Ownership in % either directly or through Subsidiaries	
		31-Dec-11	31-Dec-10
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
CRISIL Credit Information Services Limited**	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%	100%
CRISIL Irevna Poland Sp.z.o.o.	Poland	100%	100%
Pipal Research Analytics and Information Services India Private Limited	India	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%

* All subsidiaries have uniform year end

**Company was dissolved on March 16, 2011

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3 Basis of Preparation

The Consolidated Financial Statements ('CFS') are prepared in accordance with Accounting Standard ('AS') 21 "Consolidated Financial Statements" and AS- 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India (ICAI).

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

3.1 Use of Estimates

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

3.2 Changes in Accounting Policy for Depreciation

In the current year, Pipal Research Analytics and Information Services India Private Limited changed (with retrospective effect) its method of providing depreciation on fixed assets from Written Down Value Method ('WDV') at rates prescribed as per Income Tax Act, 1961, to Straight Line Method (SLM) based on estimated useful life of the assets.

Had the Company continued to use the earlier method of providing depreciation, the charge to the Profit and Loss account for the current year would have been lower by Rs.3,514,911 and the net block of fixed assets would have been higher by Rs.3,514,911.

3.3 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Items of fixed asset held for disposal are stated at lower of the net book value and net realisable value and are shown under other current assets.

3.4 Depreciation

Depreciation is provided using the Straight Line Method (except in case of India Index Services & Product Limited where Written Down Value Method is used) 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 Equipment	4 to 21 Years
Computers	3 to 5 Years
Vehicles	3 Years

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

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3.5 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 the present value at interest rate specific to the asset and in case where the specific rate is not available at the weighted average cost of capital which is adjusted for country risk/currency risk.

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

3.6 Intangibles

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

Assets	Estimated Useful Life
Goodwill	10 Years
Customer relationship	3 to 7 Years
Brand	7 Years
Non compete	3 Years

3.7 Operating Leases

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

3.8 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.

3.9 Revenue Recognition

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

Income from Operations

Income from Operations comprises of income from initial rating and surveillance services, global analytical services, credit assessments, special assignments and subscriptions to information products. Initial rating fees are deemed to accrue at 94% on the date the rating is awarded and the balance 6% is recorded equally over 11 months subsequent to the month in which the rating was awarded. Surveillance fee and subscription to information products are accounted on a time proportion basis. Fees received for credit assessments and special assignments are fully recognised as income in the year in which such assessments/assignments are carried out or milestones achieved or as per agreement with client. Revenue from infrastructure advisory services are recognised as income in the year in which such assessments/assignments are carried out or milestones achieved. Revenue from risk management services comprises of revenue from sale of software and annual maintenance of software.

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Grants and subsidies are recognised at fair value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as a credit against such expense for which grant is received over the periods in which costs are recognised.

Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Act.

Profit /(loss) on sale of investment

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

3.10 Retirement and other employee benefits

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

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

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

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

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

3.11 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 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 relating to long term monetary items, arising during the year, such differences are accumulated in the " Foreign Currency Monetary Item Translation Account" and amortised to the profit and loss account over the balance life of the long term monetary item. All other exchange differences are recognised as income or expense in the profit and loss account.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account

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Forward Contract

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

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

The Group has adopted the principles of AS 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transaction. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of AS 30, are fair valued at the balance sheet date and the resultant gain / loss is credited / debited to the Hedging Reserve Account included in the Reserves and Surplus. This gain / loss would be recorded in the profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting, have been recorded at fair value at the reporting date and the resultant gain / loss has been credited / debited to profit and loss account for the year.

3.12 Translation of Integral and Non Integral foreign operation

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

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

3.13 Taxes On Income

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

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

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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.

3.14 Segment Reporting Policies

Segment Policies:

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

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical locations of customers.

Inter segment transfers:

The Group generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

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

3.15 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 year.

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

3.16 Provisions

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

3.17 Cash and Cash Equivalents

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

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3.18 Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
1) Bank Guarantee in the normal course of business	57,076,699	63,093,157
2) Disputed Income Tax & Sales Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Group is in appeal	96,638,477	45,988,082
(ii) Decided in Group's favour by Appellate authorities and Department is in further appeal	23,506,360	22,513,543
3) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	38,163,302	17,797,299
TOTAL	215,384,838	149,392,081

5 Components of Deferred Tax Assets and Liability are:

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Deferred Tax Liability		
Depreciation / Amortisation	(96,016,136)	(68,554,281)
Tax attributable towards tax holiday deduction	-	(6,514,265)
Disallowance under section 40(a)	-	(424,278)
TOTAL (A)	(96,016,136)	(75,492,824)
Deferred Tax Asset		
Provision for Leave Encashment	64,734,115	60,644,153
Provision for Gratuity	8,397,696	16,460,385
Provision for Bonus and Commission	51,777,584	73,314,470
Provision for Bad Debts	21,376,237	19,802,282
Deferment of Rating fees	8,933,504	8,826,779
Lease Rent equalisation	47,352,076	33,326,234
Depreciation / Amortisation	6,326,947	2,265,475
Disallowance under section 40(a)	5,754,812	3,182,228
Carryforward Losses	12,386,460	-
TOTAL (B)	227,039,431	217,822,006
NET DEFERRED TAX ASSET / (LIABILITY) (A+B)	131,023,295	142,329,182

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6 Segment Reporting

Business Segments:

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

- Rating services includes credit ratings for corporates, banks, small and medium enterprises (SME), training in the credit rating field, credit analysis services, grading services and global analytical services.
- Research segments provides high end equity & corporate research, industry reports, customised research assignments, subscription to data services and IPO gradings.
- The Advisory segment comprise of infrastructure advisory and risk management practice.

Segment Reporting for the Year ended December 31, 2011

Particulars				Rupees
	Business Segments			Total
	Ratings	Advisory	Research	
Operating Revenue	3,260,013,484	573,059,524	4,236,503,863	8,069,576,871
Segment Results	1,292,151,079	127,664,600	1,388,749,333	2,808,565,012
Add / (Less) Unallocables:				
1) Unallocable Income				
Interest Income				121,151,084
Profit on sale of Fixed Asset				63,633,612
Profit on sale of investments				11,017,024
Others				56,851,772
2) Unallocable Expenditure				(8,065,899)
3) Depreciation				(298,288,150)
Profit Before Tax				2,754,864,455
Tax Expense				(690,713,511)
Profit After Tax and before prior period items				2,064,150,944
Prior period expense, net of tax				-
Profit After Tax				2,064,150,944
Non-cash expenses other than depreciation and amortisation	55,065,183	47,465,148	274,979,459	377,509,790
Segment Assets* :				
Segment Debtors	303,567,119	216,675,471	446,794,580	967,037,170
Segment Liabilities* :				
Fees Received in advance	546,933,439	19,779,368	247,568,064	814,280,871

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Revenue by Geographic Segments

	Rupees
Country	
India	3,314,497,230
United Kingdom	1,842,093,480
United States Of America	2,132,310,371
Others	780,675,790
TOTAL	8,069,576,871

Segment Reporting for the Year ended December 31, 2010

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

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Revenue by Geographic Segments

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

Notes to Segmental Results :

*Fixed Assets used in the Company's business or Liabilities contracted have not been identified to any of the reportable segments, as the Fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practical to provide segment disclosure, except as disclosed above, relating to total assets and liabilities since a meaningful segregation of the available data is not feasible.

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

7 List of Related Parties

Parties	Relationship
Related parties where control exists	
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
Irevna Limited, UK	Subsidiary
Irevna LLC, USA	Subsidiary of Irevna Limited, UK
CRISIL Credit Information Services Limited*	Subsidiary
CRISIL Irevna Poland Sp.zo.o	Subsidiary of Irevna Limited, UK
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary
Other Related parties	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC, USA	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
McGraw-Hill Education India Private Limited	Fellow Subsidiary
India Index Services and Products Limited	Joint Venture
Standard & Poor's Australia Pty. Ltd.	Fellow Subsidiary
Capital IQ	Fellow Subsidiary
Ravinder Singhania	Alternate Director
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

*Company was dissolved on March 16, 2011

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Related Party Disclosure

Name of the related party	Nature of transaction	Rupees	
		Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Standard & Poor's LLC	Professional Services Rendered	1,002,140,073	832,495,699
	Revenue share paid	2,860,778	1,728,135
	Reimbursement of expenses	1,322,484	1,051,712
	Amount Receivable	74,257,704	112,518,352
S&P India, LLC	Dividend	343,304,280	624,189,600
	Share Capital Outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses	25,775,898	18,456,188
	Amount Receivable	7,626,119	3,508,663
Standard & Poor's International LLC, USA	Dividend	66,000,000	120,000,000
	Share Capital Outstanding	6,000,000	6,000,000
The McGraw-Hill Companies, Inc	Expenses Recovered	-	35,441
Standard & Poor's Australia Pty. Limited	Reimbursement of expenses	12,329,527	-
	Amount Payable	2,695,657	-
McGraw-Hill Education India Private Limited	Expenses Recovered	-	377,179
	Amount Receivable	-	345,602
Capital IQ	Subscription Charges	1,779,358	-
Ravinder Singhania	Professional Fees Paid	46,750	-
Roopa Kudva*	Remuneration paid	32,322,196	24,630,521
	Option Granted	40,000	-

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

- 8 The Company has 49% interest in India Index Services and Products Limited (a joint venture in India with National Stock Exchange). As per the Accounting Standard relating to Financial Reporting of Interest in Joint Venture (AS 27) notified by Companies Accounting Standards Rules, 2006 as amended, the details of interest in the Joint Venture are as under :

	Rupees	
	Unaudited	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Assets	228,771,848	169,426,889
Reserves and Surplus	215,445,110	151,399,383
Liabilities	6,956,737	11,657,506
Income	125,269,006	86,332,820
Expenses	23,636,818	15,470,305
Tax Expense	31,971,584	22,353,567
Contingent Liability	14,270,937	9,034,660

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9 Operating Lease

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Lease Payment recognised in Profit & Loss Account	453,428,137	435,747,372
Future Minimum Lease Payments :		
Not later than One Year	392,732,711	387,083,281
Later than One Year & not later than Five Years	1,476,349,145	1,531,679,643
Later than Five Years	592,547,196	852,269,381
TOTAL	2,461,629,052	2,771,032,305

10 Gratuity and Leave Encashment Benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service, subject to ceiling prescribed under the Income Tax Act. The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss Account:

Net employee benefit expense (recognised in Employee Cost)

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Current Service cost	29,464,802	16,653,546
Interest cost on defined benefit obligation	9,589,537	4,774,974
Expected return on plan assets	(5,911,588)	(3,794,502)
Net actuarial (gain)/ loss recognised in the year	11,066,496	39,908,371
Past Service Cost	(26,151,020)	4,105,740
Losses/(Gains) on "Acquisition/Divestiture"	-	(170,956)
NET GRATUITY BENEFIT EXPENSE	18,058,227	61,477,173

Balance Sheet:

Details of Provision for Gratuity Benefit

	Rupees	
	As on Dec 31, 2011	As on Dec 31, 2010
Present value of funded obligations	137,139,263	122,357,703
Fair value of plan assets	(87,139,190)	(54,956,729)
NET LIABILITY	50,000,073	67,400,974

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Opening Defined Benefit Obligation	122,357,703	59,956,957
Current Service Cost	29,464,802	16,653,548
Interest Cost	9,589,537	4,774,974
Plan Amendments	(26,151,020)	4,105,740
Actuarial (gain)/loss	12,286,802	42,889,085
Liabilities assumed on acquisition/(Settled on Divestiture)	-	5,212,394
Benefits paid	(10,408,561)	(11,234,995)
CLOSING DEFINED BENEFIT OBLIGATION	137,139,263	122,357,703

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

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Opening Fair value of plan assets	54,956,729	51,514,412
Expected return on plan assets	5,911,588	3,794,502
Actuarial gain/ (loss)	1,220,306	2,980,714
Contribution by employer	35,459,130	5,835,906
Asset acquired on acquisition	-	2,066,199
Benefits paid	(10,408,561)	(11,235,004)
CLOSING FAIR VALUE OF PLAN ASSETS	87,139,192	54,956,729

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

	Rupees				
	As on Dec 31, 2007	As on Dec 31, 2008	As on Dec 31, 2009	As on Dec 31, 2010	As on Dec 31, 2011
Experience adjustment on plan assets	853,712	3,523,032	(1,479,840)	3,581,797	1,220,306
Experience adjustment on plan liabilities	2,802,726	(299,664)	(3,207,220)	(40,991,052)	(47,016,952)

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

	%	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Investment with Insurer	100	100
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2011/2010)	9.30	9.25

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

	%	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Discount Rate	8.50	8.20
Estimated rate of return on plan assets	8.50	7.50
Expected Employee Turnover		
Age : 21-44 Years	6.50	6.5
Age : 45-57 Years	6.00	6.0
Expected Employer's Contribution next year (Rs.)	30,000,000	35,000,000

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

- 11** The accounts of India Index Services and Products Limited is unaudited and the financial statements (excluding notes to accounts) as certified by the management, have been considered in these consolidated financial statements.
- 12** CRISIL Limited sold Nil (P.Y. 10%) stake in Gas Strategies Group Limited in September 2010.
- 13** The Company has a revenue hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per guide lined under AS 30 "Financial Instruments: Recognition and Measurement wherein mark to market on forward contracts are routed through hedge reserve account.

Forward Contract Outstanding as at 31st December 2011 :	2011		2010	
	Amount	Amount in INR	Amount	Amount in INR
Currency				
USD	30,274,000	1,533,549,704	16,000,000	752,973,336
GBP	9,378,000	753,595,830	6,000,000	442,547,500
EUR	4,014,000	278,637,230	3,000,000	187,153,750

- 14** The Company has sub-divided the nominal face value of equity shares from Rs.10/- per share to Re.1/- per share and record date fixed for the said sub-division was September 30, 2011. Consequently the earning per share (EPS) has been calculated based on the revised number of equity shares. EPS for the previous year has been restated accordingly

SCHEDULES

annexed to and forming part of the Accounts

15 Prior period item includes gratuity expense Nil (P.Y. Rs.27,444,953, net of tax).

16 "In accordance with Sec 77A, 77AA and 77B of the Companies Act, 1956 and pursuant to the public announcement for buy back made by the Company, the Company initiated a buy back from the open market through stock exchanges. Details of the buy back are as under :

	Rupees	
	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010
Date of public announcement	13-Dec-11	9-Sep-10
Number of shares purchased	910,000	1,281,560
Face value of shares purchased (Refer note 14, Schedule P)	1	1
Consideration paid towards buy back	794,971,069	796,858,024
Share Capital Reduction	(910,000)	(1,281,560)
Share Premium Utilised	-	474,890,071
General Reserve Utilised	794,971,069	321,967,953
Amount transferred to Capital Redemption Reserve on extinguishment of share capital	910,000	1,281,560
	794,971,069	796,858,024

In the current year, the buy back of shares was completed on December 30, 2011 but the actual extinguishment in the records of depositories happened on January,4, 2012. The Company has given the impact of the buy back of shares in the current years financial statement.

17 Employee Stock Option Scheme ("ESOS")

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant . Details of the ESOS scheme are as under :

Details	ESOS 2011 (1)	ESOS 2011 (2)
Date of Grant	14-Feb-11	14-Feb-11
No. of options granted	1,161,000	23,750
Exercise Price (Rs.)	579.88	579.88
Graded Vesting Period :	-	-
1st Year	232,200	23,750
2nd Year	464,400	-
3rd Year	464,400	-
Weighted average price of options as per Black-Scholes Option Pricing model at the grant date (Rs)	185.21	149.41

SCHEDULES

annexed to and forming part of the Accounts

A summary of status of Company's Employee Stock Option Scheme is as given below:

	As At December 31, 2011	As At December 31, 2010
Outstanding at the beginning of the year	-	-
Add: granted during the year	1,184,750	-
Less: Forfeited/lapsed during the year	(24,750)	-
Exercised during the year	-	-
OUTSTANDING AT THE END OF THE YEAR	1,160,000	-

The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS . The Company has not recorded any compensation cost as the grant has been given at the market price. Had the company recorded the compensation cost on the basis of Fair Valuation method instead of intrinsic value method, employee compensation cost would have been higher by Rs.15,080,391 and EPS would have been as under :

Earnings per share : Nominal value of Re.1 per share :	31-Dec-11
Basic (Rupees)	28.87
Diluted (Rupees)	28.77

The Key assumptions used to estimate fair value of options are Expected Volatility 34.94%, Option Life - 3 Years, Expected Dividend - 2.37% and Risk free rate of interest - 8.03%

- 18** The Company's operations in Poland has received approval for sanction of grant amounting to Rs.78,344,920 . The grant has been awarded under Operational Program - Innovative Economy scheme and will be available to the Company on fulfilment of certain conditions. During the year, the Company recognised Rs.14,826,546 as grant in the profit and loss account.

19 Previous year comparatives

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

As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

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

per **Shrawan Jalan**

Partner

Membership No.: 102102

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012

Place: Mumbai

Date: February 17, 2012

Place: Mumbai

SCHEDULES

annexed to and forming part of the Accounts

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

1. Name of the subsidiary company	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Credit Information Services Limited	CRISIL Irevna Poland SP.Zo.o.	Irevna Limited, UK	Irevna LLC, US	Pipal Research Analytics and Information Services (I) Pvt. Ltd.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.
2. Share Capital	49,999,900 Equity Shares of Re.1 each, fully paid up	Nil (P.Y. 50,000) Equity Shares of Rs.10 each, fully paid up	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	2,056,000 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US\$ 200 each, fully paid up	100% Investment in the capital
3. Reserves & Surplus	305,472,537	-	24,868,450	8,951,931	(26,242,364)	(35,716,167)	9,110,456
4. Total Assets	502,900,795	-	57,892,886	89,336,419	994,401,728	163,667,575	48,575,735
5. Total Liabilities	502,900,795	-	57,892,886	89,336,419	994,401,728	163,667,575	48,575,735
6. Investments	-	-	-	-	790,231	552,732	-
7. Turnover	592,216,330	-	171,252,635	70,216,153	2,028,400,870	833,668,738	289,274,337
8. Profit/(Loss) Before Taxation	131,919,878	(11,085)	15,059,898	6,273,261	(21,335,773)	12,905,372	37,151,481
9. Tax Expense	43,564,553	-	5,638,900	683,165	-	(11,663,000)	8,854,266
10. Profit After Taxation	88,355,325	(11,085)	9,420,998	5,590,096	(21,335,773)	24,568,372	28,297,215
11. Dividend Paid	-	-	-	-	-	-	-

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

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B.V. Bhargava
Director

Roopa Kudva
Managing Director & CEO

H.N. Sinor
Director

Yann Le Pallec
Director

Shrikant Dev
Company Secretary

Date: February 17, 2012
Place: Mumbai

NOTICE

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Monday, April 16, 2012 at 3.30 p.m. at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076 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, 2011 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, 2011 and declare final dividend for the year 2011 on equity shares.
3. To appoint a Director in place of Mr. David Pearce, who retires by rotation and, being eligible, offer himself for reappointment.
4. To appoint a Director in place of Ms. Rama Bijapurkar, who retires by rotation and, being eligible, offer herself 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., (Firm Reg. No. 301003E), 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 Mr. Douglas Peterson, who was appointed as an Additional Director of the Company with effect from October 28, 2011 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article no. 129 of the Articles of Association of the Company 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.

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

RESOLVED THAT Mr. Yann Le Pallec, who was appointed as an Additional Director of the Company with effect from February 17, 2012 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Article no 129 of the Articles of Association of the Company 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.

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

RESOLVED THAT, subject to the ceiling limits as per Sections 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be required, Ms. Roopa Kudva be and is hereby re-appointed as Managing Director & Chief Executive Officer, for a period of five years with effect from July 27, 2012 on the following terms and conditions:

(a) Nature of Duties:

Ms. Kudva, Managing Director & Chief Executive Officer shall carry out such duties as may be entrusted to her subject to the supervision and control of the Board of Directors from time to time.

(b) Salary:

Ms. Kudva, shall be entitled to receive a minimum salary of Rs.14.10 lakh per month subject to such annual increments/increases as may be decided by the Compensation Committee/Board of Directors.

(c) Commission:

Ms. Kudva, shall be entitled, in each year, effective financial year 2012, to a commission not exceeding 3% of the net profits of the Company calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, as may be decided by the Compensation Committee/Board of Directors.

(d) Perquisites & Allowances:

Ms. Kudva, shall be entitled to perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) such

as furnished accommodation (without any deduction from salary in respect thereof), House Rent Allowance as may be decided by the Compensation Committee/ Board of Directors (in case no accommodation is provided by the Company), provision of gas, electricity, furnishings, reimbursement of all medical and hospitalisation expenses for self and family and leave and leave travel concession as per the rules of the Company in this behalf, fees of clubs, premium in respect of personal accident policies, contribution to provident and superannuation funds, contribution to gratuity fund, provision of car with driver and telephone at residence for use on Company's business, encashment of leave and other benefits, in accordance with the schemes and rules of the Company as applicable from time to time. Ms. Kudva will also be entitled to benefits under long term incentive and excess contribution plans in accordance with the schemes and rules of the Company for its staff as applicable from time to time. Ms. Kudva shall also be allowed to fix various components of salary

within the overall limit and also to avail/en-cash the benefits in accordance with the schemes and rules of the Company for its staff as applicable from time to time.

(e) Minimum Remuneration:

Where in any financial year, during the currency of tenure of Ms Kudva as Managing Director & Chief Executive Officer, the Company has no profits or its profits are inadequate, Ms. Kudva shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.

By Order of the Board
For CRISIL Limited

Mumbai, February 17, 2012.

Shrikant Dev
Company Secretary

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 OF THE COMPANY.
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 Thursday, March 15, 2012 to Friday, March 16, 2012 (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 after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents before Wednesday, March 14, 2012; 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 14, 2012.
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 2004-2005 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 Board of Directors of the Company have by resolution given consent for not attaching the balance sheet of the subsidiaries to the Annual Report of CRISIL. 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. 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 to Senior Vice President, Finance for Standard & Poor's Europe/Asia. Mr. David Pearce is a member of the Audit Committee of CRISIL.

Mr. David Pearce is also a Director on the Board of CRISIL Risk and Infrastructure Solutions Limited.

He does not hold any share 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.

Item No. 4

Ms. Rama Bijapurkar, Director, retires by rotation and being eligible, offers herself for re-appointment. A brief resume of Ms. Rama Bijapurkar is given below:

Ms. Rama Bijapurkar is a recognised thought leader on marketing 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).

Ms. Rama Bijapurkar is also a Director on the Boards of Axis Bank Limited, CRISIL Risk and Infrastructure Solutions Limited, Mahindra Holidays & Resorts India Limited, Mahindra & Mahindra Financial Services Limited, ICICI Prudential Life Insurance Company Limited, Janalakshmi Financial Services Private Limited and Ambit Holdings Private Limited. She is a member of the Audit Committee of Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Financial Services Limited. She is also in the Board of Vishwas (Vision for Health Welfare and Special Needs) and a member of the governing council on the Board of Banking Codes and Standards Board of India.

Ms. Rama Bijapurkar does not hold any share in the Company. The Board considers it in the interest of the Company to appoint Ms. Rama Bijapurkar as a Director.

None of the Directors, except Ms. Rama Bijapurkar, is interested or concerned in this Resolution.

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

Item No. 6

Mr. Douglas Peterson who has been appointed as an additional Director of the Company under Section 260 of the Companies

Act, 1956 effective October 28, 2011 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 Mr. Douglas Peterson for the office of Director.

Mr. Douglas Peterson was named President of Standard & Poor's Ratings Services, the leading credit rating company and division of The McGraw-Hill Companies, in 2011.

Previously, Mr. Peterson was the Chief Operating Officer of Citibank, N.A., Citigroup's principal banking entity that operates in over 100 countries. He was with Citigroup for 25 years.

Until the beginning of 2010, Mr. Peterson was the CEO of Citigroup, Japan where he oversaw the entire franchise covering Capital Markets, Corporate & Investment Banking, Global Transaction Services and Retail Banking, managing over 15,000 employees. Mr. Peterson had previously been the Chief Auditor of Citigroup from 2001 to 2004 where he had led the enterprise-wide integration of the Internal Audit teams after the merger of Citicorp and Travellers. In prior roles, he served as country manager in Costa Rica and Uruguay and as a Corporate Banker in Argentina and New York. Mr. Peterson received his undergraduate degree in Mathematics and History at Claremont McKenna College and his MBA from the Wharton School at the University of Pennsylvania, USA. Mr. Peterson has previously served on the Boards of the American Chambers of Commerce (in Costa Rica, Uruguay, and Japan), the Uruguayan American School, and Teaching Matters Inc. He is currently on the Boards of Advisors for the Wharton Financial Institutions Center and the Kravis Leadership Institute, and the Board of Trustees of the Paul Taylor Dance Company.

Mr. Douglas Peterson does not hold any shares in the Company.

The Board of Directors considers it in the interest of the Company to appoint Mr. Douglas Peterson as a Director.

None of the Directors, except Mr. Douglas Peterson, is interested or concerned in this resolution.

Item No. 7

Mr. Yann Le Pallec who has been appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 effective February 17, 2012 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 Mr. Yann Le Pallec for the office of Director.

Mr. Yann Le Pallec is Standard & Poor's Executive Managing Director for Europe, Middle East and Africa (EMEA) since December 2011. Yann is a member of S&P's Global Executive Committee and reports to Douglas Peterson, its President.

Based in Paris, Yann leads a team of over 400 ratings analysts and support staff operating from 11 offices: Paris, London, Frankfurt, Madrid, Milan, Moscow, Stockholm, Dubai, Johannesburg, Tel Aviv and Istanbul.

S&P is the market leader in credit ratings in EMEA, covering more than 1,000 companies, financial institutions, insurers, public sector entities and sovereigns.

Before his appointment in December 2011, Yann occupied various managerial and analytical positions at S&P including Head of EMEA Corporate and Government Ratings (from August 2010 until December 2011), Regional Practice Leader for EMEA Sovereign, International Public Finance and Insurance Ratings (from July 2009 until August 2010), Regional Practice Leader for EMEA Insurance Ratings (from December 2006 until July 2009).

Before joining S&P in 1999, Yann was a senior manager with Paris-based audit firm Salustro Reydel. He holds a Masters' degree in Business from Ecole Supérieure des Sciences Economique et Commerciales (ESSEC) in France.

Mr. Yann Le Pallec is also a Director on the Board of CRISIL Risk and Infrastructure Solutions Limited and a member of the Investors' Grievance Committee of CRISIL Limited.

Mr. Yann Le Pallec does not hold any shares in the Company.

The Board of Directors considers it in the interest of the Company to appoint Mr. Yann Le Pallec as a Director.

None of the Directors, except Mr. Yann Le Pallec, is interested or concerned in this resolution.

Item No. 8

The Company had appointed Ms. Roopa Kudva as Managing Director & Chief Executive Officer at the Annual General Meeting held on April 23, 2008 for a period of five years with effect from July 27, 2007. The term of appointment expires on July 26, 2012. The Board of Directors at its meeting held on February 17, 2012, re-appointed Ms. Roopa Kudva as Managing Director & Chief Executive Officer of the Company for a period of 5 (five) years with effect from July 27, 2012 on terms and conditions as specified in the resolution at Item no. 8 of the notice. Her re-appointment and remuneration fixed in accordance with Schedule XIII of the Companies Act, 1956, is subject to the approval of the members.

Ms. Roopa Kudva is Managing Director & Chief Executive Officer of CRISIL Limited. Prior to this, she was the Executive Director and Chief Rating Officer of CRISIL. 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 in the Project Finance department. She is a graduate in Statistics and a post-graduate in management from IIM, Ahmedabad.

Ms. Roopa Kudva holds 1,60,000 equity shares in the Company.

Ms. Roopa Kudva is on the Board of India Index Services & Products Limited, Irevna LLC, US, Irevna Ltd, UK, CRISIL Irevna Poland Sp. Z.oo and CRISIL Irevna Information Technology (Hangzhou) Co. Limited.

Ms. Roopa Kudva is a member of the Rating Committee, Investors Grievance Committee, Investment Committee and Allotment Committee of the Board of Directors of CRISIL Limited.

The Board considers it would be in the interest of the Company to avail the experience and services of Ms. Roopa Kudva and, therefore, recommends the approval of the resolution.

None of the Directors, except Ms. Roopa Kudva, is interested or concerned in this resolution.

By Order of the Board
For CRISIL Limited

Shrikant Dev
Company Secretary

Mumbai, February 17, 2012.

Registered Office:

CRISIL House,
Central Avenue,
Hiranandani Business Park, Powai,
Mumbai - 400076.
India.

CRISIL LOCATIONS

REGISTERED OFFICE

CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai - 400076.
India.
Tel: + 91 22 3342 3000
Fax: + 91 22 3342 3001

REGIONAL OFFICES

Ahmedabad
Unit No. 706, 7th Floor,
Venus Atlantis, Prahladnagar,
Satellite, Ahmedabad - 380015
Tel: +91 79 4024 4500
Fax: +91 79 4024 4520

Bengaluru
W - 101, 1st floor, Sunrise Chambers,
22, Ulsoor Road, Bengaluru - 560042
Tel: +91 80 4244 5399
Fax: +91 80 4244 5300

Pipal Research Analytics & Information
Services India Pvt. Ltd.
Office No. 415, Sharma Complex,
2nd floor, 1st Block, Matadahalli,
R.T. Nagar Main Road,
Bengaluru - 560032
Tel: +91 80 6537 2766
Fax: +91 80 2343 4062

Chennai
Thapar House, Mezzanine Floor,
No. 37 Montieth Road, Egmore,
Chennai - 600008
Tel: +91 44 2854 6205 / 06
Fax: +91 44 2854 7531

Bascon Futura IT Park
8th floor, 56 L, Venkatnarayana Road,
T. Nagar, Chennai - 600017
Tel: +91 44 4226 3000
Fax: +91 44 4350 7132

The Oval,
No. 10 & 12 (57 & 58), Venkatnarayana Road,
T. Nagar, Chennai - 600017
Tel: +91 44 4226 3000
Fax: +91 44 4226 3001

TVH - Beliciaa Towers
3rd Floor, Tower - II, Block No. 94,
MRC Nagar, Chennai - 600028
Tel: +91 44 4226 3400
Fax: +91 44 4226 3001 / 4350 7132

Gurgaon
Pipal Research Analytics & Information
Services India Pvt. Ltd.
Plot No. 23, Sector 18,
H.S.I.D.C. Maruti Industrial Area,
Gurgaon - 122015, Haryana
Tel: +91 124 460 5400
Fax: +91 124 560 5505

Hyderabad
Uma Chambers, 3rd floor,
Plot No. 9 & 10 Nagarjuna Hills,
Near Punjagutta Cross Road,
Hyderabad - 500082
Tel: +91 40 2335 8103 - 05
Fax: +91 40 2335 7507

Kolkata
Horizon, Block - B, 4th Flr,
57, Chowringhee Road,
Kolkata - 700071
Tel: +91 33 4011 8200 / 28
+91 33 2289 1949
Fax: +91 33 2283 0597

Mumbai SEZ
Unit No. 104 & 201
Kensington, A wing,
IT / ITES-SEZ,
Hiranandani Business Park,
Powai, Mumbai - 400076
Tel: + 91 22 4047 2100
Fax: + 91 22 4047 2045

New Delhi
The Mira, G -1, 1st Floor,
Plot No.1 & 2, Ishwar Nagar
Near Okhla Crossing,
New Delhi - 110065
Tel: +91 11 4250 5100 / 26930117
Fax: +91 11 2684 2212 (Ratings)
+91 11 2684 2213
(Infrastructure Advisory)

Noida
Pipal Research Analytics &
Information Services India Pvt. Ltd.
A - 51, Sector 57,
Noida, Uttar Pradesh
Tel: +91 120 402 5400
Fax: +91 120 402 5402

Pune
1187 / 17, Ghole Road,
Shivajinagar,
Pune - 411005
Tel: +91 20 4018 1900
+91 20 2553 9064 - 67
Fax: +91 20 4018 1930

Pune SEZ
Blueridge SEZ,
Rajiv Gandhi Infotech Park,
Phase - I, IT - 3, Hinjewadi,
Pune - 411527
Tel: +91 20 8010 8011
Fax: +91 20 3040 8000

OVERSEAS OFFICES

Irevna Limited
#33 Throgmorton Street,
London EC2N 2BR UK
Tel: +44 870 333 6336
Fax: +44 020 7156 5001

Irevna LLC
1560 Broadway, 10th Floor,
New York - 10036, U.S.A
Tel: +1 877 747 3862
Tel: (Outside USA): +1 646 292 3520
Fax: +1 646 292 3521

CRISIL Irevna Argentina S.A.
Av. del Libertador 1969. 2nd Floor
B1638BGF Olivos
Provincia de Buenos Aires
Argentina
Tel: +54 11 4837 7600
Fax: +54 11 4837 7667

CRISIL Irevna Argentina S.A.
Bartolome Cruz Nro.1850, Vicente Lopez,
Provincia de Buenos Aires,
Argentina
Tel : +54 11 4837 7600
Fax : +54 11 4837 7667

CRISIL Irevna Poland Sp. Z.o.o
Renaissance Business Centre, 6th Floor,
ul. Świętego Mikołaja 7
50 - 125 Wrocław,
Tel : +48 71 324 1720
Fax : +48 71 3232 677

**CRISIL Irevna Information Technology
(Hangzhou) Co. Limited**
Room 1303, 13th floor,
Hengxin Mansion, Jiangnan Avenue 588,
Hangzhou, China
Tel : +86 136 5663 9942
Fax : +86 571 8106 9802



This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076.

PROXY FORM

Regd. Folio No _____

No. of Shares held _____

I/We _____
of _____ being member/members 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 FIFTH ANNUAL GENERAL MEETING of the Company to be held on
Monday, April 16, 2012 at 3.30 p.m. at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076.

Revenue
stamp of 15
paise

Signed this _____ day of _____ 2012.

Signature _____

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.

CRISIL Limited

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)
25th Annual General Meeting – April 16, 2012

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company held on Monday, April 16, 2012 at 3.30 p.m. at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076.

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 _____

ANNUAL REPORTS: 1987 – 2011



1987 - 88



1988 - 89



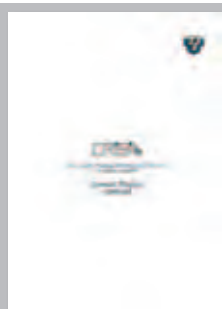
1989 - 90



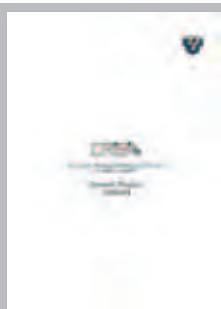
1990 - 91



1991 - 92



1992 - 93



1993 - 94



1994 - 95



1995 - 96



1996 - 97



1997 - 98



1998 - 99



1999 - 2000



2000 - 01



2001 - 02



2002 - 03



2003 - 04



2004 - 05



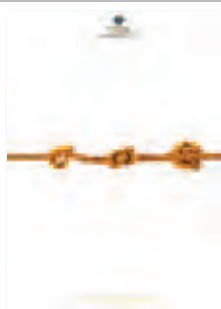
2005



2006



2007



2008



2009



2010



2011



CRISIL Limited

CRISIL House, Central Avenue, Hiranandani Business Park,
Powai, Mumbai - 400076. India.

Phone: +91 22 3342 3000

www.crisil.com

www.standardandpoors.com