CRISIL

A Standard & Poor's Company

CRISIL Limited

Annual Report 2012

MAKING MARKETS FUNCTION BETTER

Thought Leadership

Analytical insights shared by CRISIL speakers at several seminars and conferences reinforce CRISIL's positioning as a thought leader

1. Gurpreet Chhatwal, Senior Director, CRISIL Global Research & Analytics (GR&A), speaks at the 18th annual Risk USA conference in New York

2. Gurpreet Chugh, Director, CRISIL Infrastructure Advisory, delivers the keynote address at the 3rd International Coal Conference 2012: Sustaining Future Energy Supply, organised by ASSOCHAM in New Delhi

3. Sanjeev Sinha, President, CRISIL GR&A, shares his insights on 'Actionable Analytics: How much can data predict?' at the NASSCOM BPO Strategy Summit 2012 in New Delhi

4. Vidya Mahambare, Principal Economist, CRISIL Centre for Economic Research, addresses the gathering at the CRISIL Leadership Summit in Chennai

5. Maya Vengurlekar, Director, Marketing & Investor Outreach, CRISIL, conducts a financial awareness workshop for the rural poor in Assam

6. Ramraj Pai, President, CRISIL Ratings, shares his thoughts at FICCI's 9th Annual Conference on Capital Markets

7. Hetal Dalal, Director, CRISIL Ratings, speaks at the CRISIL Leadership Summit in Ahmedabad

8. Mukesh Agarwal, President, CRISIL Research, addresses the gathering at the launch of NDBIB-CRISIL indices for Sri Lanka's government securities market in Colombo

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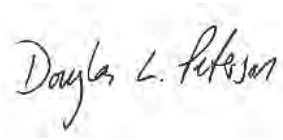
Corporate Overview

Message from the Chairman

CRISIL occupies a unique position in the global analytical business. With one of the world's largest analytical teams, a highly efficient and diversified business model, and a strong franchise with a growing global presence, it has developed over the past quarter century into a powerhouse. On the strength of a great idea, and guided by capable management and strong values, CRISIL has become a leader in its industry.

As you go through the details of yet another successful year for CRISIL, you will find much to celebrate. The acquisition of Coalition Development Limited in July 2012 gave CRISIL access to proprietary global research and a premium brand. Throughout the year, CRISIL continued its leadership across market segments, in extremely tough conditions. And the launch of 'Pragati', a financial awareness initiative targeted at India's unbanked poor, illustrates the continued innovation that characterises the CRISIL spirit. I am sure you will join me in applauding the many achievements of this young, talented, and energetic organisation.



Douglas Peterson

About CRISIL

Who we are

We are a global analytical company providing ratings, research, and risk and policy advisory services

Our mission

Making markets function better

Our majority shareholder

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

Our values

- Integrity
- Independence
- Analytical Rigour
- Commitment
- Innovation

Who we serve

In India, we work with the country's largest corporations, financial institutions, SMEs, the Central and state governments, and policymakers. Globally, we serve the world's largest banks, leading corporations and governments

What we do

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

CRISIL Businesses

* Wholly owned subsidiary –
CRISIL Risk and Infrastructure Solutions Limited

CRISIL Ratings

Who we are

We are India's leading rating agency and pioneered the concept of credit ratings in the country in 1987. We have rated/assessed over 61,000 entities, by far the largest number in India. Our rating capabilities span the entire range of debt instruments: bank loans, certificates of deposit, commercial papers, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds and partial guarantees

Who we serve

We serve most of India's largest companies and several of the smallest, as well as lenders, investors, issuers, market intermediaries and regulators

How we add value

We assist issuers and borrowers in enhancing their access to funding, widening the range of funding alternatives and optimising the cost of funds. We also enable investors and lenders to supplement their internal evaluation process and benchmark credit quality across investment options, and help markets at large with our ratings

Client Speak

"We find the entire interaction to be highly professional and carried out in a most objective manner. This speaks amply for brand CRISIL which has gained excellence over the years, with the kind of highly professional manner it has been going about the financial ratings activity which is so sensitive and critical to the corporate world. We also appreciate the opinion and industry insights shared by CRISIL, which add value beyond ratings."

Pankaj Patel, Chairman & Managing Director,
Cadila Healthcare Limited

"CRISIL SME Rating helped us enhance business opportunities and increase confidence levels among our customers and bankers. We also got the benefit of 0.5% rate of interest thanks to CRISIL SME Rating."

Nikunj Sanghi, Managing Director,
J. S. Fourwheel Motors

CRISIL Global Research & Analytics

Who we are

We are the world's largest and top-ranked provider of high-end research and analytics, and equity and credit research services, and the foremost provider of end-to-end risk and analytics services. We serve our clients across the globe from research centres in Argentina, China, India, and Poland. Our credit research supports 80 per cent of the global structured finance market, and over 60 per cent of the global credit markets. Our equity research covers over 90 per cent of the global trading volumes and 88 per cent of the global market capitalisation

Who we serve

Our clientele includes:

- 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 provide high-quality research and analytics that enable clients to improve their institutional ranking, increase their coverage, enter new markets, get better business insights, and deliver new path-breaking research

Client Speak

"This is a fantastic achievement and I cannot stress more how critical this is for the business. Thanks team for working against tight deadlines and delivering numerous surprises along the way."

Managing Director,
Equity Derivatives Management of one of the top 5 global investment banks

"I wanted to thank you for all your efforts this year on the re-bookings, DVA calculations and the retirements among other things. We are undoubtedly in a stronger position in all these areas than we were at the beginning of this year and you have played a key role in this."

Managing Director,
One of the top 5 global investment banks

CRISIL Research

Who we serve

Our clientele includes:

- 1,200 Indian and global companies
- 90 per cent of India's banks
- 15 of the top 25 Indian companies (by market capitalisation)
- The entire Indian mutual fund industry
- 22 of the 24 life insurance companies
- Top 5 global consulting firms

Who we are

We are India's largest independent and integrated research house and provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks. We cover 70 industry sectors and 139 sub-sectors

How we add value

We are India's most credible provider of economy and industry research. Our opinions and insights help our clients take informed lending, investment and strategic decisions, thereby mitigating and managing risk

Client Speak

"Over the years, CRISIL has emerged as a key service provider to the mutual fund industry. It has made significant contributions in key areas of specialised expertise such as bond valuation and product performance evaluations. The CRISIL team is known for its independent and objective analytical skills."

Milind Barve, Managing Director,
HDFC Asset Management Company

"CRISIL has effectively assisted Employees' Provident Fund Organisation in selecting portfolio managers, and thereafter developing a comprehensive criteria and benchmark index for monitoring their performance. It has helped us improve the risk-adjusted return on our portfolio and has also helped us incorporate stronger processes."

Sanjay Kumar, Financial Advisor & Chief Accounts Officer,
Employees' Provident Funds Organisation (EPFO)

CRISIL Infrastructure Advisory

How we add value

We help shape policy and establish viable frameworks to improve the risk profile of infrastructure projects. We also assist government agencies in enhancing their capacity, capabilities and internal financial viability, and support implementation of infrastructure improvement initiatives

Who we serve

Our clientele includes: national and provincial governments, multi-lateral organisations and development aid agencies, regulatory bodies, top public and private sector enterprises, leading banks and NBFCs, over 100 local bodies and municipal bodies in India and private equity firms

Who we are

CRISIL Infrastructure Advisory, a division of CRISIL Risk and Infrastructure Solutions Limited (CRIS), a wholly owned subsidiary of CRISIL Limited, is a leading advisor to regulators and governments, multilateral agencies, investors and large public and private sector firms. We work with clients in India and 22 other emerging economies in Asia, Africa and the Middle-East. We work across sectors like urban development, energy, transport and logistics, and natural resources

Who we serve

Our clientele includes: leading banks and financial institutions in India, the Middle East, Africa and South Asia

CRISIL Risk Solutions

Who we are

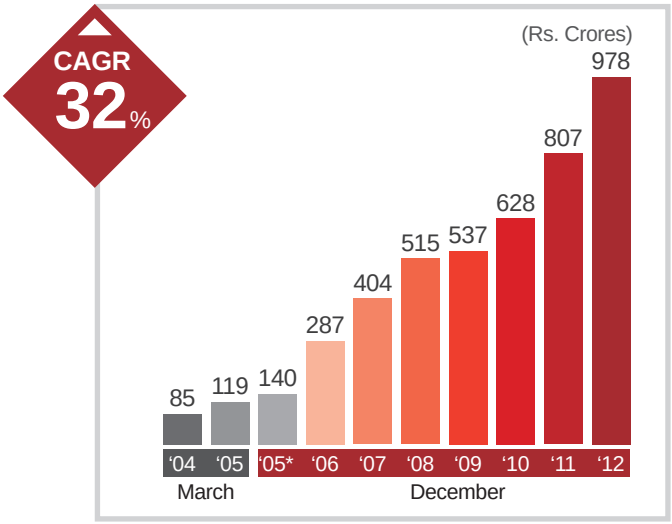
CRISIL Risk Solutions (CRS), a division of CRIS, provides a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks, and corporates. We have helped over 50 banks and financial institutions adopt best practices in risk management, undertaken risk management assignments in 22 countries and provided risk management solutions to 8 of the top 10 banks in India

How we add value

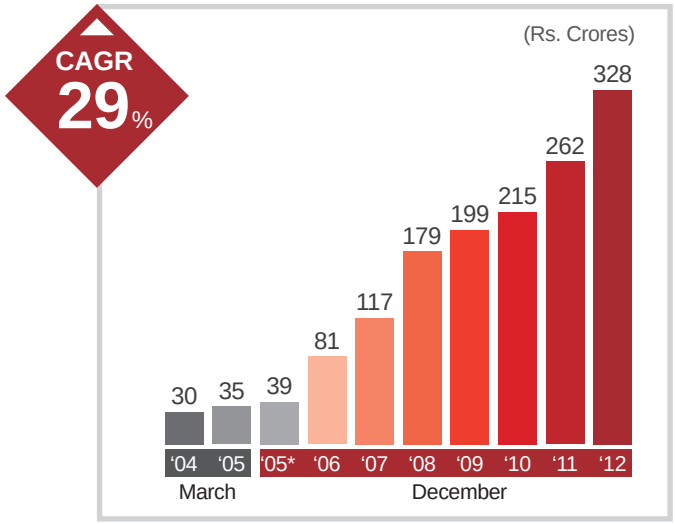
We help our clients identify, measure and calibrate a comprehensive range of risks: credit risk, price and market risk, exchange and liquidity risk, operational risk, strategic and regulatory risk. This enables them to adopt global best practices in risk management and intelligently manage their business risks

CRISIL Consolidated Ten Year Financial Highlights

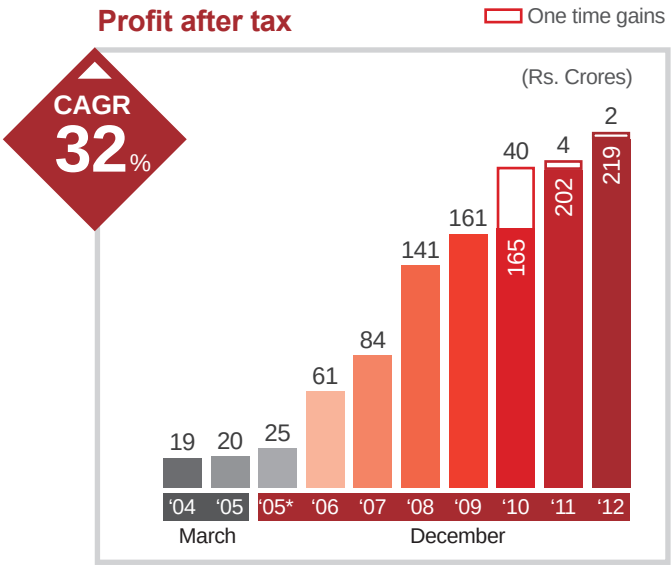
Income from operations



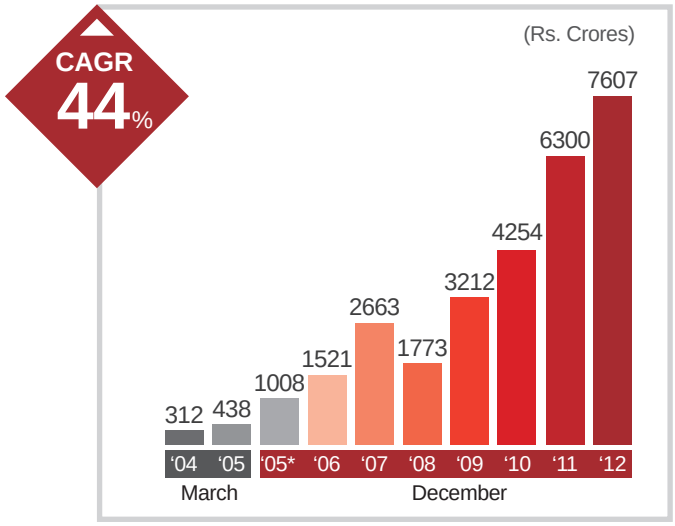
EBITDA



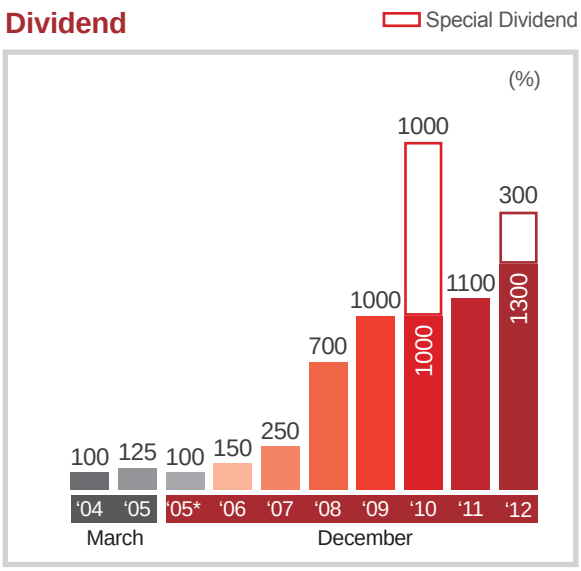
Profit after tax



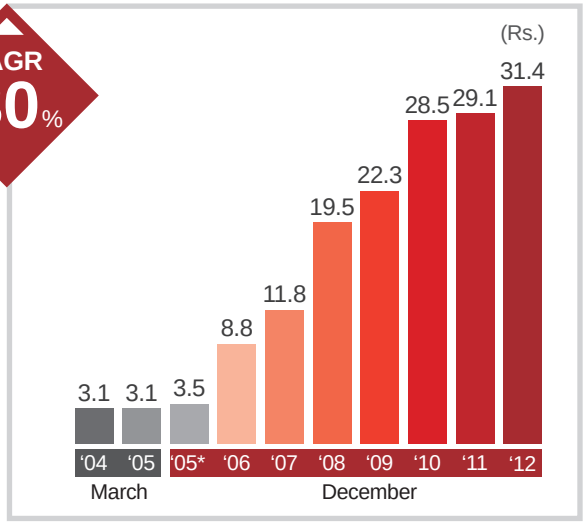
Market capitalisation



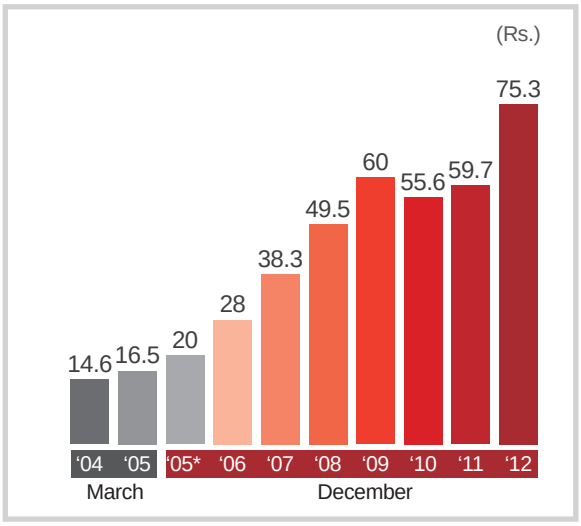
Dividend



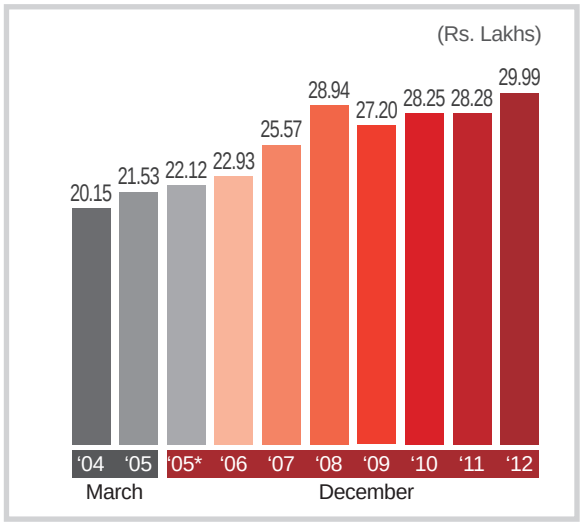
EPS# (Basic)



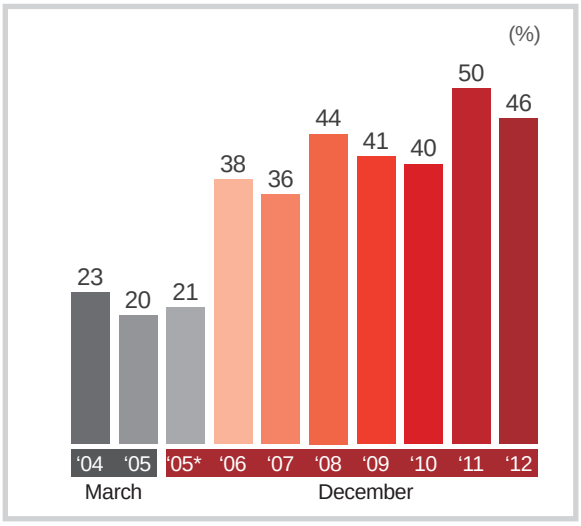
Net worth per share



Income per employee



Return on net worth##



Notes:

\# Previous year's EPS have been restated for stock split adjustment

\## Profit After Tax excluding gain on sale of properties and long term investments in 2010, 2011 and 2012

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

2012 - A Glance

Thought Leadership at Conferences

CRISIL

Annual India Investment Forum

Roopa Kudva, MD & CEO, CRISIL, makes a point during a panel discussion on 'Indian Capital Markets – Time Up or Time Out?' at the India Investment Forum 2012, in New York. The panel comprised key decision-makers from America's largest buy-side asset management firms and institutional investors

Motilal Oswal Annual Global Investor Conference

Roopa Kudva makes a presentation on the 'Financial Health Of India Inc.' at the 8th Motilal Oswal Annual Global Investor Conference

Kotak Institutional Equities Annual Global Investor Conference

Roopa Kudva makes a presentation on the outlook for India's economy, corporate credit quality and banking sector performance at the Kotak Institutional Equities Annual Global Investor Conference

Thought Leadership at Conferences (Contd.)

25 Years of Credit Ratings: A CNBC TV18 Special

(From L to R) CNBC TV18's Latha Venkatesh interviews N. Vaghul, CRISIL's first Chairman, Roopa Kudva, and Pradip Shah, CRISIL's first Managing Director, for a special programme on the evolution of credit ratings in India. The interview was conducted on the sidelines of an event held to mark CRISIL's Silver Jubilee

CIO Business Congress

Ramnath Iyer, Chief Technology Officer, CRISIL, speaks at the CIO Business Congress, a leading annual B2B event for the business technology community. He presented a case study on the topic 'Implementation of technology is not about technology'

Path to Progress – Through Financial Inclusion

Pawan Agrawal, Senior Director, Ratings (extreme right), represents CRISIL at the Bloomberg TV India-FINO initiative 'Path to Progress – Through Financial Inclusion'. CRISIL was the knowledge partner for the five-city event

Ratings

FICCI Annual Conference on Capital Markets

Ramraj Pai, President, CRISIL Ratings, makes a point on corporate finance as a panel member at FICCI's 9th Annual Conference on Capital Markets

CII Capital Markets Summit

Pawan Agrawal, Senior Director, CRISIL Ratings, expresses his views during a panel discussion on 'Breathing Life into the Debt Markets – Some Out-of-the-Box Thinking' at CII's 4th Capital Markets Summit

CD Corporate Governance Seminar 2012

Ramraj Pai (extreme right) participates in a panel discussion on 'The Role of Activism in Corporate Governance' at the Corporate Dossier Corporate Governance Seminar 2012, organised by the Chartered Institute of Management Accountants (CIMA)

Thought Leadership at Conferences (Contd.)

Annual Conference on Infrastructure Finance

Suman Chowdhury, Director, CRISIL Ratings, makes a presentation on 'Debt Restructuring: Needs, Requirements and Regulations' at the 3rd Annual Conference on Infrastructure Finance — New Environment: Issues, Challenges and Way Forward, organised by Indian Infrastructure Publishing

FIBAC 2012

Sachin Nigam (extreme right), Senior Director, SME Ratings, CRISIL, speaks on SME financing at FIBAC 2012 organised jointly in Mumbai by FICCI and the Indian Banks' Association (IBA)

The Economic Times ACETECH Global Green Summit

Sachin Nigam (second from left) participates in a panel discussion on 'Expertise and Capacity Building: Resource Management & Ratings' at The Economic Times ACETECH Global Green Summit 2012

Global Research & Analytics

Launch of 'Big Data – The Next Big Thing' Report

Vikram Talwar (extreme left), Chairman, EXL Services and Chair of the NASSCOM BPO Forum, Roopa Kudva, and Som Mittal, President, NASSCOM, launch the NASSCOM-CRISIL report, 'Big Data – The Next Big Thing', at the NASSCOM BPO Strategy Summit 2012

NASSCOM BPO Strategy Summit 2012

Sanjeev Sinha, President, CRISIL GR&A, shares his insights on 'Actionable Analytics: How much can data predict?' at the NASSCOM BPO Strategy Summit 2012

Risk Annual Summit, London

The GR&A team at the RISK Annual Summit 2012, London: (From L to R) Anshuman Prasad, Director, Risk & Analytics, Vishal Thakkar, Senior Director, Global Sales, and Ritesh Kumar Agarwal, Director, Risk & Analytics. CRISIL GR&A was a co-sponsor in association with Risk magazine. The theme of the summit was, 'Using derivatives and risk management in the changing landscape and a world of uncertainty to ensure both protection and profits'

Thought Leadership at Conferences (Contd.)

Annual Risk USA Conference

Gurpreet Chhatwal, Senior Director and Global Head, Risk and Analytics, CRISIL GR&A, addresses the 18th Annual Risk USA Conference, New York, on economic capital, financial regulations and risk aggregation. CRISIL GR&A was a co-sponsor at the event

Communiqué12 – 2nd International Telecom Seminar

Gaurav Dua, Director and Practice Leader, CRISIL GR&A, leads discussions on 'Leveraging the Big Data Opportunity' at Communiqué12 – 2nd International Telecom Seminar, organised by Symbiosis Institute of Telecom Management (SITM), Pune, and shares insights on the Big Data report, released by CRISIL in association with NASSCOM

Polish-Indian IT Co-operation Meet

Mohit Modi, Director, International Operations, CRISIL GR&A, talks about the experience of setting up operations in Poland and working from Wroclaw at a seminar organised by The Indo-Polish Chamber of Commerce, in association with the Consulate General of the Republic of Poland

Research

Panel Discussion on 'FDI in Multi-Brand Retail in India – Challenges & Opportunities'

Dharmakirti Joshi, Chief Economist, CRISIL, shares his views at a panel discussion on FDI in retail organised by the World Trade Centre. The other panelists were (From L to R) Arvind Sinha, CEO, Business Advisory Group, Martin Claessens, Commercial Officer, US consulate and Ajit Joshi, CEO and MD, Infinity Retail (Tata)

ASSOCHAM 13th Mutual Fund Summit

Satish Prabhu, Associate Director, Funds and Fixed Income Research, CRISIL, shares highlights from CRISIL's report, 'Multiply your wealth with investors' protection' at the 13th Mutual Funds Summit organised by ASSOCHAM

CII Regional Power Conference & Exposition

Sudhir Nair, Director, Customised Research, CRISIL Research, presents his views on the 'Outlook for Natural Gas in India' at the 4th edition of the Regional Power Conference and Exposition organised by CII

Thought Leadership at Conferences (Contd.)

University of Michigan India Business conference

Dharmakirti Joshi (extreme left) participates in a panel discussion on 'Ongoing Transformation in Economy & Industry' at the University of Michigan India Business conference. Other panelists were H. R. Srinivasan, Executive Director, Shriram Group, Dr. Joerg Strassburger, MD & Country Head, Lanxess, Sanjay Reddy, Vice Chairman, GVK Group, and Narayan Ramachandran ex-MD, Morgan Stanley, investor and social entrepreneur

CRISIL Infrastructure Advisory

Asian Financial Co-operation Conference – Open Asia, Open Finance

Sameer Bhatia, President, CRISIL Infrastructure Advisory (extreme left), at a panel discussion on 'Financing Infrastructure in Asia: the Role of Capital Markets' at the Asian Financial Cooperation Conference in Mumbai. CRISIL Infrastructure Advisory was knowledge partner at the event

CIRC Seminar on Mainstreaming PPPs in India

Rakesh Bangera, Director, Urban Practice, CRISIL Infrastructure Advisory, presents his views at a seminar, 'Mainstreaming PPPs in India and Launch of Course on Law and Economics of PPPs', organised by The Department of Economic Affairs and the Cuts Institute for Regulation and Competition (CIRC)

Annual Conference on Public-Private Partnership — Energy Sector India 2012

Vivek Sharma, Director, CRISIL Infrastructure Advisory, delivers a presentation on 'PPPs in the Distribution Sector: the Experience so far' at Public Private Partnership – Energy Sector India 2012, an annual conference organised by Renewable Markets India and Power Markets India

International Coal Conference 2012 — Sustaining Future Energy Supply

Gurpreet Chugh, Director, CRISIL Infrastructure Advisory, delivers the keynote address at the 3rd International Coal Conference 2012: Sustaining Future Energy Supply, organised by ASSOCHAM. CRISIL Infrastructure Advisory was knowledge partner at the event

Renewable Energy Finance Summit: India 2012

Vivek Sharma makes a presentation on 'Breaking Policy Logjams for Future Renewable Energy Growth' at the Renewable Energy Finance Summit: India 2012, organised by Renewable Markets India

Events

CRISIL

Launch of the Book, 'Doing what is right: The CRISIL Story'

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1 (From L to R) Sanjay Pugalia, Editor-in-Chief, CNBC Awaaz, and Master of Ceremonies at the event, N. Vaghul, first Chairman of CRISIL, Pradip Shah, CRISIL's first Managing Director, and Roopa Kudva, MD & CEO, CRISIL, at the launch of the book, 'Doing what is right: The CRISIL Story'

2 (From L to R) CRISIL Board members B. V. Bhargava, H. N. Sinor and Rama Bijapurkar with Roopa Kudva, N. Vaghul, Pradip Shah and K. V. Kamath, Non-Executive Chairman of the Board of Directors, Infosys and ICICI Bank, unveil the book

3 & 4 Luminaries from India Inc. at the book launch

Ratings

Annual Seminar Series on Expanding India's Corporate Bond Market

Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India, makes the keynote address at CRISIL's annual seminar series on expanding India's corporate bond market. Theme for 2012 was CRISIL 'A' Rated Companies – An Emerging Opportunity

Investor Discussion Forum on Capital Market Entities

Ramraj Pai, President, CRISIL Ratings, addresses the gathering at the CRISIL Discussion Forum, Capital Market Entities Redesigning Strategies: Will They Succeed?

CNBC TV18-CRISIL Emerging India Awards 2012

(From L to R) Y. M. Deosthalee, Director, L&T Finance, and Chitra Ramakrishna, Joint MD, National Stock Exchange, hand over the award to Byju Raveendran, Director, Think & Learn Pvt. Limited, winner of the Emerging India Award 2012 in the Education sector as Sachin Nigam, Senior Director, SME Ratings, CRISIL, and Kamal Sidhu, event anchor, look on

Events (Contd.)

Announcement of CRISIL's 25,000th SME Rating

(From L to R) Sachin Nigam presents a memento to M. Ramsubramanian, Managing Director, Pure Enviro Engineering Private Limited, following CRISIL's announcement of its 25,000th SME Rating

Global Research & Analytics

Roundtables on Stress Testing

CRISIL GR&A hosted two roundtables – in San Francisco and London – on the importance of stress testing and model risk management for banks

The San Francisco Roundtable

Senior officials from banks based in the US and representatives from regulators Federal Deposit Insurance Corporation and the Federal Reserve Bank attend the San Francisco Roundtable

The London Roundtable

Dr. Colin Lawrence, Director, Financial Services Authority, address questions from representatives of leading banks in the UK at the London Roundtable

Research

CNBC TV18-CRISIL Mutual Fund Awards 2012

Milind Barve, Managing Director, HDFC Asset Management Company (second from left), with the 'Fund House of the Year' award at the Mutual Fund Awards 2012

Launch of 2nd Edition of 'Top of the Pyramid' Report

C. Jayaram, Joint Managing Director, Kotak Mahindra Bank (left), and Mukesh Agarwal, President, CRISIL Research, launch the second edition of the 'Top of the Pyramid' report

Launch of NDBIB-CRISIL Indices for Sri Lanka's Government Securities Market

Mukesh Agarwal addresses the gathering at the launch of four new indices for Sri Lanka's government securities market. The indices were launched in association with NDB Investment Bank (NDBIB)

Events (Contd.)

CRISIL Infrastructure Advisory

CRISIL Seminar on India's Power Sector

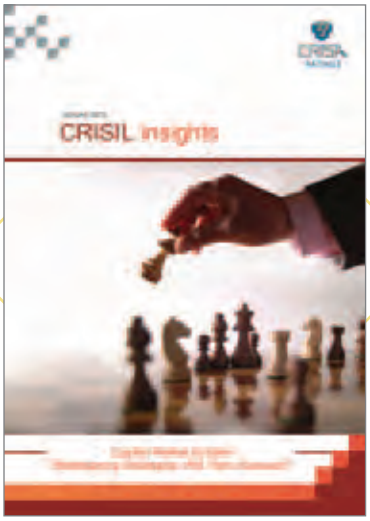
CRISIL Infrastructure Advisory organised a roundtable on 'India's Power Sector: Breaking the Impasse'. Seen at the event are (from L to R) Rakesh Kumar, Executive Vice President, PTC India, Devender Singh, Joint Secretary, Ministry of Power, Mukesh Puri, Managing Director, Gujarat Urja Vikas Nigam Limited, Gopal Saxena, Chief Executive Officer, BSES Rajdhani Power Limited, Mangesh Kelkar, Senior Director, Project Finance, IDFC Limited and Ajay Dwivedi, Senior Director, CRISIL Infrastructure Advisory

Publications

CRISIL

Path to Progress through Financial Inclusion

RATINGS



Capital Market Entities Redesigning Strategies: Will They Succeed?

Expanding India's Corporate Bond Market: CRISIL 'A' Rated Companies – An Emerging Opportunity

The CRISIL Industry Insights series on CRISIL-rated companies in 22 industries

Publications (Contd.)

SME Cluster Connect: A series of reports on the issues faced by SME clusters

A Knowledge Paper on Uttarakhand: A Land of Opportunities for Entrepreneurs

GLOBAL RESEARCH & ANALYTICS

GR&A Intellego series of publications on trends across sectors globally

CRISIL Insights Series on global macroeconomic trends

RESEARCH

The CRISIL Opinion series on key themes in the Indian economy and sectors

CRISIL Industry Insights on the business environment in India

Publications (Contd.)

CRISIL RISK & INFRASTRUCTURE SOLUTIONS

URBAN*SCAN*, a publication providing insights on key urban issues

Reports on the Indian Power Sector

White paper on the methodology to estimate expected loss-based provisioning

Awards and Accolades

CNBC TV18 India Business Leader Awards (IBLA)

Roopa Kudva, MD & CEO, CRISIL, receives the 'Outstanding Woman Business Leader of the Year' Award at CNBC TV18's India Business Leader Awards (IBLA) 2012

(From L to R) Roopa Kudva, Senthil Chengalvarayan, President & Editorial Director, TV18 Business Media and Kumar Mangalam Birla, Chairman, Aditya Birla Group

Association of Business Communicators of India (ABCI) Annual Awards

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CRISIL wins three awards at the prestigious 52nd Association of Business Communicators of India (ABCI) Awards. The awards seek to promote excellence in business communication and CRISIL was chosen from over 1,000 entries for best practices across three categories:

1. Best Illustrations — CRISIL Employee Handbook — Silver
2. Best Corporate Intranet — CRISILConnect — Bronze
3. Best Social Responsibility Communication — Joy of Giving creative — Bronze

Awards and Accolades (Contd.)

ICAI Awards for Excellence in Financial Reporting

CRISIL team receives the 'Silver Shield' by The Institute of Chartered Accountants of India (ICAI) for its 2011 Annual Report. CRISIL won the award for the accounting practices adopted in preparation of the financial statements and the policies adopted for disclosure and presentation of financial statements and other information in the Annual Report

(From L to R) Satish Ramchandani, Director, Finance & Accounts, CRISIL, Hrishikesh Redij, Associate Director, Finance & Accounts, CRISIL, Dinesh Sharma, Chief Financial Officer, CRISIL, Jaydeep Shah, President, ICAI, Usha Narayanan, Jury Member, Venkatesh S.V., Director, Finance & Accounts, CRISIL

This Annual Report has also been adjudged as the Second Runner up recipient of 'Best Presented Annual Report Awards 2011' under Service Sector category by the South Asian Federation of Accountants (SAFA)

Best Leadership Training Programme – World HRD Congress

CRISIL wins an award for its leadership training programme in the 'Best Learning & Development Awards' category, at the World HRD Congress. The award was in recognition of CRISIL's efforts to develop leadership through individual development plan, coach-trainee engagements, active job rotations, and relevant training programmes

(Left) The trophy and award citation

NASSCOM Exemplary Talent (NExT) Awards 2012 – Talent Magnets Category

The team from CRISIL GR&A receives the 'Talent Magnets' award at NASSCOM's NExT Awards 2012. The award recognizes companies that have created, communicated and driven a compelling and differentiated employee value proposition

(From L to R) Som Mittal, President, NASSCOM, V. Srinivasan, Senior Director, CRISIL GR&A, Nitin Seth, MD & Country Head, Fidelity Worldwide Investments, Kamna Prasad, Director, HR, CRISIL GR&A, and Ganesh S. Lakshminarayanan, President & MD, Dell India

CIO100 Awards – CIO Magazine, International Data Group (IDG) India

Ramnath Iyer (right), Chief Technology Officer, CRISIL, receives the CIO100 Award at the 7th Annual CIO100 Awards in recognition of CRISIL's operational and strategic excellence in information technology, from David Hill, President & CEO, IDG International Publishing Services

Energy Conservation Award: Unique Initiative – Tata Power

CRISIL wins the 'The Energy Conservation Award – Unique Initiative' from Tata Power, a leading Indian electric utility company, for its commitment to reducing its carbon footprint and adopting greener ways of doing business

(From L to R) CRISIL's Ajay Kamble and Mahesh V. Athalye receiving the award from Ramchandran Pillai, Head, Distribution Support Services, Tata Power

Employee Events

CRISIL

Harold (Terry) McGraw III's Town Hall

A town hall meeting was organised at CRISIL House in Mumbai to mark a visit by Harold (Terry) McGraw III, Chairman, President and Chief Executive Officer, The McGraw-Hill Companies. Terry also felicitated five CRISILites for their contribution to the organisation

Left: The winners pose with Terry (fourth from right) and Roopa Kudva (extreme right)

Welcoming Coalition into the CRISIL Fold

1 Roopa Kudva and Trevor Foster-Black, Chairman and CEO of Coalition, pose for a photo following CRISIL's announcement of its acquisition of Coalition

2 Trevor Foster-Black addresses CRISILites

3 The audience listens to his speech

Training Programme - A Soft Skills Session at the Argentina Office

In recognition of the importance of soft skills in career growth, CRISIL GR&A's Argentina office organised a soft skills training programme for employees

1 The session in progress

2 Participants complete an assignment

CRISIL Certified Analyst Programme (CCAP) Convocation

The convocation ceremony for the 4th CCAP batch (2010-12) in progress at CRISIL House, Mumbai. CCAP is a two-year intensive entry-level programme aimed at developing world-class financial professionals for analyst roles in CRISIL

1 CCAPians at the 2012 convocation

2 The audience comprising family members of CCAPians and CRISILites

Employee Events (Contd.)

Fun at Work

Work and fun are inseparable for CRISILites. A wide variety of activities were organised during the year, as the following collage indicates. These events bring out the fun side of CRISILites and also help develop better camaraderie within the teams.

1 CRISILites take teamwork to a whole new level

2 Poland employees enjoy a paint-ball game

3 Employees perform a skit at the Annual Day celebration in New Delhi

4 A dance performance at the Mumbai Annual Day event

5 Analysts take time out to play some games

6 The Delhi team after winning a cricket match

7 CRISILites showcase their talent at the Pune Annual Day event

8 A game in progress at Chennai's Annual Day event

Book Fair

CRISILites checking out books at the Annual Book Fair organised in partnership with McGraw-Hill Education and book retailer Crossword, at CRISIL House, Mumbai. The fair featured books on subjects spanning finance, general management, leadership, health and fitness, children's books and mythology

CRISIL in Media – Corporate Stories*

Business India

transformation

mint

SME segment will be India's growth engine

DNA

A quarter century on, India's first rater is coasting

Business Standard

A fine balance

Business Line

European turmoil opening up new opportunities: Crisil COO

The number of downgrades has exceeded that of upgrades, indicating weakening credit quality — **Raman Uberoi, Chief Operating Officer, CRISIL**

FinanceAsia

Reprinted with permission from FinanceAsia

How India's rating agencies survive without a bond market

Crisil's chief executive discusses the agency's latest acquisition and how it copes with an under-developed corporate bond market.

By Nick Ferguson | 13 July 2012

having a rough time of it lately. Economic growth is slowing, inflation is uncomfort
s lacking and the overall policy climate suggests conditions may get wors
prime minister, Manmohan Singh, who was once lauded as a co
worse for India's rating agencies, yet busin
isil, the market leader and part of th
28.5% during the first quar
its s

The Economist

The article has been reproduced with permission from The Economist

Credit-rating agencies

Letters from India

India's ratings agencies are thriving—without a CDO in sight

Mar 17th 2012 | MUMBAI | From the print edition

THERE'S a land far from Wall Street, where credit-rating agencies are not outcasts and can look in the mirror without feeling sick. This paradise is dia, with six licensed ratings agencies, iggest of which, **CRISIL**, has a value that has just soared .3 billion. (Moody's, one of Western agencies, is worth ese outfits use the same of debt pays for the terparts in rich ulting conflict of interest helped devastate the India got things right?

st not had time to set in. Debt markets encies, CRISIL, CARE and ICRA, were d sponsored by worthy financial But India's financial supervisor les on agencies in 1999 If an agency wants s central bank

Inside Market Data

S&P's Crisil Mulls Proprietary Analytic Expansion

Author: Vicki Chan

Source: Inside Market Data | 13 Jul 2012

Roopa Kudva, CRISIL

Standard & Poor's Indian ratings, research and analytics subsidiary Crisil is exploring an expansion of the proprietary financial services analytics it can provide to clients, including potentially adding more estimates around investment bank revenues, after closing its acquisition of UK-based analytics provider Coalition last week.

The acquisition of Coalition enables Crisil to provide proprietary analytics to global clients, bey the outsourced equity research it currently conducts for banks, which then becomes the intell property of the banks, says Crisil chief executive and managing director Roopa Kudva.

While investment banks typically report investment returns at aggregate levels, Coal estimated breakdowns of banks' revenues—for example, revenues from fixed inc from revenues from mergers and acquisitions—using proprietary algorithms, a oand the product to calculate additional analytics, including breakdowns evenues from investments in emerging markets, she says.

pportunities

sal estimates provide banks with extra information ortunities or whether to scale back a busines Latin America, they can see what anot g. From there, maybe they see th ther to exit the business ent explore other

FORTUNE

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CRISIL'S BIG BET ON BIG DATA

Roopa Kudva's biggest move as a CEO has been to buy out Britain's Coalition, a data analytics firm. It's a hot new sector and she wants Crisil to grab a chunk of it. **By T. Surendar**

ROOPA KUDVA MD & CEO 2011 RANK: 10

10

* These news articles have been printed with permission from the respective media houses.
For details, please see page 157

CRISIL in Media – Thought Leadership*

Business Standard

'Ratings drive the entire SME ecosystem towards higher levels of transparency'

THE FINANCIAL EXPRESS

Companies with higher IPO grades enjoy better valuation, says Crisil

fe Bureau

Mumbai, Sept 13: Higher IPO ...des command superior ...tion driven by fundamentals over a ...period. Crisil Re... ...al study on IPO ...e-year period ... and June ...mpanies com... ...ook

a strong correlation. Compa... nies with an IPO grade of 3/5 (indicating strong fundamer... tals relative to other listed ... curities inIndia)enjoy... ...dian P/B of 3.79x ... 0.33x and 0.45x fo... withIPO grades ... respectively ... IPO grade ... P/B m... LOO...

THE TIMES OF INDIA

Four steps that will help you save for sunset years

Jiju Vidyadharan

V... hile all of us seek ...ife with adequate ...port, most fail ... in advance. ...at children ..., some ...nd/or ...old

RISK-RETURN BALANCE

Products	Horizon	Return
Provident fund (PF)	Long	Low
Public provident fund (PPF)	Long	L...
National Pension System (NPS) - available under three options of equity, corporate bond and gilt	Long	
Equity mutual funds	Me...	

...and to Rs 7,540 and ...3,170 if the st... ...red by five, 1... respectr... ...ner

Business Standard

SME exporters enjoy higher margins: CRISIL

PTI ■ New Delhi

SMEs exporting goods, mainly in sectors like engineering and leather, earn higher profit margins compared to their domestic peers as they enjoy better pricing in global markets, credit rating agency Crisil said in a study. The study was conducted on 1,800 ...mall and medium units ...ly in four export... ...d sectors-a... ...essed f...

THE ECONOMIC TIMES

Debt Recast for Discoms a Big Step in Reforming Power Sector

THE FINANCIAL EXPRESS

RBI accords importance to price stability over growth

R...

THE ECONOMIC TIMES

It's Time Markets Evaluated the Credit Rating Agencies

A Standard & Poor's Company

THE HINDU

Social infrastructure needs more focus

Roopa Kudva

The challenge before the government right now is to sustain the present momentum in social infrastructure spends.

THE HINDU

Rural spend outstrips urban: Crisil

Staff Reporter

mint

WHO GAINED AND WHO LOST

HERE'S A VIEW OF WHAT BUDGET 2012-13 HAS IN OFFER FOR DIFFERENT SECTORS OF THE ECONOMY

Mukesh Agarwal
SENIOR DIRECTOR, CRISIL RESEARCH

MUKHERJEE PRESENTS A PRACTICAL PLAN

Indian Express

Power Sector to Rely on Imported Coal: Crisil

Business Line

Restructured loans will account for 3.5% of total advances: Crisil

Business Standard

Securitisation market adapting well to revised norms: CRISIL

THE FINANCIAL EXPRESS

B-schools at crossroads

Business Standard

Downgrades exceed upgrades in Q3 by Crisil

* These news articles have been printed with permission from the respective media houses.
For details, please see page 157

Corporate Sustainability Initiatives

Pragati workshops in progress

As a responsible corporate citizen and a leading analytics firm, CRISIL has always believed in 'doing good with what we are good at'. Over the years, we have lent our expertise and resources to a large number of socially relevant causes where our capabilities have had a telling impact. And in our Silver Jubilee year, we have built further on our past initiatives.

As one of India's most respected financial sector brands, our thrust on financial awareness remains unchanged, reflecting our mission of being responsible to all stakeholders. At the same time, we are giving back to society by supporting causes benefiting children, the underprivileged and the elderly. Lastly, CRISIL also continues to carefully monitor and control its carbon footprint through a series of energy-conservation measures.

In each of these initiatives, our employees have been a force multiplier, supporting and supplementing our efforts at every step. Looking ahead, CRISIL will keep engaging with society to empower stakeholders and make markets function better.

Here are some of our corporate sustainability initiatives from the past year.

Giving Back to Society

A Pragati

A.1 Progress through Financial Awareness

A financially literate population will have a ripple effect on the economy and also help promote a sound and efficient financial system in the country. Keeping this in mind, CRISIL launched 'Pragati – Progress through Financial Awareness' during the year. Organised in partnership with Rashtriya Gramin Vikas Nidhi (RGVN), a non-profit organisation, this series of 25 sessions held in nine districts of the North-Eastern state of Assam has equipped 1,000 participants, mostly women, including members of self-help groups, students and small entrepreneurs, with personal finance skills. The participants were introduced to topics such as financial planning, cash management, savings, insurance and risk management.

As thought leaders in India's financial markets, we are leveraging our expertise to convert our rich knowledge base into learnings for the uplift of the financially excluded to help them integrate with the larger economy. CRISIL is committed to spreading financial awareness as it closely aligns with our goal of making markets function better. Pragati was the first step towards this goal.

A .2 Partnership with EducateGirls

CRISIL started running an Intranet campaign in support of the NGO EducateGirls this year to create awareness about the need for educating the girl child. EducateGirls is an NGO working to send underprivileged girls in rural Rajasthan, who are married off at an early age, to school.

B Students Get Computers for Studies

CRISILites remained committed to help young and underprivileged students to get the benefits of modern education. The organisation donated 190 CPUs and 40 desktop monitors to three NGOs to help support schools for educational purposes or for setting up computer training centres.

C Joy of Giving Week

Like every year, the 'Joy of Giving Week' was celebrated with much fervour. The response from CRISILites was so enthusiastic that the programme was extended from a week to a fortnight. A series of activities was planned during the two weeks, ranging from organ donation to blood donation and rice donation besides books, clothes, stationery and toy donation. NGOs, too, were invited to exhibit their products, which accounted for sales of Rs.32,045 and a donation of Rs.100,000 by one employee to the National Association for the Blind.

D Payroll Giving for Donation to Various Causes

CRISIL's association with Give India for the 'Payroll Giving' programme continues. Around 200 new CRISILites enrolled into the programme in 2012.

NGOs exhibiting their products at CRISIL House

Donation boxes set up at CRISIL House

Corporate Sustainability Initiatives (Contd.)

E

Running for a Cause

CRISIL encouraged its employees to take part in the 'Run Powai Run' marathon, which saw over 160 CRISILites participate. CRISIL sponsored 75 of its employees who participated in the marathon. The sponsorship amount went to Dhanji Devshi Municipal M. R. School, where 70 specially-abled children study. The school has appointed a counselor for these children and also organises health, dental and eye check-ups, distributes hearing aids, offers occupational and speech therapy and conducts other activities.

F

CRISIL Giving Circle

The CRISIL Giving Circle is a unique programme which helps employees to come together and choose initiatives to fund jointly. In 2012, the Giving Circle chose two causes: mobile crèches, where 20 children of migrant labourers were provided food, education and a secure environment; and Muktangan, under which they contributed towards better facilities for Class II students at Love Grove Primary School in Mumbai.

The jubilant team of CRISILites at the marathon

Statutory Reports

Board of Directors

MR. DOUGLAS PETERSON, Chairman

Mr. Douglas Peterson was named President of Standard & Poor's Ratings Services, the leading global credit rating agency 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 26 years. Until the beginning of 2010, Mr. Peterson was the CEO of Citigroup, Japan, where he oversaw the entire franchise, managing over 15,000 employees. Mr. Peterson had previously been the Chief Auditor of Citigroup from 2001 to 2004 after he had led the enterprise-wide project to integrate the Internal Audit teams after the merger of Citicorp and Travelers. 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.

Mr. Peterson has previously served on the boards of the American Chambers of Commerce (in Costa Rica, Uruguay, and Japan) and the International Bankers Association of Japan. He is currently on the Boards of Advisors for the Wharton Financial Institutions Center and the Kravis Leadership Institute, and the Boards of Trustees of the Paul Taylor Dance Company and Claremont McKenna College.

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 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 Grasim Industries Limited, The Supreme Industries Limited, J. K. Lakshmi Cement Limited, Excel Crop Care Limited, L&T Infrastructure Finance Limited, Grasim Bhiwani Textiles Limited, and L&T Finance Holdings Limited.

MR. H. N. SINOR, Director

Mr. H. N. Sinor has been a veteran banker, having spent over four decades in banking. Starting his career in 1965, he has worked for 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 public sector as well as 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 the Indian Banks' Association as Chief Executive and was the spokesperson for the Banking Industry from June 2003 to 2008. Later, in February 2010, he joined the Association of Mutual Funds in India, in a similar capacity, where he continues till now. He is also an Independent Director on the boards of several companies in the ICICI Group and the Tata Group, besides being Non-Whole-time Chairman of 3i Infotech Limited and Themis Medicare Limited.

MS. RAMA BIJAPURKAR, Director

Ms. Rama Bijapurkar is a recognised thought leader on market strategy and consumer related issues in India. She is an independent management consultant and works across a wide range of organisations in diverse sectors, helping them develop market focused business strategy. She has been an independent director on the boards of some of India's most respected companies and is also a visiting faculty and serves 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), and 'Customer in the Boardroom? Crafting Customer Based Business Strategy' (Sage).

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 Mumbai University.

He worked with ICICI from 1987 to 2007 and was a member of its Board of Directors from 2001 to 2007. From 2007 to 2011, he served as the founding President of ICICI Foundation and was Chair of the Governing Council of the IFMR Trust and Board Chair of FINO.

During 2011-12, he served as a member of the High Level Expert Group on Universal Health Coverage, appointed by the Planning Commission. He is now the Board Chair of CARE India and Sughavazhvu Healthcare and a member of the Boards of the IKP Centre for Technologies in Public Health, the IKP Centre for the Advancement of Agricultural Practice, and the Institute for Financial Management and Research.

In the past he has also served as a Board Member of Wipro and Board Chair of the Fixed Income Money Market and Derivatives Association of India.

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 has been 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 Mr. Douglas Peterson, Mr. Yann Le Pallec and Mr. 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, National Instruments, American Bureau of Shipping etc. as well as listed companies such as Unitech Limited. He is a former Governing Body Member of the Indian Council of Arbitration and Vice Chairman of the Asia Pacific Committee of the American Bar Association. He is a member of the Law Society of England & Wales, Chartered Institute of Arbitrators, London as well as the Supreme Court Bar Association. He is a consultant to the World Bank and Organization for Economic Co-Operation and Development (OECD).

Mr. Singhania 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 in the Supreme Court of England and Wales.

MS. ROOPA KUDVA,
Managing Director & Chief Executive Officer

Ms. Roopa Kudva is the Managing Director & Chief Executive Officer of CRISIL. 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 the 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.

Senior Management

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

Mr. Ramraj Pai
President, CRISIL Ratings

Mr. Arun Panicker
Chief Analytical Office, CRISIL Ratings

Mr. Sachin Nigam
Senior Director, SME Ratings

Mr. Sanjeev Sinha
President, CRISIL Global Research & Analytics

Mr. Mukesh Agarwal
President, CRISIL Research

Mr. Sameer Bhatia
President, CRISIL Infrastructure Advisory

Mr. Manish Jaiswal
Senior Director, CRISIL Risk Solutions

Mr. Raman Uberoi
Chief Operating Officer, CRISIL

Mr. G. V. Mani
President, Strategy and New Initiatives, CRISIL

Mr. G. Ravishankar
President, Human Resources, CRISIL

Committees of the Board

1. Allotment Committee

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

2. Audit Committee

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

3. Compensation Committee

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

4. Investment Committee

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

5. Investors' Grievance Committee

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

6. Rating Committee

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

Auditors

S. R. Batliboi & Co., Chartered Accountants

Solicitors

Wadia Ghandy & Co.

Company Secretary

Mr. Neelabja Chakrabarty

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 – 500 081

Registered Office

CRISIL House,
Central Avenue, Hiranandani Business Park,
Powai, Mumbai – 400 076

Directors' Report

Dear Member,

The Directors are pleased to present to you the 26th Annual Report of CRISIL Limited, along with the audited accounts for the year ended December 31, 2012.

PERFORMANCE

A summary of the Company's financial performance in 2012:

Rupees in crore

Particulars	Standalone		Consolidated	
	2012	2011	2012	2011
Total income for the year was	759.25	682.17	998.10	849.78
Profit before depreciation and taxes was	294.21	269.15	348.01	305.23
Deducting depreciation of	23.92	21.68	34.32	29.83
Profit before tax was	270.29	247.47	313.69	275.40
Deducting taxes of	77.42	60.96	93.29	68.98
Profit after tax was	192.87	186.51	220.40	206.42
The proposed appropriations are:				
Dividend	112.32	77.82	112.32	77.82
Corporate Dividend Tax	18.22	12.56	18.34	12.65
General Reserve	19.29	18.65	19.29	18.65
Balance carried forward is	43.04	77.48	70.45	97.29

DIVIDEND

The Directors recommend, for approval of the members at the Annual General Meeting to be held on April 18, 2013, payment of final dividend of Rs. 4 per share for the year under review. During the year, the Company paid three interim dividends of Rs. 3 per share each on face value of Re. 1 per equity share. In addition, the Company paid a Special Silver Jubilee Dividend of Rs. 3 per share on a face value of Re. 1 per share in 2012. The total dividend for the year works out to Rs. 16 per share on a face value of Re. 1 per share in 2012 as against Rs. 11 per share on a face value of Re. 1 per share in the previous year.

ACQUISITION OF COALITION, UK-BASED ANALYTICS FIRM

On June 1, 2012, CRISIL entered into an agreement to buy, subject to statutory approvals, 100% of the equity shares of Coalition Development Limited, along with its subsidiaries (Coalition). Coalition, which has its headquarters in London, provides high-end analytics, mainly to leading global investment banks. Formed in 2002, Coalition is a dynamic high-growth company, firmly established as a premium brand. The transaction was completed on July 4, 2012, and Coalition has been consolidated with CRISIL with effect from this date.

Coalition deploys unique proprietary frameworks and algorithms to provide analytics on market size and dynamics, revenue opportunities and human capital. Coalition's analytics provide a clear, actionable picture of the markets and are used by boards, strategy teams and top managements at leading financial services institutions.

INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL

During the year, the Company issued and allotted 1,77,300 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011. Consequently, the issued, subscribed and paid-up capital of the Company increased from 7,00,58,440 equity shares of Re. 1 each to 7,02,35,740 equity shares of Re. 1 each.

REVIEW OF OPERATIONS - 2012

A. RATINGS

Highlights

- Announced 3,600 new bank loan ratings (BLRs); tally of BLRs outstanding exceeds 11,500
- Assigned more than 10,000 small and medium enterprise (SME) ratings during the year
- Launched annual series of seminars for the bond market
- Increased support through Global Analytical Centre (GAC) to new business groups and meeting more complex requirements of analytics for S&P Ratings

Business Environment

The domestic environment remained challenging during 2012 with slowing demand, high inflation and interest rates, and tight liquidity. The global macroeconomic conditions deteriorated, with recession in the Eurozone, and slackening in the US economy. These factors resulted in a weak investment climate, and subdued debt markets in India. The corporate bond market had very few new issuers. The securitisation market, however, revived in the second half of 2012, with issuers and investors getting accustomed to the new guidelines issued by the Reserve Bank of India. Bank Loan Ratings (BLRs) showed healthy growth over the previous year, with numerous small corporates opting for ratings, despite a sluggish overall business environment. The BLR market is expected to remain buoyant on the back of the growing trend among small companies to get their loans rated.

CRISIL Ratings maintained its market leadership in 2012, backed by its strong performance in the BLR business. It also announced 3,600 new BLRs during the year.

The bond market may remain sluggish in the first half of 2013, on account of slowdown in the global business environment and persistently high inflation. However, reform measures by the government to spur domestic growth, and expected revival in investments in the second half of 2013 may strengthen the long-term prospects for the bond market.

The demand for SME ratings was steady during the year. Enhanced awareness about the benefits of ratings, the banks' growing acceptance of CRISIL's SME ratings, and CRISIL's intensive outreach initiatives and expansion into new markets and territories are expected to continue spurring demand for SME ratings in 2013, despite the challenging business environment.

Operations

CRISIL Ratings maintained its market leadership in 2012, backed by strong performance in the BLR and SME ratings businesses. CRISIL announced 3,600 new BLRs and 10,000 SME ratings during the year. CRISIL has assigned more than 11,500 BLRs and 46,000 SME ratings / assessments so far. CRISIL Real Estate Star Ratings (CREST), launched in 2010, has been well accepted in the real estate sector and witnessed significant demand this year, with leading developers across cities choosing to get their projects graded by CRISIL.

In 2012, CRISIL Ratings launched the annual series of seminars on the bond market. The inaugural seminar 'Expanding India's Corporate Bond Market' was hosted in 2012. The keynote address at the seminar was made by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India. We presented investors and regulators with a compendium showcasing 507 CRISIL A-rated companies. CRISIL Ratings released 'Industry Insights' for 22 key industries covering more than 5,000 clients, showcasing the depth of our analytics and breadth of our client base.

Our article on the importance of liquidity back-up for commercial paper was well received by investors and

Assigned more than 10,000 SME ratings during the year.

GAC will continue to play a critical role for S&P Ratings, driven by S&P's focus on service excellence in ratings.

even prompted mutual funds to revise their internal policies on liquidity. Our article on the importance of evaluating credit rating agencies received positive feedback from market participants and influencers. CRISIL Ratings published quarterly updates on its rating portfolio, and on the corporate credit quality and default rates.

CRISIL Ratings 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, investor discussion forums and seminars were conducted, which helped CRISIL to reach around 15,000 stakeholders, including companies and bankers across the country.

CRISIL Ratings organised a series of discussion forums during the year to increase awareness on the developing market trends and the impact on the capital markets. These discussion forums covered capital market entities, the telecom sector, gold loan, non-banking finance companies (NBFCs), and loan restructuring by banks. The forums saw excellent market participation and received extensive media coverage. We also engaged proactively with regulators in providing opinion on key sectoral and economic trends, and participated in several regulatory committees and forums.

GAC further consolidated its relationship with S&P Ratings, and extended support to business groups across geographies and higher-end analytical tasks.

B. RESEARCH

B.1. GLOBAL RESEARCH & ANALYTICS (GR&A)

(INCLUDES IREVNA, PIPAL RESEARCH AND COALITION)

Highlights

- Acquired Coalition, a leading U.K.-based analytics firm in July 2012
- Added large new clients, including several global and regional financial institutions, and Fortune 500 companies
- Published a comprehensive report, 'Big Data – The Next Big Thing' in association with NASSCOM
- Received NASSCOM's NExT award, for the second year in a row, for our talent management practices
- Strengthened our position as a global analytical company by rebranding of Irevna and Pipal Research as CRISIL Global Research & Analytics

Business Environment

Uncertainty in the global economic environment, driven by the European sovereign and debt crisis, and significant regulatory upheavals in the banking industry have affected the business environment.

The global banking industry remained in a phase of reduced profitability. Banks have undertaken massive restructuring of their operations, rationalising staff headcount, and winding down business segments. In particular, the investment banking industry witnessed low trading volumes and deal flows that impacted their business adversely. Regulatory changes, in addition, have forced banks to set up infrastructure to meet new requirements and reporting standards.

Though the corporate segment (manufacturing and non-financial services) turned in improved performance across the globe, this was largely driven by the proactive cost-cutting and cash conservation initiatives, and postponement of decisions on projects.

While the changes in the banking industry presented CRISIL GR&A with a challenging business environment, we believe that these structural changes in the global banking industry are positive for the GR&A business. These changes are compelling banks to restructure quickly and fully, and seek the support of high-end research and analytics firms like us. In the short term, however, the restructuring will marginally impact the performance of analytics companies. The new environment is also opening up newer opportunities – to provide solutions for meeting regulatory requirements and stress testing.

We have significantly stepped up efforts to provide services and support to clients, in areas such as stress

testing, validation of price models, and risk analytics, which are becoming very critical for the global banks.

The global business environment is expected to recover in 2013, backed by policy interventions in the developed economies. Regulatory and compliance requirements for banks and financial institutions in U.S.A. and Europe are also expected to drive demand for the services of research and analytics firms.

Operations

CRISIL acquired Coalition, a U.K.-based firm providing high-end analytics, mainly to leading global investment banks. This marks our entry into proprietary research outside India. Coalition complements our offerings to the financial institutions - while we offer research and analytics services in trading and risk management to banks, Coalition works with the same financial institutions' top management and strategy teams.

We have consolidated our leadership position in the research and analytics space, adding numerous new clients in 2012, including banks and Fortune 500 companies. Our high-end research has enabled clients to improve their rankings, increase research coverage, enter new markets, get better business insights, and deliver path-breaking research. Our regulatory and risk management practice has helped clients comply with regulations.

We won special recognition at the NASSCOM Exemplary Talent (NExT) Awards for the second year in a row in 'The Talent Magnets' category, in recognition of our compelling and differentiated employee value proposition.

The rebranding of Irevna and Pipal Research to CRISIL GR&A has strengthened our position as a global analytics provider. The new positioning leverages on the strong CRISIL brand, and has received positive reception from stakeholders, including customers, employees and industry bodies.

CRISIL GR&A makes inroads to provide support to global banks to meet compliance and regulatory requirements.

Coalition continues to deliver strong results by expanding its client base and launching new products.

Our franchise-building initiatives gained momentum during the year. We published 'Big Data - The Next Big Thing', the most comprehensive study on the subject in India, jointly with NASSCOM. We actively participated in several global conferences and seminars, in addition to hosting roundtables in London and San Francisco that were attended by chief risk officers, risk practitioners and regulators.

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 centres in Wroclaw (Poland) have grown significantly.

B.2. INDIA RESEARCH

Highlights

- Commenced valuation of market-linked debentures (MLDs) for the first time in India and covered more than 10 issuers. These valuations are available on the CRISIL website
- Launched India's first SME Fundamental Grading service for enterprises proposing to raise equity capital through SME exchanges
- Released two special reports: covering 16 less-known sectors that are in a phase of strong growth and offer significant scope for lenders and investors; and on 68 SME clusters across 30 sectors
- Prepared research reports on 1,442 companies listed and traded on the National Stock Exchange of India Limited (NSE); these reports are available to investors free-of-cost on the NSE website
- Launched, together with Sri Lanka's NDB Investment Bank, a group of four indices for Sri Lanka's government securities market, to help investors benchmark investments and allocate assets better

Business Environment

The business environment remained challenging during the year with lower GDP growth and slowdown in investments. High inflation and interest rates, together

with growing uncertainty, have proved to be a setback to the domestic capital markets. Volatility in the equity markets affected CRISIL Research's Independent Equity Research (IER) and Initial Public Offering (IPO) grading businesses. In Customised Research, however, the flow of mandates has been positive, with corporates valuing our independent research inputs highly. The outlook for the business will be guided by the successful implementation of key domestic reforms. India's adverse economic and political environment, the deepening Eurozone crisis, and slowdown in the U.S. remain key risks.

Operations

CRISIL Research continued to build on its powerful value proposition – of timely and relevant research. The revamped subscription-based web platform (www.crisilresearch.com) provides near-real-time access to research, and continues to attract growing usage by clients.

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 through two special reports – the first report was on 16 less-known, high-growth sectors, and the second was on 68 SME clusters in 30 sectors. In addition, CRISIL Research, in association with Kotak Wealth Management, launched the second edition of the 'Top of the Pyramid' report, which highlights insightful features about the spending, investing and income patterns of India's Ultra High Networth Households.

Together with Sri Lanka's NDB Investment Bank, it launched a group of four indices for Sri Lanka's government securities market to help investors benchmark investments and take better asset allocation decisions.

The indices have been developed, and will be maintained, by CRISIL Research.

The Equity Research segment completed another year of preparing research reports on 1,442 companies listed and traded on NSE. It also launched India's first SME Fundamental Grading service for enterprises proposing to raise equity capital through the SME exchanges. Through a tie-up with NSE, IPOs of all SMEs proposing to be listed on EMERGE (NSE's SME platform) will have CRISIL SME Fundamental Grading. CRISIL Research will also release IER reports on these SMEs.

The Funds and Fixed Income Research segment commenced valuation of market-linked debentures (MLDs), making CRISIL the first rating agency in the country to provide these valuations. During the year, valuations (available on the CRISIL website) have been released for more than 10 issuers.

In addition, having completed the prestigious assignment of selecting fund managers to manage the Employee Provident Fund Organisation (EPFO) corpus, CRISIL Research continues to assist EPFO in evaluating the performance of its fund managers.

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

C-CER published 10 special reports in its series, Economy Insight, covering contemporary macroeconomic issues such as inflation, exchange rate, role of the private sector in the economy, and impact of the Eurozone crisis on India's growth. A report analysing rural consumption patterns in India, titled 'Sustaining the rural consumption boom', received extensive coverage in the national and regional print media and drew the attention of policymakers. During the year, C-CER also released a new indicator of core inflation for India – CRISIL Core Inflation Indicator.

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 the Ministry of Coal, Government of India, in formulating a methodology to fix the floor and reserve prices for coal block auctions under captive mining
- Helped Indonesia Infrastructure Guarantee Fund (IIGF) as the Financial and Transaction Advisory Consultant for Puruk Cahu Bangkuang Coal Rail Project in Indonesia
- Advised Asian Development Bank (ADB) in preparing a strategic framework for a slum-free New Delhi
- Acted as advisors to the Central Electricity Supply Utility of Odisha on smart grid solutions for energy management and energy efficiency

Business Environment

The sluggishness of the Indian economy continued, and the energy sector in India was adversely impacted due to delays in key policy actions. This, compounded with the Eurozone crisis, and the attendant general risk aversion have continued to impact the India business of CRISIL Infrastructure Advisory. However, the international business has remained stable on the back of long-term multilateral spending programmes. The business won large and prestigious mandates in Indonesia and Vietnam in South-East Asia, and Tanzania and Ethiopia in Africa.

The investments of USD 1 trillion envisaged in infrastructure in India during the 12th Five Year Plan period present a sizeable opportunity over a medium term. 2013, however is likely to remain challenging as clarity on policies will emerge over time and investments could pick up in the sector only in the later half.

Operations

The business won significant mandates from government and urban local bodies. The advisory business had a challenging year in the energy and natural resources verticals. Our focus on the international business – especially in South-East Asia and Africa – has helped maintain growth during the year.

C.2. CRISIL RISK SOLUTIONS (CRS)

Highlights

- Diversified client base with a third of revenues coming from non-banking segment, and a third each from the overseas market and risk consulting, respectively
- Extended flagship internal rating solution Risk Assessment Model (RAM) to cover the entire credit process in financial institutions
- Successfully entered markets in Europe, the Middle East and Africa (EMEA) and South East Asia in collaboration with S&P Risk Solutions.

Business Environment

Steady investments in risk management systems and framework enhancements globally are likely to continue over the medium term across segments in the financial sector like banks and NBFCs. CRS products and services across the risk spectrum are, therefore, likely to be in increasing demand.

Operations

CRS maintained its focus on both consulting and software solutions, and won and executed 32 mandates in 2012.

CRS offerings are geared to cover Basel III requirements in all areas of risk (credit, market, liquidity, operational and ICAAP). In 2012, the focus was to add modules and features to keep products in line with global practices. During the year, we added new modules to the RAM / credit risk evaluator, developed and implemented a comprehensive loan origination system; developed, and began implementing a system to help banks meet reporting requirements for automated data flow and enhanced features of the existing product suite. CRS has also:

- Enhanced operational risk system (CORE) with advanced statistical techniques for banks looking to move to the AMA approach
- Strengthened credit risk capital computation system (CAM Retail) with advanced techniques to pool retail assets
- Improved the market risk capital computation system (CAM Market) to cover multiple instruments and all approaches in estimating value at risk (VaR)

The business continues to maintain internal process standards at ISO 9001:2008 certification levels.

CRS partnered with S&P Risk Solutions to bid for, and win, projects in the EMEA and South East Asia. The partnership won its first assignment in July in the U.A.E., and has since won one assignment each in Saudi Arabia and Malaysia. There are multiple assignments in the pipeline for 2013.

Multiple franchise initiatives were undertaken during the year: these included co-sponsoring an operational risk seminar in Dubai, participating in a global risk conference in New York, serving as knowledge partner in CGD Innovative Products & Services Conclave 2012, making a presentation at Platts Commodity Week in Mumbai, showcasing our operational risk offerings to the RBI DBOD team, and participating in an SME event organised by the Small Business Banking Network in Dubai.

D. COLLABORATION WITH S&P

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

CRS partnered with S&P Risk Solutions to bid for, and win, projects in Europe, the Middle East and Africa (EMEA), and South East Asia. The partnership won the first assignment in July in the U.A.E., and has since won one deal each in Saudi Arabia and Malaysia.

CRISIL was 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 for 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 India Index includes the top 500 Indian companies as per market capitalisation and listed on the National Stock Exchange of India Limited. In addition to this, CRISIL also worked with S&P to develop a new ESG methodology for creating / launching of global S&P ESG indices.

As part of the collaborative efforts, C-CER published 4 reports / articles on Asia-Pacific economies for S&P and we also brought out 4 issues of the South Asia Economic Outlook to provide an overview of and insights on the South Asian economies in the region, along with the key initiatives of Standard & Poor's in the region.

E. HUMAN RESOURCES

During 2012, CRISIL's Human Resources team strengthened its talent acquisition, retention and development agenda. CRISIL's headcount increased to 3,450 as on December 31, 2012, from 3,207 a year ago.

Highlights

- Augmented the senior management team
- Introduced two new talent augmentation programmes: CRISIL Certified Internship Programme, which involves having promising graduates intern with CRISIL for six months, as they decide on whether to pursue higher studies or consider long-term career options; and the Graduate Trainee Programme, which involves hiring high-calibre graduates from premier colleges. Trainees are led through an intensive programme to help them understand concepts in Finance

Attracting and Developing Talent

Team HR:

- Focused on the key goal for the year – to attain excellence in quality of interface and communication. Workshops on 'Conducting High-Impact Meetings' were custom-designed for the businesses, with inputs from business leaders. The workshops, conducted by the leadership teams, including the Managing Director and CEO and members of the Executive Committee, involved case studies and role play simulations
- Persisted with policy on employee development through training modules prepared in-house. More than 85 per cent of the training programmes this year were facilitated by in-house trainers and business leaders. More than 300 training programmes were conducted, aggregating to more than 6,000 man days

F. SUBSIDIARIES

During the year, consequent to the acquisition of Coalition and its subsidiaries, Coalition Development

Limited, U.K., Coalition Development Singapore Pte. Limited, Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited became the wholly owned subsidiaries of the Company. As on December 31, 2012, the Company had four Indian and seven overseas wholly owned subsidiaries.

The Ministry of Corporate Affairs, Government of India, has granted a general exemption under Section 212 (8) of the Companies Act, 1956, from the requirement to attach detailed financial statements of each subsidiary. The Board of Directors has passed a resolution on October 17, 2012, for not attaching individual annual reports of its subsidiary companies to its Annual Report. In compliance with the exemption granted, 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, provides a variety of indices and index-related services and products to capital markets.

In 2012, 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 CNX Nifty Index. IISL also concluded licensing agreements for the issue of structured products linked to the CNX Nifty Index outside India. In response to market requirements, IISL also launched a few strategy indices during the year – CNX Nifty Dividend Index, CNX Alpha Index, CNX High Beta Index and CNX Low Volatility Index.

H. DIRECTORS

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. B. V. Bhargava and Mr. H. N. Sinor retire by rotation and being eligible, seek re-appointment.

I. AUDITORS

The Statutory Auditors, S. R. Batliboi & Co, Chartered Accountants, hold office up to the ensuing Annual General Meeting and being eligible, offer themself for re-appointment. The Board recommends their re-appointment.

J. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The 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 annexed to this 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 annexed 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 as separate items 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. PARTICULARS OF EMPLOYEES

During the year, 33 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 Director's Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to the shareholders without this annexure. Shareholders interested in obtaining a copy of the annexure may write to the Company Secretary at CRISIL's registered office.

L.3. 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 for financial year 2012, 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 December 31, 2012 and of the profit of the Company for the year ended on that date.

(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 for financial year 2012 on a 'going concern' basis.

Employee Stock Option Schemes

The Company has two employee stock option schemes. The Employee Stock Option Scheme 2011 (ESOS 2011) was approved by the shareholders vide a special resolution passed through postal ballot on February 4, 2011. The Employee Stock Option Scheme 2012 (ESOS 2012) was approved by the shareholders vide a special resolution passed through postal ballot on April 10, 2012.

Summary Information on ESOS 2011 and ESOS 2012 of the Company is provided as Annexure to this Report. The information is being provided in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

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.

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

Douglas Peterson
Chairman

Mumbai, February 14, 2013

Annexure to the Directors' Report

Information required to be disclosed under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Sr. No.	Description	ESOS 2011	ESOS 2012
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	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	1,160,000*	Nil
3.	Options granted between January 1, 2012 and December 31, 2012	Nil	908,275
4.	Options vested during the year	2,48,800	Nil
5.	Options exercised during the year**	1,77,600	Nil
6.	Total number of shares arising as a result of exercise of Options**	1,77,300	Nil
7.	Options lapsed during the year	51,900	16,575
8.	Total number of options in force at the end of the year	9,30,500	8,91,700
9.	Money raised by the exercise of options (Rs. in crore)**	10.28	Nil
10.	Grant to Senior Management	Details given below	Details given below
11.	Diluted earnings per share pursuant to issue of shares on exercise of option calculated in accordance with AS 20 'Earnings per Share' (Rs.)	26.41	26.41
12.	Weighted average exercise price (Rs.) of the options whose:		
	a. Exercise price equals market price	579.88	1,060.00
	b. Exercise price is greater than market price	N.A.	N.A.
	c. Exercise price is less than market price	N.A.	N.A.
13.	Weighted average fair value (Rs.) of the options whose:		
	a. Exercise price equals market price	184.49	320.08
	b. Exercise price is greater than market price	N.A.	N.A.
	c. Exercise price is less than market price	N.A.	N.A.
14.	Method of calculating Fair Value of options	The fair value of the options granted has been estimated using the Black-Scholes option pricing model. Each tranche of vesting has been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same are given below.	

Significant assumptions used for estimate of fair value:

Variables:	ESOS 2011	ESOS 2012
Stock Price (Rs.)	586	1,068
Volatility	34.77%	30.44%
Risk free Rate	8.03%	8.40%
Exercise Price (Rs.)	579.88	1,060.00
Time to Maturity	3.68	3.69
Dividend yield	2.37%	2.23%

Notes:

1) *After the sub-division of shares from Rs. 10 per equity share to Re. 1 per equity share with effect from October 1, 2011.

2) None of the employees were granted, in any one year, options equal to 5% or more of total options granted during that year.

3) 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.

4) There was no variation of the terms of options granted.

5) ** Options exercised include 300 options exercised after last allotment in October, 2012. However, the money corresponding to this exercise has not yet been realised and will be realised 15 days before the next allotment committee meeting.

6) Options granted to Senior Managerial Personnel up to December 31, 2012, are as follows:

Sr. No.	Name	ESOS-2011 (number of options granted)	ESOS- 2012 (number of options granted)
1	Roopa Kudva	40,000	25,000
2	G. V. Mani	30,000	15,000
3	Raman Uberoi	30,000	15,000
4	Arun Panicker	30,000	15,000
5	Mukesh Agarwal	22,000	18,000
6	Ramraj Pai	22,000	18,000
7	G. Ravishankar	22,000	8,000
8	Sachin Nigam	-	5,000

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 ratings 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 environment remained challenging during 2012 with slowing demand, high inflation and interest rates, and tight liquidity. The global macroeconomic conditions deteriorated, with recession in the Eurozone, and slackening in the US economy. These factors resulted in a weak investment climate, and subdued debt markets in India. The corporate bond market had very few new issuers. The securitisation market, however, revived in the second half of 2012, with issuers and investors getting accustomed to the new guidelines issued by the Reserve Bank of India. The bank loan ratings (BLRs) showed healthy growth over the previous year and is expected to remain buoyant on the back of the growing trend among small companies to get their loans rated. The bond market may remain sluggish in the first half of 2013, on account of slowdown in the global business environment and the persistently high inflation. However, reform measures announced by the Government of India to spur domestic growth, and expected revival in investments in the second half of 2013 may strengthen the long-term prospects for the bond market.

The demand for Small and Medium Enterprise (SME) ratings was steady during the year. Enhanced awareness about the benefits of ratings, the banks' growing acceptance of CRISIL's SME ratings, and CRISIL's intensive outreach initiatives and expansion into new markets and territories are expected to continue spurring demand for SME ratings in 2013, despite the challenging business environment.

Global Analytical Centre (GAC) will continue to play a critical role for S&P Ratings, driven by S&P's focus on service excellence in ratings.

CRISIL GLOBAL RESEARCH AND ANALYTICAL SERVICES (GR&A)

The global banking industry remained in a phase of reduced profitability. Banks have undertaken massive restructuring of their operations, rationalising staff headcount, and winding down business segments. In particular, the investment banking industry witnessed low trading volumes and deal flows that impacted their business adversely. Regulatory changes, in addition, have forced banks to set up infrastructure to meet new requirements and reporting standards.

Though the corporate segment (manufacturing and non-financial services) turned in improved performance across the globe, this was largely driven by the proactive cost-cutting and cash conservation initiatives, and postponement of decisions on projects.

While the changes in the banking industry presented CRISIL GR&A with a challenging business environment, we believe that these structural changes in the global banking industry

are positive for the GR&A business. These changes are compelling banks to restructure quickly and fully, and seek support of high-end research and analytics firms like us. In the short term, however, the restructuring will marginally impact the performance of analytics companies. The new environment is also opening up newer opportunities – to provide solutions for meeting regulatory requirements and stress testing.

The global business environment is expected to recover in 2013, backed by policy interventions in the developed economies. Regulatory and compliance requirements for banks and financial institutions in the US and Europe are also expected to drive demand for the services of research and analytics firms.

CRISIL acquired Coalition, a U.K.-based firm providing high-end analytics, mainly to leading global investment banks. The transaction was completed on July 4, 2012, and Coalition has been consolidated with CRISIL with effect from this date. The acquisition of Coalition marks CRISIL's entry into proprietary research outside India. Coalition provides high-end analytics, mainly to leading global investment banks, and is a dynamic high-growth company with a firmly established premium brand

CRISIL RESEARCH

The business environment remained challenging during the year with lower GDP growth and slowdown in investments. High inflation and interest rates, together with growing uncertainty have been a setback to the domestic capital markets. Volatility in the equity markets affected CRISIL Research's Independent Equity Research (IER) and Initial Public Offering (IPO) grading businesses. In Customised Research, however, the flow of mandates has been positive, with corporates valuing our independent research inputs highly. The outlook for the business will be guided by successful implementation of key domestic reforms. India's adverse economic and political environment, the deepening Eurozone crisis, and slowdown in the US remain key risks.

CRISIL INFRASTRUCTURE ADVISORY AND RISK SOLUTION (CRIS)

The sluggishness of the Indian economy continued, and was compounded by the government's inaction on the policy front, especially in the energy sector. The prevailing political environment, the Eurozone crisis, and the attendant general risk aversion have continued to impact the India business of CRISIL Infrastructure Advisory. However, the international business has grown on the back of long-term multilateral spending programmes. The business won large and prestigious mandates in Indonesia and Vietnam in South-East Asia, and Tanzania and Ethiopia in Africa.

The investments of USD 1 trillion envisaged in infrastructure in India during the 12th Five Year Plan period present a sizeable opportunity for CRIS over a medium term. 2013, however is likely to remain challenging as clarity on policies will emerge over time and investments could pick up in the sector only in the latter half.

Steady investments in risk management systems and framework enhancements globally are likely to continue over the medium term across segments in the financial sector like banks and NBFCs. CRS products and services across the risk spectrum are, therefore, likely to be in increasing demand.

ANALYSIS OF CONSOLIDATED 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 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 authorised capital of the Company is Rs.10 Crore comprising of 100,000,000 equity shares of Re. 1 per share. During the year, the Company issued and allotted 1,77,300 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011. Consequently, the issued, subscribed and paid–up capital of the Company increased from 7,00,58,440 equity shares of Re.1 each to 7,02,35,740 equity shares of Re.1 each.

2. Reserves and Surplus

Reserves and Surplus as at December 31, 2012, stood at Rs.521.95 Crore, a growth of 27 % over the corresponding previous period. The growth in reserve was achieved through strong profitability despite a challenging environment and after dividend payout of Rs.112.32 Crore in the current year

3. Trade Payables

Trade payables 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.

4. Provisions

a. Provision for employee benefits: Provision for employee benefits comprise of leave encashment and gratuity liability of the company, 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. The overall liability growth of 30% in the current year is mainly on account of increase in number of employees and impact on account of Coalition acquisition.

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.

5. Other Liabilities

Other liabilities mainly represent payables on account of withholding tax, service tax, other duties and unearned revenue. Unearned revenue represents fee received in advance or advance billing for which services has not been rendered.

6. Fixed Assets

Tangible Assets

The Company's investments in tangible assets represent cost of buildings, leasehold improvements, computers, office equipment, furniture fixtures and vehicles.

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

Rs. Crore

Details	December 31, 2012	December 31, 2011	Growth (%)
Gross Block	231.26	207.06	12%
Less: Accumulated Depreciation	117.02	101.08	16%
Net Block	114.24	105.98	8%
Add: Capital Work in Progress	0.00	0.58	
Net Fixed Assets	114.24	106.56	7%
Depreciation as a % of Total Income	3%	4%	
Accumulated Depreciation as % of Gross Block	51%	49%	

During the year, the company's investment in fixed assets and capital work in progress was Rs. 36.09 Crore, whereas sale of assets realised Rs. 3.28 Crore. 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 and accumulated depreciation as a percentage of total income was 3% and 51% respectively for the current 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.

Intangibles

Intangible assets comprise mainly of goodwill arising on consolidation of subsidiaries, customer relationships, brand and non-compete.

7. Investments and Treasury

The company's treasury as at December 31, 2012, was Rs. 263.57 Crore, as against Rs. 266.83 Crore in the previous year. Cash and cash equivalents constituted 27% of total assets as at December 31, 2012, as against 38% in the previous year. The details of the treasury are as under:

Rs. Crore

Category	December 31, 2012		December 31, 2011	
Cash and Bank Balance	137.10	52%	92.84	35%
Fixed Deposit	18.04	7%	163.76	61%
Mutual Funds	108.43	41%	10.23	4%
TOTAL	**263.57**	**100%**	**266.83**	**100%**

Treasury position continues to be strong even after making part payout for acquisition of Coalition and dividend in the current year.

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.

8. Deferred Tax Assets

We recorded net deferred tax assets of Rs. 17.48 Crore as at December 31, 2012 as against Rs. 13.10 Crore as at December 31, 2011. 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.

9. Loans and Advances

Loans and advances comprise loans to staff, advances recoverable in cash or kind, sundry deposits, and advance taxes. 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. As at December 31, 2012, loan and advances was Rs 70.32 Crore as against Rs.53.83 Crore for the corresponding previous period ended December 31, 2011.

10. Other Current Assets

Other current assets, excluding Fixed Deposit, as at December 31, 2012, were Rs. 40.01 Crore as against Rs.43.54 Crore for the corresponding previous period ended December 31, 2011. Other current assets mainly comprise of interest accrued and unbilled revenue.

11. Trade Receivables

Trade receivables were Rs.129.27 Crores as at December 31, 2012, as against Rs. 101.27 Crores as at December 31, 2011. Trade receivables constituted 13% of operating revenue, (representing an outstanding of 48 days of operating revenue) as against 12% of operating revenue (representing an outstanding of 46 days of operating revenue) during the previous year. The growth in operating cycle over previous year is mainly on account of growth in research segment wherein credit periods are generally higher.

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

Rs. Crore

Segment	As at December 31,2012		As at December 31,2011		% Change
Rating	45.15	35%	30.36	30%	49%
Advisory	23.55	18%	21.66	21%	9%
Research	60.57	47%	49.25	49%	23%
TOTAL	**129.27**	**100%**	**101.27**	**100%**	

The company believes that the outstanding trade receivable are recoverable and it has adequate provision for bad debts. Provision for bad debts as a percentage to revenue for the year ended December 31, 2012, is 1.21% as against 0.95 % for the year ended December 31, 2011.

B. RESULTS OF OPERATIONS

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

Rs. Crore

Particulars	12 months ended December 31, 2012		12 months ended December 31, 2011		Growth % Change
Income from Operations	977.72	98%	806.96	95%	21%
Other Income	20.38	2%	42.82	5%	-52%
Total Income	998.10	100%	849.78	100%	17%
Expenses					
Personnel Expenses	439.01	44%	352.33	41%	25%
Establishment Expenses	82.47	8%	78.41	9%	5%
Other Expenses	128.61	13%	113.81	13%	13%
Depreciation	34.32	3%	29.83	4%	15%
Operating Expenses	684.41	68%	574.38	67%	19%
Profit before Tax	313.69	31%	275.40	33%	14%
Tax Expense	93.29	9%	68.98	8%	35%
Profit after Tax	220.40	22%	206.42	25%	7%

Operating revenue grew by 21% in 2012 on account of growth in all the business segments and consolidation of Coalition with effect from July 4, 2013, in the current year. Other income declined by -52% due to impact of higher forex gain and profits from of sale of premises and long term investment in the previous year. Operating expenses grew by 19% mainly on account of growth in personnel expenses due to salary increments, increased headcount and consolidation of Coalition in the current year. Despite other income being lower by Rs. 22.44 Crore in the current year mainly on account of forex gain, one time impact of sale of premises and long term investments in the previous year, net profit before tax recorded a growth of 14%.

Revenue & Profit Analysis

Rs. Crore

Segment Details	12 Months Ended December 31, 2012	12 Months Ended December 31, 2011	Growth % Change
Revenues:			
Rating	396.37	326.00	22%
Advisory	55.32	57.31	(3%)
Research	526.03	423.65	24%
Total	977.72	806.96	21%
Segment Profit:			
Rating	163.77	129.22	27%
Advisory	9.97	12.77	(22%)
Research	158.84	138.87	14%
Total	**332.58**	**280.86**	**18%**

Rating revenue grew by 22% on account of growth in BLR, SME and GAC. Research revenue growth was on account of a mix of volume growth from existing clients, addition of new clients and from acquisition of Coalition in the current year. Profits in rating segment were higher on account of volume growth, increased productivity despite lower realisations from the BLR and SME segments. The advisory segment profitability was lower mainly on account of lower revenue in the current year. The research segment profitability grew by 14% on account of volume growth and acquisition of Coalition. The research segment was adversely impacted by rupee depreciation in the current year. During the year, research segment recorded forex gain was Rs. 4.98 Crore as against Rs. 12.02 Crore in the previous year.

Expense Analysis

The composition and growth of expenses as a percentage to income from operations are given below:

Rs. Crore

Particulars	12 Months Ended December 31, 2012		12 Months Ended December 31, 2011		Growth % Change
Personnel Expenses	439.01	44%	352.33	44%	25%
Establishment Expenses	82.47	8%	78.41	10%	5%
Other Expenses	128.61	13%	113.81	14%	13%
Depreciation	34.32	3%	29.83	3%	15%
Total Expenses	**684.41**	**69%**	**574.38**	**71%**	**19%**

Personnel expense growth of 25% was on account of addition of 243 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. 29.99 Lakhs (+6%) and Rs 9.03 Lakhs (+7%). CRISIL will continue with its initiatives to improve its revenue and profit per employee through business process re-engineering and effective use of technology. The current year's expense also includes Coalition with effect July, 2012.

Income and profit per employee for the past five years have been as under:

Year ended	2012	2011	2010	2009	2008
Average number of Employees	3,329	3,006	2,485	2,060	1,853
Total Income per employee (Rs. Lakh)	29.99	28.28	28.25	27.20	28.94
Operating Profit before tax per Employee (Rs. Lakh)	9.03	8.41	7.90	9.04	9.37

The Company constantly monitors staff utilisation and strives to improve productivity through automation and effective utilisation of resources. These initiatives have resulted in optimising of operating profit per employee over the last three years.

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. Repeat business from large clients, nevertheless, continues to contribute significantly to the company's revenues.

2. Foreign Exchange Earning Risk

CRISIL foreign currency revenue earnings are significant and any appreciation or depreciation of rupee can have significant impact on revenues and profitability. CRISIL has put in place an effective hedge mechanism to mitigate risks arising out of movements in Indian Rupee (INR). 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 come 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. Currently 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. 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 and Statutory Risks

The company has no material litigation in relation to contractual obligations pending against it in any court in India or abroad. The Company Secretary, compliance and legal functions advice the company on issues relating to compliance with law and to preempt violations of the same. The Company Secretary submits a quarterly report to the Board 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 governed through exhaustively 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; ISO certification of eight of our offices indicates our high compliance with policies related to Information Security and Management System. The company's business processes are automated through bespoke business applications that capture and maintain information regarding business processes, client agreements, reports generated and assignments delivered, thus data basing our knowledge appropriately. 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 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.

Auditors' Certificate For Corporate Governance

To the Members of CRISIL Limited

We have examined the compliance of conditions of Corporate Governance by CRISIL Limited ('the Company') for the year ended December 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

Mumbai, February 14, 2013

Managing Director & 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

Mumbai, February 14, 2013

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 all other stakeholders including clients, suppliers and its employees.

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

A. BOARD OF DIRECTORS:

Size and Composition of the Board:

As on December 31, 2012, the Board of Directors has eight members of which seven (87.5%) are Non-Executive Directors. Four (50%) of the eight Board members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Company has one Alternate Director. As per the Articles of Association of the Company, the Board can have up to 15 members.

Non-Executive Chairman	Mr. Douglas Peterson
Independent, Non-Executive Directors	Mr. B. V. Bhargava Mr. H. N. Sinor Ms. Rama Bijapurkar Dr. Nachiket Mor
Non-Executive Directors	Mr. David Pearce Mr. Yann Le Pallec
Managing Director & Chief Executive Officer	Ms. Roopa Kudva
Alternate Director (alternate to Mr. Douglas Peterson, Mr. David Pearce and Mr. Yann Le Pallec)	Mr. Ravinder Singhania

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 M/s. Singhania & Partners in which Mr. Ravinder Singhania, who is an Alternate Director 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 can act as chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of these, only membership and chairmanship in Audit Committee and Shareholders' / Investors' Grievance Committee are considered.

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, 2012 are given below:

Name of the Director	Directorship#	Membership of Committees*	Chairmanship of Committees*
Mr. B. V. Bhargava	7	3	5
Mr. H. N. Sinor	9	5	3
Ms. Rama Bijapurkar	4	1	Nil
Dr. Nachiket Mor	Nil	1	Nil
Mr. Douglas Peterson	Nil	Nil	Nil
Mr. Yann Le Pallec	1	1	Nil
Mr. David Pearce	Nil	1	Nil
Mr. Ravinder Singhania	2	2	Nil

Excluding CRISIL Limited, Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

* Memberships / Chairmanships in Audit Committee and Shareholders' / Investors' Grievance Committee, including those in CRISIL Limited.

Details of Shareholdings of Directors as on December 31, 2012:

The number of equity shares of face value Re. 1 each of the Company held by the Directors on December 31, 2012 is as under:

Name of the Director	No. of shares held
Mr. B. V. Bhargava	Nil
Mr. H. N. Sinor	Nil
Ms. Rama Bijapurkar	Nil
Dr. Nachiket Mor	Nil
Mr. Douglas Peterson	Nil
Mr. Yann Le Pallec	Nil
Mr. David Pearce	Nil
Mr. Ravinder Singhania	Nil
Ms. Roopa Kudva	168,000

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, 2012, the Board met four times - on February 17, April 16, July 18, and October 17. The agenda of Board meetings is circulated 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 CRISIL Ratings business, Mr. Sanjeev Sinha heads the Global Research and Analytics business, Mr. Mukesh Agarwal heads the CRISIL Research business, Mr. G. V. Mani heads Strategy & New Initiatives, Mr. Sachin Nigam heads SME Ratings and Mr. Raman Uberoi oversees Operations. Mr. Sameer Bhatia heads Infrastructure Advisory and Mr. Manish Jaiswal heads Risk Solutions, both being the business divisions of the wholly owned subsidiary company, CRISIL Risk and Infrastructure Solutions Limited.

The meetings of the Board of Directors are well-attended as shown below:

Name of the Directors	No. of Board meetings held	No. of Board meetings attended	Last Annual General Meeting attendance
Mr. B. V. Bhargava	4	4	Yes
Mr. H. N. Sinor	4	4	Yes
Ms. Rama Bijapurkar	4	4	Yes
Dr. Nachiket Mor	4	3	Yes
Mr. Douglas Peterson	4	2*	Yes
Mr. Yann Le Pallec	4	4	Yes
Mr. David Pearce	4	3	Yes
Ms. Roopa Kudva	4	4	Yes
Mr. Ravinder Singhania (Alternate Director)	4	--	No

* Mr. Douglas Peterson attended the remaining two meetings through tele-conference.

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.

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 committees attended by them and are also eligible for commission. The commission payable to each Non-Whole-time Directors is limited to a fixed sum per year as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the prevailing norms. The members of the Company at the meeting held on April 27, 2007 had authorised payment of commission to the Non-Whole-time Directors up to three per cent of the net profits of the Company determined in accordance with the provisions of Sections 198, 309, 310, 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 three per cent of the net profits to the Non-Whole-time Directors for a period of five years with effect from January 1, 2008. The commission payable to Non-Whole time Directors nominated by Standard & Poors' (S & P) is paid to 'Standard & Poors International LLC'.

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 Director 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 Director 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. Whole-time Director and employees were granted stock options under Employee Stock Option Scheme – 2012 in April 2012 under the long term incentive plan. 908,275 stock options were granted to key employees and high performers in the organisation who are selected based on their criticality, past performance and potential.

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

Rupees

Name of Directors	Sitting Fees	Commission	Total
Mr. B. V. Bhargava	3,20,000	23,50,000	26,70,000
Mr. H. N. Sinor	2,20,000	21,50,000	23,70,000
Ms. Rama Bijapurkar	1,60,000	21,50,000	23,10,000
Dr. Nachiket Mor	1,60,000	21,50,000	23,10,000
Mr. Yann Le Pallec	1,40,000*	12,00,000*	13,40,000
Mr. David Pearce	1,20,000*	12,00,000*	13,20,000
Mr. Douglas Peterson	60,000*	12,00,000*	12,60,000
Mr. Ravinder Singhania (Alternate Director)	-	-	-
TOTAL	11,80,000	1,24,00,000	1,35,80,000

*Sitting fees and commission payable to Non-Whole-time Directors nominated by Standard & Poors' (S & P) are paid to S & P.

Remuneration Paid to Whole-time Director for the year ended December 31, 2012

Rs. lakhs

Name	Roopa Kudva
Salary	176.06
Variable Pay	114.90
Provident Fund	5.75
Perquisites	7.96
Others	176.66
Appointment valid till	July 26, 2017
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.

B. BOARD COMMITTEES:

The Board has constituted committees consisting of Executive and Non-executive Directors to focus on the critical functions of the Company.

1. Rating Committee:

The Rating Committee comprises one Independent, Non-executive Director - Mr. B. V. Bhargava (Chairman), and one Executive 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.

2. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee comprises 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 was present at the last Annual General Meeting of the Company held on April 16, 2012. The Audit Committee invites the executives of the Company, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be

present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee met four times in 2012 – on February 17, April 16, July 18, and October 16. The necessary quorum was present for all the meetings.

Name	Number of meetings during the year 2012	
	Held	Attended
Mr. H. N. Sinor	4	4
Mr. B. V. Bhargava	4	4
Dr. Nachiket Mor	4	3
Mr. David Pearce	4	2

The terms of reference for the Audit Committee are broadly as under:

- Overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements.
- 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.
- Reviewing of the quarterly and annual financial statements before submission to the Board.
- Reviewing the adequacy of the internal control systems
- Appointment of the internal auditors and fixing of their remuneration
- Reviewing the adequacy of the internal audit functions, discussing any significant findings and follow thereon.
- Discussing on the nature and scope of audit with the statutory auditors.
- Reviewing the financial and risk management policies
- Examination of reasons for substantial defaults, if any, in payment to stakeholders
- Providing direction to the internal audit functions and monitor the quality of internal and statutory audit.
- Review the functioning of the Whistle Blower mechanism
- The composition, procedures, role, powers and the terms of reference of the Audit Committee are as stipulated in Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

3. Investment Committee:

The Investment Committee comprises two Non-executive Directors - Mr. B. V. Bhargava (Chairman) and 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 17, 2012 and all the directors were present in the meeting.

4. Investors' Grievance Committee:

The Investors' Grievance Committee comprises two Non-executive Directors - Mr. B. V. Bhargava (Chairman) and Mr. Yann Le Pallec, 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 2012 - on February 17, April 16, July 18, and October 17.

Name	Number of meetings during the year 2012	
	Held	Attended
Mr. B. V. Bhargava	4	4
Mr. Yann Le Pallec*	3	3
Ms. Roopa Kudva	4	4

* Mr. Yann Le Pallec was inducted on the committee with effect from April 16, 2012.

5. Compensation Committee:

The Compensation Committee comprises three Non-Executive Directors - Mr. B. V. Bhargava (Chairman), Ms. Rama Bijapurkar and Mr. Douglas Peterson. The Chairman of the Compensation Committee was present at the Annual General Meeting held on April 16, 2012.

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 Director and employees of the Company. The annual compensation of Whole-time Director 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 Compensation Committee met twice during the year, on February 17, 2012 and April 16, 2012, and all the Directors were present in both the meetings.

6. 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 three Non-executive Directors - Dr. Nachiket Mor (Chairman), Mr. H. N. Sinor and Ms. Rama Bijapurkar, and one Executive Director - Ms. Roopa Kudva. The Committee met twice during the year; on April 16, 2012 and October 17, 2012 to allot shares arising out of options exercised by employees under Employee Stock Option Scheme 2011.

Name	Number of meetings during the year 2012	
	Held	Attended
Dr. Nachiket Mor	2	2
Mr. H. N. Sinor	2	2
Ms. Rama Bijapurkar	2	2
Ms. Roopa Kudva	2	2

7. Committee for Acquisition of Coalition Development Limited, U.K. and its Subsidiaries:

The Company formed a special Committee for acquisition of Coalition Development Limited, U.K. and its subsidiaries comprising two Non-executive Directors - Mr. B. V. Bhargava (Chairman) and Mr. Douglas Peterson, and one Executive Director - Ms. Roopa Kudva. The Committee was constituted with specific mandate to finalise the acquisition of Coalition Development Limited, U.K. and its subsidiaries ("Coalition") by way of purchase of shares / business / assets. This Committee met once during the year, on June 1, 2012.

C. 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.

The Annual Report of the Company for the financial year 2012 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 duly printed 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 forms 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 Investors' 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. Neelabja Chakrabarty, 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 shall be sent to the stock exchange along with the Annual Report filed by 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	Special resolutions passed
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 400 021	None
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 400 021	None
Twenty Fifth Annual General Meeting	April 16, 2012 at 3.30 pm	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	None

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 in the financial year 2012 and till the date of this report:

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
1	April 10, 2012	Special Resolution for issue and offer of Equity Shares of the Company to employees and Whole-time Director(s) of the Company under section 81(1A) and other applicable provisions of the Companies Act, 1956 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999	4,53,26,416	99.86	61,770	0.14
2	April 10, 2012	Special Resolution for issue and offer of Equity Shares of the Company to employees and Whole-time Director(s) of the subsidiary companies of the Company under section 81(1A) and other applicable provisions of the Companies Act, 1956 and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999	4,53,23,702	99.86	61,806	0.14

Dr. K. R. Chandratre, Practising Company Secretary, was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

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. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

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. We affirm that no employee of the Company was denied access to the Audit Committee.

Compliance of Clause 5A of Listing Agreement – Equity Shares in Suspense Account:

Consequent to the sub-division of nominal value of the equity shares of the Company from Rs. 10 per share to Re. 1 per share with effect from October 1, 2011 and in terms of Clause 5A(II) of the Listing Agreement, during the year, the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited sent three reminders to the shareholders at the addresses available on the Company's records. As such, at the beginning of the financial year on January 1, 2012, pending the dispatch of the reminders as prescribed by the Listing Agreement, the outstanding number of shares in the suspense account was Nil. The Company has opened a demat account in the name and style "CRISIL Limited - Unclaimed Shares Suspense Account" in accordance with the requirement of the Listing Agreement. At the end of the year, i.e. as at December 31, 2012, 46,000 equity shares belonging to 33 shareholders, had been admitted for dematerialisation. The same were credited to the demat account on January 5, 2012. The voting rights on the outstanding unclaimed shares as on December 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.

SEBI Complaints Redress System (SCORES):

Securities and Exchange Board of India (SEBI) administers a centralised web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company received eight investor complaints through SCORES, all of which were responded to within 15 days of their receipt.

D. GENERAL SHAREHOLDERS INFORMATION:

1.	**Annual General Meeting**	:	
	Date and Time	:	April 18, 2013 at 3.30 p.m.
	Venue	:	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
2.	**Calendar for Financial Reporting**	:	
	First Quarter ending March 31, 2013		Thursday, April 18, 2013
	Second Quarter ending June 30, 2013		Friday, July 19, 2013
	Third Quarter ending September 30, 2013		Friday, October 18, 2013
	Year ending December 31, 2013		End of February, 2014
	Newspapers where the results are published		Business Standard and Sakal
	Websites where the financial results, shareholding pattern, Annual Report etc. are uploaded		www.crisil.com, www.bseindia.com and www.nseindia.com
3.	**Proposed Final Dividend**	:	Rs. 4 per share having nominal value of Re. 1 each.
4.	**Dates of Book Closure**	:	Thursday, March 14, 2013 to Friday, March 15, 2013 (both days inclusive)
5.	**Dividend Payment Date**	:	May 3, 2013 (if dividend payment is approved at the Annual General Meeting).
6.	**Listing Details**	:	The shares of the Company are listed on: • **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 • **Bombay Stock Exchange Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 The Company has paid listing fees at both the exchanges and has complied with the listing requirements.
7.	**Stock Codes**	:	National Stock Exchange of India Limited (NSE) – CRISIL Bombay Stock Exchange Limited (BSE) – 500092 ISIN Number: INE007A01025 CIN: L67120MH1987PLC042363
8.	**Registrars and Share Transfer Agents**	:	Karvy Computershare Private Limited Karvy House, 21, Avenue – 4, Plot No.17 to 24, Near Image Hospital Vittalrao Nagar, Madhapur, Hyderabad 500 081 Phone No. 040-23420818-828 Fax. No. 040-23420814

9.	**Compliance Officer**	:	Mr. Neelabja Chakrabarty, Company Secretary, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 Phone: 022-33423000 Fax: 022-33423810
10.	**Depository System**	:	Currently, 99.65% 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. Neelabja Chakrabarty, Company Secretary, at the addresses given above.
11.	**Electronic Clearing Service (ECS)**	:	The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss / damage of dividend warrants in transit and correspondence with the Company on revalidation / issuance of duplicate dividend warrants.
12.	**Bank Details for Electronic Shareholding**	:	Members are requested to notify their Depository Participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
13.	**Furnish Copies of Permanent Account Number (PAN)**	:	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. 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.
14.	**Investor Complaints to be Addressed to**	:	Registrars and Share Transfer Agents or to Mr. Neelabja Chakrabarty, Company Secretary, at the above mentioned addresses.
15.	**Email ID of Grievance Redressal Division**	:	investors@crisil.com

16. Category–wise Shareholding Pattern as on December 31, 2012:

Sr. No.	Category	No. of shares	% holding
1	Group holding of The Mc-Graw Hill Companies - S & P India LLC - Standard & Poor's International LLC	3,72,09,480	52.98
2	Individuals	1,21,88,038	17.35
3	FIIs / QFIs	75,70,505	10.78
4	Mutual Funds	50,44,964	7.18
5	Insurance Companies	44,29,207	6.31
6	Financial Institutions / Banks	21,48,428	3.06
7	Bodies Corporate	12,81,245	1.82
8	NRIs	1,78,658	0.25
9	Directors	1,68,000	0.24
10	Clearing Members	17,215	0.02
	TOTAL	**7,02,35,740**	**100.00**

17. Distribution of Shareholding as on December 31, 2012:

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	15,965	98.32	32,24,449	4.59
5,001 – 10,000	67	0.41	4,99,168	0.71
10,001 – 20,000	55	0.34	8,24,561	1.17
20,001 – 30,000	30	0.18	7,55,584	1.08
30,001 – 40,000	12	0.07	4,19,651	0.60
40,001 – 50,000	16	0.10	7,37,276	1.05
50,001 – 1,00,000	38	0.23	29,51,114	4.21
1,00,000 and above	55	0.34	6,08,23,937	86.60
TOTAL	**16,238**	**100.00**	**7,02,35,740**	**100.00**

18. Members Holding More Than 1% of the Paid-up Share Capital as on December 31, 2012:

Sr. No.	Name of the shareholder	No. of shares	% holding
1	Group holding of The Mc-Graw Hill Companies - S & P India LLC - Standard & Poor's International LLC	3,72,09,480	52.98
2	Jhunjhunwala Rakesh and Rekha	54,00,000	7.69
3	General Insurance Corporation of India	30,30,390	4.31
4	Unit Trust of India	23,68,726	3.37
5	State Bank of India	20,03,900	2.85
6	Acacia Partners, LP / Acacia Institutional Partners, LP / Acacia Banyan Partners / Acacia II Partners, LP / Acacia Conservation Fund, LP	17,16,880	2.44
7	Life Insurance Corporation of India	13,98,817	1.99
8	Franklin Templeton Investment Funds / Caisse De Depot et Placement du Quebec - Franklin Advisors Inc	13,45,000	1.91
9	Tata Trustee Company Limited A/c / Tata Mutual Fund A/c	10,91,631	1.55
10	Bright Star Investment Private Limited	8,10,380	1.15
11	William Blair International Fund	7,02,399	1.00

19. Status Report on Number of Shareholder Requests / Complaints Received and Resolved by the Company During the Year Ended December 31, 2012:

Nature of Correspondence	No. of cases received and resolved
Non-receipt of dividend warrant	64
Issue of duplicate drafts / revalidation of warrants	41
Dematerialisation / Rematerialisation	27
ECS facility / Change in bank mandates	30
Change of address	14
Transfer / Transposition / Transmission	5
Other requests / queries	51
TOTAL	**232**

The Company addressed all the investor complaints received during the year and there were no investor complaints outstanding at the beginning or the end of the year.

20. Equity History since Sub–division of Shares:

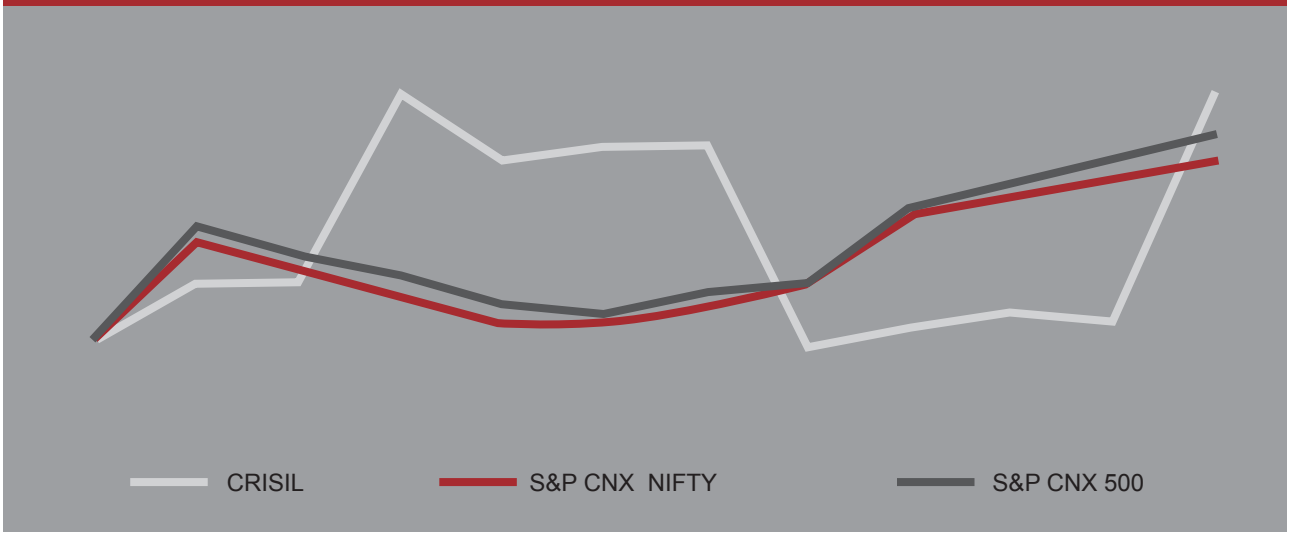
Date	Particulars	No. of shares	Cumulative no. of shares
01.10.2011	No. of issued and fully paid up equity shares of face value Re. 1 each after stock split	7,09,68,440	7,09,68,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 9,10,000	7,00,58,440
16.04.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 1,09,950	7,01,68,390
17.10.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 67,350	7,02,35,740

21. Stock Price and Movement of the Company's Shares on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) for the Period from January 2012 to December 2012:

NSE		
Month	High (Rs.)	Low (Rs.)
January	960.00	851.00
February	1,002.00	896.35
March	1,004.00	915.00
April	1,150.30	980.00
May	1,099.00	996.00
June	1,109.95	957.00
July	1,111.05	883.05
August	953.00	854.10
September	968.00	910.00
October	980.00	920.25
November	971.95	910.10
December	1,150.00	960.00

BSE		
Month	High (Rs.)	Low (Rs.)
January	961.45	850.05
February	1,000.00	895.05
March	1,002.00	921.00
April	1,149.50	977.15
May	1,261.80	971.65
June	1,080.00	1,037.00
July	1,119.00	887.00
August	940.00	855.25
September	979.00	909.90
October	979.00	921.05
November	970.00	912.30
December	1,109.95	960.00

Price Movement of CRISIL Shares in 2012 on NSE vis-a-vis Price of S&P CNX Nifty and S&P CNX 500



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

Apart from the above rights, the shareholders also enjoy 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.

Financial Statements

Auditors' Report

To the Members of

CRISIL Limited

1. We have audited the attached Balance Sheet of CRISIL Limited ('the Company') as at December 31, 2012 and also the Statement of Profit and Loss 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 (Auditors' 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, Statement of Profit and Loss 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, Statement of Profit and Loss and the 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2012 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, 2012;

      b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

      c) in the case of the 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 14, 2013

Annexure

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

Re: CRISIL Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the year 2010 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/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii)(a) to (g) of paragraph 4 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 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 amounts of income-tax, sales tax and service tax dues disputed by the Company, 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	5,000,000	A.Y. 2000-01	High Court
		8,649,718	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)
		30,723,070	A.Y. 2008-09	Income Tax appellate tribunal
Sales Tax Act, 1956	Sales Tax	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	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 institutions, banks and has 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 (xiii) of paragraph 4 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 (xiv) of paragraph 4 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 banks 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 14, 2013

Balance Sheet as at December 31, 2012

Rupees

Particulars	Notes	As at December 31, 2012	As at December 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	70,235,740	70,058,440
Reserves and surplus	4	4,474,442,797	3,582,070,212
Non-current liabilities			
Trade payables	5	148,003,540	141,297,460
Current liabilities			
Trade payables	5	671,672,759	773,505,244
Other current liabilities	6	770,532,855	986,987,206
Short-term provisions	7	646,204,112	478,133,900
TOTAL		**6,781,091,803**	**6,032,052,462**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	966,576,986	1,011,032,951
Capital work-in-progress		-	4,423,308
Non-current investments	9	1,507,242,181	1,084,116,227
Deferred tax assets (Net)	10	124,484,516	90,556,855
Long-term loans and advances	11	1,468,314,628	674,989,803
Other non-current assets	13	480,221	880,282
Current assets			
Current investments	9	809,582,011	-
Trade receivables	12	1,083,597,728	849,931,040
Cash and bank balances	14	374,487,662	2,004,560,388
Short-term loans and advances	11	328,127,376	177,070,687
Other current assets	13	118,198,494	134,490,921
TOTAL		**6,781,091,803**	**6,032,052,462**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Nachiket Mor Director
Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Statement of Profit and Loss for the year ended December 31, 2012

Rupees

Particulars	Notes	Year Ended December 31, 2012	Year Ended December 31, 2011
INCOME			
Income from operations (Refer note 36)	15	7,365,982,190	6,391,562,389
Other income	16	226,477,560	430,138,959
TOTAL		**7,592,459,750**	**6,821,701,348**
EXPENSES			
Personnel expenses	17	2,732,629,610	2,449,979,464
Establishment expenses	18	652,408,818	657,993,266
Other expenses	19	1,265,343,322	1,022,195,035
Depreciation / Amortisation	8	239,245,796	216,845,862
TOTAL		4,889,627,546	4,347,013,627
Profit before tax		2,702,832,204	2,474,687,721
Tax expense			
Current tax (Refer note 21)		808,160,913	578,359,699
Deferred tax charge / (benefit)		(33,927,659)	31,206,344
Total tax expense		774,233,254	609,566,043
Profit after tax		**1,928,598,950**	**1,865,121,678**
Earnings per share: Nominal value of Re.1 (December 31, 2011: Re.1)			
Basic		27.49	26.28
Diluted (On account of ESOS, refer note 34)		27.34	26.19
Number of shares used in computing earnings per share			
Basic		70,150,532	70,967,771
Diluted (On account of ESOS, refer note 34)		70,531,039	71,225,814
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Nachiket Mor Director
Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Cash Flow Statement for the Year ended December 31, 2012

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
A. Cash flow from operating activities:		
Profit before tax	2,702,832,204	2,474,687,721
Adjustments for:		
Depreciation / Amortisation	239,245,796	216,845,862
Unrealised foreign exchange (gain)/loss	(11,497,262)	(28,869,304)
Profit on sale of fixed assets	(16,566,770)	(64,163,685)
Profit on sale of investments	-	(10,933,500)
Provision for bad debts	115,807,565	65,835,877
Interest on bank deposits	(48,247,079)	(111,644,415)
Interest on loan to subsidiary	(35,898,211)	(18,798,026)
Dividend income - Other investments	(27,247,726)	(8,701,955)
Operating profit before working capital changes	2,918,428,517	2,514,258,575
Movements in working capital		
- (Increase)/decrease in trade receivables	(404,607,708)	69,587,380
- (Increase)/decrease in sundry deposits	(18,602,802)	(11,882,547)
- (Increase)/decrease in loans to employees	(6,239,190)	(8,011,584)
- (Increase)/decrease in advances	(32,015,720)	10,900,244
- (Increase)/decrease in accrued revenue	(33,968,055)	(65,169,923)
- Increase/(decrease) in trade payables	(87,232,615)	302,945,581
- Increase/(decrease) in unearned revenue and fees received in advance	(70,255,944)	146,893,388
- Increase/(decrease) in provision for leave benefits	39,087,113	43,516,674
- Increase/(decrease) in provision for gratuity	26,379,261	(11,159,112)
- Increase/(decrease) in other liabilities	(12,426,830)	(15,944,961)
Cash generated from operations	2,318,546,027	2,975,933,715
- Taxes paid	(832,430,963)	(590,894,814)
Net cash generated from operating activities - (A)	1,486,115,064	2,385,038,901
B. Cash flow from investing activities:		
Purchase of fixed assets	(206,019,926)	(235,085,627)
Proceeds from sale of fixed assets	31,986,685	82,360,002
Interest on loan to subsidiary	29,262,317	15,033,940
Loan given to subsidiary	(831,617,882)	-
Loan repaid by subsidiary	62,228,250	22,722,356
Investments in mutual funds	(2,149,582,011)	(250,000,000)
Sale proceeds from investments in mutual funds	1,340,000,000	361,017,025
Investment in fixed deposits	(100,000)	(1,368,075,093)
Proceeds from fixed deposit maturity	1,354,061,688	874,609,999
Payment made for acquisition of Coalition Development Systems (India) Private Limited (Refer note 35)	(87,133,877)	-
Payment made for acquisition of Mercator Info-Services India Private Limited (Refer note 35)	(37,108,494)	-
Investment in ICRA Limited	-	(1,218)

Rupees

		Year Ended December 31, 2012	Year Ended December 31, 2011
	Investment in CRISIL Irevna UK Limited	(298,883,583)	-
	Interest on bank deposits	106,588,362	79,284,164
	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	27,247,726	8,701,955
	Net cash generated used in investing activities - (B)	(659,070,745)	(418,573,172)
C.	Cash flow from financing activities:		
	Proceeds from issuance of share capital on exercise of stock options	102,812,724	-
	Dividend and dividend tax paid	(1,202,206,941)	(885,237,071)
	Payment towards buy back of shares (Refer note 33)	(6,795,885)	(788,175,184)
	Net cash used in financing activities - (C)	(1,106,190,102)	(1,673,412,255)
D.	Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D)	2,689,339	(1,066,499)
	Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(276,456,444)**	**291,986,975**
	Cash and cash equivalents - Opening balance	635,955,824	343,968,849
	Cash and cash equivalents - Closing balance	359,499,380	635,955,824
	Net Increase/(decrease) in cash and cash equivalents	**(276,456,444)**	**291,986,975**
	Components of cash and cash equivalents as at		
	With banks on current account	349,498,075	626,517,726
	Unpaid dividend account (Earmarked for unpaid dividend)	10,001,305	9,438,098
		359,499,380	635,955,824
	Summary of significant accounting policies 2		

The accompanying notes form an integral part of the cash flow statement.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Nachiket Mor Director
Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Notes to financial statements for the year ended December 31, 2012

1. Nature of operations

CRISIL Limited ('the Company') is a 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 delivers analysis, opinions, and solutions that make markets function better.

1.1 Basis of preparation of financial statement

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standards (AS) Notified by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for the change in Accounting Policy explained in Point No 2.1.

2. Summary of significant accounting policies

2.1 Change in accounting policy

a) Presentation and disclosure of financial statements

During the year ended December 31, 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Current/ Non-Current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

2.2 Use of estimates

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

2.3 Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. 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.

Software purchased is charged to the Statement of Profit and Loss as and when incurred.

2.4 Depreciation

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

Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Buildings	5.00%	1.63%
Furniture & fixtures	10.00%	6.33%
Office equipments	10.00%	4.75%
Office equipments (Mobile Instruments)	33.33%	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.

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

2.5 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

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

2.6 Operating leases

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

2.7 Investments

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

2.8 Revenue recognition

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

Income from operations

Income from operations comprises of income from initial rating fees and surveillance services, global research and analytical services, customised research, subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue at 96% on the date the rating is awarded and the balance 4% is recorded equally over 11 months subsequent to the month in which the rating was awarded. Revenue on service contracts are recognised on completion of related services. Surveillance fee ,subscription to information products and services and revenue from IPO grading are accounted on a time proportion basis. Revenue from customised research and IER services are recognised in the period in which such assignments are carried out or milestones achieved or as per agreement with client. Fees with respect to certain categories of clients are recognised only when there is a reasonable certainty of collection.

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.

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 recongnised in the Statement of Profit and Loss statement.

Notes to financial statements for the year ended December 31, 2012

2.9 Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss 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.

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 the Statement of Profit and Loss and are not deferred.

2.10 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in reporting currency (INR) by applying to the foreign currency amount to the monthly average exchange rates for the respective periods 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 Statement of Profit and Loss over the balance life of the long term monetary item. All other exchange differences are recognised as income or expense in the Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 the Statement of Profit and Loss for the year.

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 Statement of Profit and Loss over the balance life of the long term monetary item.

2.11 Taxes on income

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

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

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

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

2.12 Segment reporting policies

Segment policies:

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

Identification of segments:

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

Notes to financial statements for the year ended December 31, 2012

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

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

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

2.13 Earnings per share

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

2.14 Provisions

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

2.15 Cash and cash equivalents

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

2.16 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 wherever grant price is lower then the market price.

Rupees

	December 31, 2012	December 31, 2011
3. Share capital		
Authorised Capital:		
100,000,000 Equity Shares of Re.1 each (P.Y. 100,000,000 of Re.1 each)	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
70,235,740 Equity Shares of Re. 1 each fully paid up (P.Y. 70,058,440 of Re. 1 each) [Of the above, 6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC , USA (P.Y. 6,000,000 of Re.1 each) and 31,209,480 Equity Shares of Re.1 are held by S&P India, LLC (P.Y. 31,209,480 of Re. 1 each) (wholly-owned subsidiaries of The McGraw-Hill Companies, Inc., The Ultimate Holding Company)]	70,235,740	70,058,440
TOTAL	**70,235,740**	**70,058,440**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	December 31, 2012 Rupees	December 31, 2012 Nos.
Equity shares		
At the beginning of the year (face value of Re. 1/- per share)	70,058,440	70,058,440
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer note 34)	177,300	177,300
Outstanding at the end of the year	70,235,740	70,235,740

Particulars	December 31, 2011 Rupees	December 31, 2011 Nos.
Equity shares		
At the beginning of the year (face value of Re. 1/- per share)	70,968,440	70,968,440
Less - Buy-back during the year (Refer note 33)	(910,000)	(910,000)
Outstanding at the end of the year	70,058,440	70,058,440

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holiding and/ or their subsidiaries

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Rupees

Particulars	December 31, 2012	December 31, 2011
6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC-USA, Fellow Subsidiary (P.Y. 6,000,000 of Re.1 each)	6,000,000	6,000,000
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, Fellow Subsidiary (P.Y. 31,209,480 of Re.1 each)	31,209,480	31,209,480

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:(Refer note 33)

Nos.

Particulars	December 31, 2012	December 31, 2011
Equity shares bought back by the company		
In 2008	Nil	Nil
In 2009	Nil	Nil
In 2010	1,281,560	1,281,560
In 2011	910,000	910,000
In 2012	-	-
TOTAL	**2,191,560**	**2,191,560**

Aggregate number of bonus shares and shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date is Nil.

Notes to financial statements for the year ended December 31, 2012

(e) Details of shareholders holding more than 5% shares in the company (Refer note 33)

Name of the shareholder	December 31, 2012	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw-Hill Companies		
a) S&P India, LLC	44.44%	31,209,480
b) Standard & Poor's International LLC, USA	8.54%	6,000,000
2. Jhunjhunwala Rakesh & Rekha	7.69%	5,400,000

Name of the shareholder	December 31, 2011	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw-Hill Companies		
a) S&P India, LLC	43.98%	31,209,480
b) Standard & Poor's International LLC, USA	8.45%	6,000,000
2. Jhunjhunwala Rakesh & Rekha	7.75%	5,500,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company, please refer note 34.

Rupees

	December 31, 2012	December 31, 2011
4. Reserves and surplus		
Securities premium account		
Opening balance	-	-
Add:- Amount received on exercise of employee stock options (Refer note 34)	102,635,424	-
	102,635,424	**-**
Capital reserve	**122,232,111**	**122,232,111**
Capital redemption reserve		
Opening balance	2,191,560	1,281,560
Add:Transfer from general reserve account (Refer note 33)	-	910,000
	2,191,560	**2,191,560**
General reserve		
Opening balance	444,109,327	1,052,568,228
Add: Transferred from the statement of profit and loss	192,859,895	186,512,168
Less:Transfer to capital redemption reserve account (Refer note 33)	-	(910,000)
Less:Used towards buy back of equity shares	-	(794,061,069)
	636,969,222	**444,109,327**

Rupees

	December 31, 2012	December 31, 2011
Hedging reserve account		
Opening balance	(162,366,170)	25,548,217
(Add)/Less: Movement during the year	132,754,328	(187,914,387)
	(29,611,842)	**(162,366,170)**
Foreign currency monetary item translation account		
Opening balance	45,664,182	-
Add:- Movement during the year	33,757,869	45,664,182
	79,422,051	**45,664,182**
Surplus in the statement of profit and loss		
Balance as per last financial statements	3,130,239,202	2,355,337,107
Add: Profit after tax for the year	1,928,598,950	1,865,121,678
Less: Appropriations		
Proposed final equity dividend	(280,942,960)	(192,660,710)
Interim dividend	(842,225,470)	(585,494,277)
Corporate dividend tax	(182,205,556)	(125,552,428)
Transfer to general reserve	(192,859,895)	(186,512,168)
Total appropriations	(1,498,233,881)	(1,090,219,583)
Net surplus in the statement of profit and loss	**3,560,604,271**	**3,130,239,202**
TOTAL	**4,474,442,797**	**3,582,070,212**

Rupees

	December 31, 2012	December 31, 2011
5. Trade payables		
Current		
Trade payables (Refer note 22)	671,672,759	773,505,244
	671,672,759	**773,505,244**
Non-current		
Trade payables (Refer note 22)	148,003,540	141,297,460
	148,003,540	**141,297,460**
TOTAL	**819,676,299**	**914,802,704**

Rupees

	December 31, 2012	December 31, 2011
6. Other liabilities		
Current		
Statutory liabilities	60,960,198	73,387,028
Unearned revenue and fees received in advance	669,959,510	741,795,910
Forward contract payable	29,611,842	162,366,170
Unpaid dividend (Investor Education and Protection Fund will be credited by following amounts as and when due)	10,001,305	9,438,098
TOTAL	**770,532,855**	**986,987,206**

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012	December 31, 2011
7. Short-term provisions		
Current		
Provision for employee benefits		
Provision for gratuity (Refer note 30)	72,180,579	45,801,318
Provision for leave benefits	247,504,601	208,417,488
Other provisions		
Proposed equity dividend	280,942,960	192,660,710
Provision for tax on proposed equity dividend	45,575,972	31,254,384
TOTAL	**646,204,112**	**478,133,900**

8. Fixed assets

Rupees

	Gross Block at Cost				Accumulated Depreciation/Amortisation				Net Block	
	As on January 1, 2012	Additions	Deductions / Adjustments	As on December 31, 2012	Up to January 1, 2012	For the Year	Deductions / Adjustments	Up to December 31, 2012	As on December 31, 2012	As on December 31, 2011
Tangible assets										
Buildings	161,565,478	-	4,213,381	157,352,097	97,829,098	7,973,585	3,564,795	102,237,888	55,114,209	63,736,380
Furniture & Fixtures	213,361,302	13,303,647	7,181,213	219,483,736	95,029,791	17,825,172	4,187,558	108,667,405	110,816,331	118,331,511
Office Equipments	318,238,923	30,429,970	11,277,024	337,391,869	124,385,477	30,387,443	6,411,931	148,360,989	189,030,880	193,853,446
Computers	539,541,250	90,640,398	73,953,886	556,227,762	408,300,413	92,419,829	73,145,183	427,575,059	128,652,703	131,240,837
Vehicles	53,799,363	17,224,409	15,235,699	55,788,073	31,448,751	13,739,330	14,103,421	31,084,660	24,703,413	22,350,612
Leasehold Improvements	645,043,872	58,844,810	11,541,037	692,347,645	163,523,707	76,900,437	6,335,949	234,088,195	458,259,450	481,520,165
TOTAL	**1,931,550,188**	**210,443,234**	**123,402,240**	**2,018,591,182**	**920,517,237**	**239,245,796**	**107,748,837**	**1,052,014,196**	**966,576,986**	**1,011,032,951**

	Gross Block at Cost				Accumulated Depreciation/Amortisation				Net Block	
	As on January 1, 2011	Additions	Deductions / Adjustments	As on December 31, 2011	Up to January 1, 2011	For the Year	Deductions / Adjustments	Up to December 31, 2011	As on December 31, 2011	As on December 31, 2010
Tangible assets										
Buildings	161,565,478	-	-	161,565,478	89,750,830	8,078,268	-	97,829,098	63,736,380	71,814,648
Furniture & Fixtures	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 Equipments	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**

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012	December 31, 2011
9. Investments		
Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
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
5,514,100 (P.Y 2,056,000) Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up	1,139,027,822	840,144,239
704,018 (P.Y. 704, 018) Equity Shares of CRISIL Irevna Argentina S.A. 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. 100% Investment) of CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	9,557,150	9,557,150
100,000 (P.Y. Nil) Equity Shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up (Refer note 35)	37,108,494	-
50,000 (P.Y. Nil) Equity Shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up (Refer note 35)	87,133,877	-
Investment in joint ventures		
637,000 (P.Y. 637,000) Equity Shares of India Index Services and Products Limited of Rs.10 each, fully paid up	6,370,000	6,370,000
Other Investments		
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
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

Rupees

	December 31, 2012		December 31, 2011	
Quoted equity instruments				
Other Investments				
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10 each, fully paid up		1,218		1,218
TOTAL {A}		**1,507,242,181**		**1,084,116,227**
Current investments				
Non-trade investments (valued at lower of cost or market value)				
Unquoted mutual funds				
Investments In Mutual Funds				
160,177.92 (P.Y. Nil) units of Rs 1019.45 each UTI Liquid Cash Plan Institutional - Daily Income Option-Reinvestment	163,292,696		-	
1,824,758.72 (P.Y. Nil) units of Rs.100.20 each Birla Sunlife Cash Plus - Daily Dividend-Regular Plan-Reinvestment	182,831,700		-	
1,913,655.10 (P.Y. Nil) units of Rs.100.03 each ICICI Prudential Liquid -Regular Plan-Daily Dividend	191,408,759		-	
181,644.12 (P.Y. Nil) units of Rs.1000.63 each Baroda Pioneer Liquid Fund - Daily Dividend Plan	181,758,553		-	
90,267.74 (P.Y. Nil) units of Rs.1000.25 each IDFC Cash Fund - Regular Plan Daily Dividend	90,290,303	809,582,011	-	-
TOTAL {B}		**809,582,011**		**-**
TOTAL {A} + {B}		**2,316,824,192**		**1,084,116,227**
*Aggregate market value of Company's investment in Quoted equity instruments		1,469		805
*Aggregate market value of Company's investment in Unquoted Mutual Funds		809,582,011		-

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012	December 31, 2011
10. Deferred tax asset		
Deferred tax liability		
Fixed assets	77,990,904	96,015,194
Gross deferred tax liability	**77,990,904**	**96,015,194**
Deferred tax asset		
Lease rent amortisation	50,183,432	44,200,359
Provision for leave encashment	72,208,815	59,180,570
Provision for bonus and commission	22,801,585	45,486,208
Provision for gratuity	21,326,083	8,070,254
Provision for bad debts	27,875,153	16,286,603
Initial rating fees deferred	5,771,506	8,933,504
Disallowance under section 40(a)	2,308,846	4,414,551
Gross deferred tax asset	**202,475,420**	**186,572,049**
Net deferred tax asset	**124,484,516**	**90,556,855**

Rupees

	December 31, 2012	December 31, 2011
11. Loans and advances		
Current		
Unsecured, considered good		
Sundry deposit	54,979,744	35,974,250
Loan to subsidiary (Refer note 27)	143,354,468	49,374,739
Advances recoverable in cash or kind	49,115,505	28,795,188
Other loans and advances		
Service tax input credit receivable	17,447,892	12,873,311
Prepaid expenses	28,599,105	21,661,727
Loans to employees	34,630,662	28,391,472
	328,127,376	**177,070,687**
Non-current		
Unsecured, considered good		
Sundry deposit	347,552,277	347,954,969
Loan to subsidiary (Refer note 27)	1,080,541,142	311,183,427
Other loans and advances		
Advance income-tax (Net of provision for taxation)	36,799,365	12,529,317
Prepaid expenses	3,421,844	3,322,090
	1,468,314,628	**674,989,803**
TOTAL	**1,796,442,004**	**852,060,490**

Rupees

	December 31, 2012	December 31, 2011
12. Trade receivables		
Current		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	33,017,898	43,676,482
Unsecured, considered doubtful	85,394,429	50,739,326
Other receivables		
Unsecured, considered good	1,050,579,830	806,254,558
Less: Provision for doubtful receivables	(85,394,429)	(50,739,326)
TOTAL	**1,083,597,728**	**849,931,040**

Rupees

	December 31, 2012	December 31, 2011
13. Others assets		
Current		
Interest accrued on fixed deposits	944,942	59,231,570
Accrued revenue	105,319,772	70,194,953
Asset held for sale	233,488	-
Interest accrued on loan to subsidiary	11,700,292	5,064,398
	118,198,494	**134,490,921**
Non-current		
Interest accrued on fixed deposits	38,106	92,761
Other bank balances		
– Deposits with original maturity for more than 12 months	442,115	787,521
(Deposit includes fixed deposits with banks Rs 442,115 (P.Y. Rs.787,521) marked as lien for guarantees issued by banks on behalf of the company {Refer note 20})		
	480,221	**880,282**
TOTAL	**118,678,715**	**135,371,203**

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012	December 31, 2011
14. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
– On current accounts	349,498,075	626,517,726
– On unpaid dividend account	10,001,305	9,438,098
	359,499,380	635,955,824
Other bank balances		
– Deposits with original maturity within 12 months	14,988,282	1,368,604,564
(Deposit includes fixed deposits with banks Rs 3,732,206 (P.Y. Rs.4,138,359) marked as lien for guarantees issued by banks on behalf of the company {Refer note 20})		
TOTAL	**374,487,662**	**2,004,560,388**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
15. Income from operations		
Income from rating services (Refer note 36)	3,963,695,511	3,260,013,484
Income from research services	3,402,286,679	3,131,548,905
TOTAL	**7,365,982,190**	**6,391,562,389**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
16. Other income		
Interest on bank deposits	48,247,079	111,644,415
Interest on loan to subsidiary	35,898,211	18,798,026
Dividend on investments	27,247,726	8,701,955
Net gain on sale of current investments	-	11,017,024
Foreign exchange gain (Net)	66,885,224	178,355,649
Rental income	7,700,000	13,200,000
Miscellaneous income	23,932,550	24,258,205
Profit on sale of fixed assets (Net)	16,566,770	64,163,685
TOTAL	**226,477,560**	**430,138,959**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
17. Personnel expenses		
Salaries, wages and bonus	2,573,997,813	2,321,168,132
Contribution to provident funds	75,098,916	64,216,742
Contribution to other funds	37,298,914	13,635,553
Staff welfare expenses	80,605,785	79,971,349
Less: Recoveries from subsidiaries towards overheads allocated	(34,371,818)	(29,012,312)
TOTAL	**2,732,629,610**	**2,449,979,464**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
18. Establishment expenses		
Repairs and maintenance - Buildings	81,478,008	75,846,402
Repairs and maintenance - Others	57,016,841	71,587,243
Electricity	64,205,224	57,475,453
Communication expenses	75,912,220	65,526,615
Insurance	1,459,124	2,291,178
Rent (Refer note 29)	375,865,672	384,996,064
Rates and taxes	2,530,658	5,931,827
Less: Recoveries from subsidiaries towards overheads allocated	(6,058,929)	(5,661,516)
TOTAL	**652,408,818**	**657,993,266**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
19. Other expenses		
Printing and stationery	28,354,485	30,508,433
Conveyance and travelling	177,140,828	160,568,244
Data subscription	30,505,018	26,652,512
Vehicle expenses	1,013,838	1,232,177
Remuneration to non-whole time directors	13,580,000	13,370,000
Business promotion and advertisement	9,617,466	12,207,405
Professional fees	585,672,017	446,846,430
Professional fees- Associate services	250,529,560	210,558,246
Software purchase expense	35,446,173	31,056,283
Loss on dissolution of subsidiary	-	83,524
Provision for bad debts (Including bad debt)	115,807,565	65,835,877
Software maintenance expenses	6,749,900	6,560,811
Auditors' remuneration (Refer note 24)	3,515,638	3,014,995
Recruitment expenses	15,220,199	19,624,636
Miscellaneous expenses	5,051,503	6,229,736
Less: Recoveries from subsidiaries towards overheads allocated	(12,860,868)	(12,154,274)
TOTAL	**1,265,343,322**	**1,022,195,035**

Notes to financial statements for the year ended December 31, 2012

20. Details of contingent liabilities are as under:

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
1. Bank guarantee in the normal course of business	4,174,321	4,925,880
2. Disputed Income, Service & Sales Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	69,882,397	36,730,113
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	23,506,360	23,506,360
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	8,310,771	37,980,423
4. Guarantee given by the Company on behalf of it's Subsidiary	892,123,720	-
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows.		
TOTAL	**997,997,569**	**103,142,776**

21. The tax year of the Company being the year ending March 31, 2013, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2012 and the provision for the nine months upto December 31, 2012. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2012 to March 31, 2013.

22. 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.

23. Payment in foreign currency

a) Value of imports calculated on C.I.F basis for capital goods is Rs 4,396,539/- (P.Y. - Rs. 12,546,261/-)

b) Expenditure in foreign currency

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Foreign travel	22,732,271	29,058,254
Professional fees	450,746,099	308,428,297
Other expenses	17,014,988	16,578,284
TOTAL	**490,493,358**	**354,064,835**

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

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
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
Period to which dividend relates	2011 and 2012	2010 and 2011
Amount remitted (Rs.)	548,839,830	400,001,910

24. Auditors' remuneration includes:

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Audit fees	2,939,000	2,425,000
In any other matter:		
Certification work	317,500	505,000
Out of pocket expenses	259,138	84,995
TOTAL	**3,515,638**	**3,014,995**

25. 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 includes high end equity research, industry reports, customised research assignments , subscription to data services and IPO gradings

Segment reporting for the year ended December 31, 2012

Rupees

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue	3,963,695,511	3,402,286,679	7,365,982,190
Segment results	1,637,716,135	1,138,429,510	2,776,145,645
Add / (Less) unallocables:			
1.Unallocable income			
Interest income			84,145,290
Profit on sale of investments			-
Profit on sale of fixed assets			16,566,770
Others			71,515,945
2.Unallocable expenditure			(6,295,650)
3.Depreciation			(239,245,796)
Profit before tax			2,702,832,204
Tax expense			(774,233,254)
Profit after tax			1,928,598,950
Non-cash expenses other than depreciation and amortisation	142,649,066	38,624,873	181,273,939
Segment assets	451,498,731	2,118,484,488	2,569,983,219
Unallocable assets*	-	-	4,211,108,584
Segment liabilities	466,840,889	203,118,621	669,959,510
Unallocable liabilities*	-	-	6,111,132,293

Notes to financial statements for the year ended December 31, 2012

Revenue by geographic segments

Country	Rupees
India	3,165,558,893
United Kingdom	1,381,182,885
United States Of America	2,357,486,437
Others	461,753,975
TOTAL	**7,365,982,190**

Segment reporting for the year ended December 31, 2011

Rupees

Particulars	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			(8,629,838)
3. Depreciation			(216,845,862)
Profit before tax			2,474,687,721
Tax expense			(609,566,043)
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	303,567,119	1,574,968,325	1,878,535,444
Unallocable assets*			4,153,517,018
Segment liabilities	546,933,439	194,862,471	741,795,910
Unallocable liabilities*	-	-	5,290,256,552

Revenue by geographic segments

Country	Rupees
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**

Notes to segmental results:

*Assets and liabilities used interchangeably between segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these 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 disclosed as recoveries in Notes to the Statement of Profit and Loss.

26. 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
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co., Ltd	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary
Coalition Development Systems (India) Private Limited	Subsidiary
Mercator Info-Services India Private Limited	Subsidiary
Coalition Development Limited, UK	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited, UK
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

Notes to financial statements for the year ended December 31, 2012

Rupees

27. Related party disclosure

Name of the related party	Nature of transaction	Year Ended December 31, 2012	Year Ended December 31, 2011
Standard & Poor's LLC	Professional services rendered	1,355,338,967	981,757,379
	Reimbursement of expenses paid	-	1,322,484
	Amount receivable	183,988,840	61,132,376
S&P India, LLC	Dividend	499,351,680	343,304,280
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	12,395,424	25,775,898
	Amount receivable	1,617,228	7,626,119
Standard & Poor's International LLC, USA	Dividend	96,000,000	66,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees & commission paid to nominee directors	3,920,000	3,910,000
Standard & Poor's Australia Pty. Ltd.	Reimbursement of expenses	3,838,621	12,329,527
	Amount payable	6,919,050	2,695,657
The McGraw-Hill Companies, Inc.	Amount receivable	90,241	-
CRISIL Risk and Infrastructure Solutions Limited	Professional services paid	-	225,000
	Professional services rendered	1,417,123	2,035,843
	Expenses recovered	41,637,549	44,414,377
	Share of overhead expenses received	53,291,615	46,828,102
	Amount receivable (Net)	9,034,742	8,018,763
	Investment outstanding	49,999,900	49,999,900
CRISIL Irevna UK Limited (Formerly known as Irevna Limited, UK)	Professional services rendered	1,331,444,149	1,241,129,564
	Reimbursement of expenses received	-	-
	Amount receivable (Net)	304,768,330	300,468,267
	Investment outstanding	1,139,027,822	840,144,239
	Investment made during the year	298,883,583	-
	Loan outstanding	1,223,895,610	360,558,196
	Loan given	831,617,882	-
	Loan repaid	62,228,250	22,722,356
	Interest income	35,898,211	18,798,026
	Interest amount receivable	11,700,292	5,064,398
CRISIL Irevna US LLC (Formerly known as Irevna LLC, USA)	Professional services rendered	805,574,785	614,449,585
	Reimbursement of expenses received	-	-
	Amount receivable (Net)	267,041,962	156,085,786

Rupees

Name of the related party	Nature of transaction	Year Ended December 31, 2012	Year Ended December 31, 2011
CRISIL Irevna Argentina, S.A.	Investment outstanding	10,501,668	10,501,668
	Professional fees paid	247,516,723	170,827,510
	Amount payable (Net)	58,852,904	41,605,966
CRISIL Irevna Poland Sp.zo.o	Amount receivable	16,024,247	1,191,450
	Professional fees paid	98,001,063	70,216,153
	Amount payable	15,538,639	-
	Reimbursement of expenses received	5,622,820	10,367,142
India Index Services and Products Limited	Dividend received	7,644,000	5,733,000
	Investment outstanding	6,370,000	6,370,000
Pipal Research Analytics and Information Services India Private Limited	Investment outstanding	111,292,051	111,292,051
	Reimbursement of expenses paid	157,824	148,101
	Rent recovered	16,400,738	-
	Amount receivable/(payable) (Net)	1,351,403	(13,055)
CRISIL Irevna Information & Technology (Hangzhou) Co., Ltd	Investment outstanding	9,557,150	9,557,150
	Amount payable (Net)	6,402,534	5,150,112
	Professional fees paid	42,352,553	18,761,251
Coalition Development Systems (India) Private Limited	Investment made during the year	87,133,877	-
	Investment outstanding	87,133,877	-
Mercator Info-Services India Private Limited	Investment made during the year	37,108,494	-
	Investment outstanding	37,108,494	-
Ravinder Singhania	Professional fees paid	275,750	46,750
*Roopa Kudva	Remuneration paid	48,133,243	32,322,196
	Options granted (Nos.)	25,000	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.

Notes to financial statements for the year ended December 31, 2012

28. 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

Particulars	Unaudited	
	Year Ended December 31, 2012	Year Ended December 31, 2011
Assets	305,906,817	228,771,848
Reserves and surplus	285,143,376	215,445,110
Liabilities	14,393,441	6,956,737
Income	134,190,152	125,269,006
Expenses	20,994,847	23,636,818
Tax expense	34,542,462	31,971,584
Contingent liability	13,712,655	14,270,937

29. Operating lease

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Lease payment recognised in the Statement of Profit and Loss	375,865,672	384,996,064
Future minimum lease payments:		
Not later than one year	386,372,332	375,130,323
Later than one year & not later than five years	1,458,405,847	1,470,205,678
Later than five years	449,711,865	592,547,196
TOTAL	**2,294,490,044**	**2,437,883,197**

30. Gratuity and other post-employment benefit plans

In accordance with the Payment of Gratuity Act, 1972 CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees of the Company. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Group.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Statement of Profit and Loss:

Net employee benefit expense (recognised in Personnel expenses)

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Current service cost	28,630,960	26,330,470
Interest cost on defined benefit obligation	9,679,000	8,494,560
Expected return on plan assets	(6,017,529)	(5,183,522)
Net actuarial (gain)/ loss recognised in the year	4,424,780	9,561,530
Past service cost	-	(26,151,020)
Net gratuity benefit expense	**36,717,211**	**13,052,018**

Balance Sheet:

Details of provision for gratuity benefit

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Present value of funded obligations	150,986,640	118,386,100	108,091,000	53,926,870	41,632,929
Less: Fair value of plan assets	(78,806,061)	(72,584,782)	(51,130,570)	(46,883,930)	(22,892,753)
Net liability	**72,180,579**	**45,801,318**	**56,960,430**	**7,042,940**	**18,740,176**

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Opening defined benefit obligation	118,386,100	108,091,000	53,926,870	41,632,929	25,583,884
Current service cost	28,630,960	26,330,470	14,275,170	12,961,541	8,472,162
Interest cost	9,679,000	8,494,560	4,093,320	2,806,950	2,843,718
Plan amendment cost	-	(26,151,020)	-	-	-
Actuarial (gain)/loss	3,316,830	10,618,610	43,812,226	1,820,550	11,878,760
Benefits paid	(9,026,250)	(8,997,520)	(8,016,586)	(5,295,100)	(7,145,595)
Closing defined benefit obligation	**150,986,640**	**118,386,100**	**108,091,000**	**53,926,870**	**41,632,929**

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Opening fair value of plan assets	72,584,782	51,130,570	46,883,930	22,892,753	9,342,603
Expected return on plan assets	6,017,529	5,183,522	3,434,500	2,574,720	1,255,655
Actuarial gain/ (loss)	(1,107,950)	1,057,080	2,992,816	(1,457,120)	3,252,147
Contribution by employer	10,337,950	24,211,130	5,835,910	28,168,677	18,316,260
Assets acquired on acquisition	-	-	-	-	(2,128,317)
Benefits paid	(9,026,250)	(8,997,520)	(8,016,586)	(5,295,100)	(7,145,595)
Closing fair value of plan assets	**78,806,061**	**72,584,782**	**51,130,570**	**46,883,930**	**22,892,753**

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Experience adjustment on plan assets (Rs)	(1,107,950)	1,056,890	2,992,816	(1,457,120)	3,533,558
Experience adjustment on plan liabilities (Rs)	(396,720)	(15,410,000)	(41,461,230)	(2,662,050)	(142,570)

Notes to financial statements for the year ended December 31, 2012

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

%

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2012/2011)	9.30%	9.30%

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

The principal assumptions used in determining gratuity for the Company's plans is as below:

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Discount rate	8.30%	8.50%
Estimated rate of return on plan assets	8.50%	8.50%
Expected employee turnover		
Age: 20-44 years	6.50%	6.50%
Age: 45-57 years	6.00%	6.00%
Expected employer's contribution next year (Rupees)	24,000,000	30,000,000

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

31. Details of unhedged foreign exposure

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Current asset	2,102,266,355	1,150,243,242
Current liability	111,197,936	67,294,173

32. 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. Details of currency hedge and forward contract value are as under:

Hedged Currency	Year Ended December 31, 2012		Year Ended December 31, 2011	
	Amount	Amount in INR	Amount	Amount in INR
USD	30,274,000	1,712,661,900	30,274,000	1,533,549,704
GBP	9,378,000	844,571,350	9,378,000	753,595,830
EUR	4,014,000	294,068,775	4,014,000	278,637,230

33. 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

Details	Year Ended December 31, 2012	Year Ended December 31, 2011
Date of public announcement	-	13-Dec-11
Number of shares purchased	-	910,000
Face value of shares purchased	-	1
Consideration paid towards buy back	-	794,971,069
Share capital reduction	-	(910,000)
Share premium utlised	-	-
General reserve utilised	-	794,971,069
Amount transferred to Capital redemption reserve on extinguishment of Share capital	-	910,000
	-	794,971,069

In the previous 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 had given the impact of the buy back of shares in the previous year's financial statement. Out of the above Rs.6,795,885 was paid out in the current year.

34. 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 2012 (1)	ESOS 2012 (2)	ESOS 2011 (1)	ESOS 2011 (2)
Date of grant	16-Apr-12	16-Apr-12	14-Feb-11	14-Feb-11
No. of options granted	903,150	5,125	1,161,000	23,750
Exercise price (Rs.)	1,060.00	1,060.00	579.88	579.88
Graded vesting period:				
1st Year	180,630	5,125	232,200	23,750
2nd Year	361,260	-	464,400	-
3rd Year	361,260	-	464,400	-
Weighted average price of options as per Black -Scholes Option Pricing model at the grant date (Rs)	320.59	230.97	185.21	149.41

A summary of Company's ESOS is given below:

Nos.

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Outstanding at the beginning of the year	1,160,000	-
Add: Granted during the year	908,275	1,184,750
Less: Forfeited/lapsed during the year	68,475	24,750
Exercised during the year	177,300	-
Exercised during the year but not allotted	300	-
Outstanding at the end of the year	1,822,200	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.66,032,202 and EPS would have been as under:

Earnings per share: Nominal value of Re.1 per share:	Year Ended December 31, 2012	Year Ended December 31, 2011
Basic (Rupees)	26.55	26.07
Diluted (Rupees)	26.41	25.97
Key Assumptions:		
Expected volatility	30.44%	34.77%
Time to maturity	3.69 Years	3.68 Years
Expected dividend	2.23%	2.37%
Risk free rate of interest	8.40%	8.03%

35. In all cash transaction, CRISIL Limited and its subsidiary acquired 100% stake in Coalition Development Limited along with its subsidiaries on 4th July, 2012.

36. In the current year, there was a one time impact of Rs. 7.30 crore in rating revenue pertaining to previous year on account of certain price renegotiations with retrospective effect.

37. The Company has revised its estimate of recording upfront initial rating fees from 94% to 96% . However, the impact of the revision in estimate is not material .

38. Previous year comparatives

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

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Nachiket Mor Director
Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

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 Irevna Argentina S.A.	CRISIL Irevna Poland SP. Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna US LLC
2	The financial period of the subsidiary Company ended on	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012
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	741,072 Equity Shares of ARS 1 each, fully paid up	100 Equity Shares of PLN 500 each, fully paid up	5,514,100 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US$ 200 each, fully paid up
	(b) Extent of interest of CRISIL in the capital of the subsidiary	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 31,2012 of the subsidiary (Rupees)	68,404,009	15,615,121	6,996,910	364,773,348	23,626,967
	(b) Profits / (losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	88,355,325	9,420,998	5,590,096	(21,335,773)	24,568,372
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, 2012 (Rupees)	-	-	-	-	-
	(b) For the previous year since it became a subsidiary of CRISIL Limited (Rupees)	-	-	-	-	-
	* CRISIL Limited and its subsidiaries acquired 100% stake in Coalition Development Limited along with its subsidiaries on 4th July 2012.					

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT ,1956 RELATING TO SUBSIDIARY COMPANY

1	Name of the subsidiary company	Pipal Research Analytics and Information Services (I) Pvt. Limited	CRISIL Irevna Information & Technology (Hangzhou), Co.,Ltd	Coalition Development Limited, UK*	Coalition Development Systems (India) Private Limited*	Mercator Info-Services India Private Limited*	Coalition Development Singapore Pte Limited*
2	The financial period of the subsidiary Company ended on	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012	December 31, 2012
3	(a) Number of shares in the subsidiary held by CRISIL Limited at the above date	10,000 Equity Shares of Rs.10 each, fully paid up.	100% Investment in the capital	174,691 Equity Shares of £ 1 each, fully paid up	50,000 Equity Shares of Rs. 10 each, fully paid up	100,000 Equity Shares of Rs. 10 each, fully paid up	1 Equity Shares of SGD 1 each, fully paid up
	(b) Extent of interest of CRISIL in the capital of the subsidiary	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 31,2012 of the subsidiary (Rupees)	28,770,372	3,030,307	143,824,004	4,798,208	3,116,068	5,277,422
	(b) Profits / (losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	28,297,215	420,535	-	-	-	-
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, 2012 (Rupees)	-	-	-	-	-	-
	(b) For the previous year since it became a subsidiary of CRISIL Limited (Rupees)	-	-	-	-	-	-
	* CRISIL Limited and its subsidiaries acquired 100% stake in Coalition Development Limited along with its subsidiaries on 4th July 2012.						

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

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B. V. Bhargava
Director

Nachiket Mor
Director

Roopa Kudva
Managing Director & Chief Executive Officer

H. N. Sinor
Director

Yann Le Pallec
Director

David Pearce
Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Auditors' Report

The Board of Directors of

CRISIL Limited

1. We have audited the attached consolidated balance sheet of CRISIL Group ('the Group'), as at December 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of CRISIL Limited ('the Company') 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 CRISIL Irevna Limited, UK; CRISIL Irevna LLC, US; CRISIL Irevna Poland Sp.zo.o; CRISIL Irevna Argentina S.A.; CRISIL Irevna Information & Technology (Hangzhou) Co. Limited, China; Coalition Development Limited, UK and Coalition Development Singapore Pte Limited. The financial statements of these subsidiaries have been prepared under the generally accepted accounting principles ('GAAP') accepted in those respective countries and have been audited by other auditors who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, whose financial statements in the aggregate reflect, total assets, revenues, and net cash flows of Rs. 209.62 crores, Rs. 388.82 crores and Rs. 67.97 crores respectively, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion thus, in so far it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the accounting policies generally accepted in those respective countries and our audit of the conversion process followed by management.

4. We did not audit the financial statements of certain subsidiaries, whose financial statements prepared under the generally accepted accounting principles accepted in India, reflect in relation to the amounts considered in the consolidated financial statements; total assets of Rs. 9.98 crores as at December 31, 2012, total revenue of Rs. Nil and total cash flows amounting to Rs. 2.75 crores 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, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors.

5. We did not audit the financial information of one joint venture, prepared under the generally accepted accounting principles in India, whose financial information reflects total assets of Rs. 62.43 crores as at December 31, 2012, total revenue of Rs. 27.39 crores and total cash outflows of Rs. 0.12 crores for the year then ended, and which reflect the Company's share of Rs.30.59 crores, Rs.13.42 crores and Rs. 0.06 crores respectively, as accounted in the consolidated financial statements of the Company, on the basis of unaudited financial information as certified and furnished to us by the management and our opinion is based solely on this management certified financial information.

6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information of the components and based on the unaudited financial information for the year ended December 31, 2012 of one joint venture, 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:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at December 31, 2012;

   (b) in the case of the consolidated statement of profit and loss, 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 14, 2013

Balance Sheet as at December 31, 2012

Rupees

Particulars	Notes	As at December 31, 2012	As at December 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	70,235,740	70,058,440
Reserve and surplus	4	5,219,504,168	4,108,928,080
Non-current liabilities			
Trade payables	5	165,137,221	159,130,486
Other long-term liabilities	7	14,448,913	51,776,492
Current liabilities			
Trade payables	5	1,135,260,424	957,648,147
Other current liabilities	7	2,502,971,771	1,150,582,382
Short-term provisions	6	722,896,501	533,147,558
TOTAL		**9,830,454,738**	**7,031,271,585**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	1,142,451,678	1,059,857,324
Intangible assets	8	3,525,391,109	1,202,700,721
Capital work-in-progress		-	5,799,358
Non-current investments	9	66,354,755	56,251,219
Deferred tax assets (Net)	10	174,841,085	131,023,295
Long-term loans and advances	11	456,063,401	401,828,343
Other non-current assets	13	47,432,722	81,173,928
Current assets			
Current investments	9	1,084,312,575	102,297,311
Trade receivables	12	1,172,323,353	924,236,419
Cash and bank balances	14	1,527,967,773	2,541,569,854
Short-term loans and advances	11	247,208,657	136,433,145
Other current assets	13	386,107,630	388,100,668
TOTAL		**9,830,454,738**	**7,031,271,585**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson Chairman	Rama Bijapurkar Director	B. V. Bhargava Director	Nachiket Mor Director
Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Statement of Profit and Loss for the year ended December 31, 2012

Rupees

Particulars	Notes	Year Ended December 31, 2012	Year Ended December 31, 2011
INCOME			
Income from operations (Refer note 30, 31)	15	9,777,175,363	8,069,576,871
Other income	16	203,795,750	428,177,308
TOTAL		**9,980,971,113**	**8,497,754,179**
EXPENSES			
Personnel expenses	17	4,390,067,363	3,523,343,763
Establishment expenses	18	824,718,757	784,144,241
Other expenses	19	1,286,084,668	1,138,059,570
Depreciation / Amortisation	8	343,218,323	298,288,150
TOTAL		6,844,089,111	5,743,835,724
Profit before tax		3,136,882,002	2,753,918,455
Tax expense			
Current tax		918,091,192	678,461,624
Deferred tax charge		14,828,248	11,305,887
Total tax expense		932,919,440	689,767,511
Profit after tax		**2,203,962,562**	**2,064,150,944**
Earnings per share: Nominal value of Re.1 (December 31, 2011: Re.1)			
Basic		31.42	29.09
Diluted (On account of ESOS, refer note 29)		31.25	28.98
Number of shares used in computing earnings per share			
Basic		70,150,532	70,967,771
Diluted (On account of ESOS, refer note 29)		70,531,039	71,225,814
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson
Chairman

Rama Bijapurkar
Director

B. V. Bhargava
Director

Nachiket Mor
Director

Roopa Kudva
Managing Director & Chief Executive Officer

H. N. Sinor
Director

Yann Le Pallec
Director

David Pearce
Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Cash Flow Statement for the Year ended December 31, 2012

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
A. Cash flow from operating activities:		
Profit before tax	3,136,882,002	2,753,918,455
Adjustments for:		
Depreciation	343,218,323	298,288,150
Currency fluctuation reserve	(46,134,122)	9,785,939
Foreign currency translation reserve	(31,453,176)	(52,851,203)
Unrealised foreign exchange gain	5,027,333	(29,526,642)
(Profit)/ Loss on sale of fixed assets	(9,679,073)	(63,638,512)
(Profit)/ Loss on sale of investments	(14,079,037)	(11,663,558)
Provision for bad debts	118,634,312	76,845,758
Interest on deposits	(77,035,438)	(127,865,939)
Dividend income from other investments	(27,166,807)	(8,564,150)
Operating profit before working capital changes	3,398,214,317	2,844,728,298
Movements in working capital		
- (Increase)/decrease in trade receivables	(273,626,010)	160,367,938
- (Increase)/decrease in sundry deposits	(12,199,056)	(14,375,327)
- (Increase)/decrease in loans	(9,763,229)	(7,605,492)
- (Increase)/decrease in grant	(5,658,431)	(12,397,168)
- (Increase)/decrease in advances	(55,006,910)	10,478,634
- (Increase)/decrease in accrued revenue	19,687,919	(218,600,529)
- Increase/(decrease) in trade payables	70,351,090	328,714,736
- Increase/(decrease) in unearned revenue and fees received in advance	(112,459,784)	150,773,232
- Increase/(decrease) in provision for leave benefits	62,493,208	64,165,353
- Increase/(decrease) in provision for gratuity	25,790,762	(17,400,901)
- Increase/(decrease) in statutory liabilities	22,244,237	3,226,077
Cash generated from operations	3,130,068,113	3,292,074,851
- Taxes paid	(897,313,637)	(688,145,240)
Net cash generated from operating activities - (A)	2,232,754,476	2,603,929,611
B. Cash flow from investing activities:		
Purchase of fixed assets	(429,901,106)	(264,421,007)
Proceeds from sale of fixed assets	32,767,763	81,793,871
Investments in mutual funds & bonds	(2,362,118,800)	(250,000,000)
Investment in ICRA Limited	-	(1,218)
Sale proceeds from investments in mutual funds	1,370,000,000	365,157,499
Payment made for acquisition of Coalition group (Refer note 30)	(1,419,585,837)	-
Investment in fixed deposits	(60,636,807)	(1,497,148,496)
Proceeds from fixed deposit maturity	1,522,893,242	877,330,499
Interest on bank deposits	137,655,334	90,593,309
Dividend income from other investments	27,166,807	8,564,150
Net cash generated from/(used in) investing activities - (B)	(1,181,759,404)	(588,131,393)

Rupees

		Year Ended December 31, 2012	Year Ended December 31, 2011
C.	Cash flow from financing activities:		
	Payment towards buy back of shares (Refer note 28)	(6,795,885)	(788,175,183)
	Proceeds from issuance of share capital on exercise of stock options	102,635,424	-
	Dividend and dividend tax paid	(1,203,446,989)	(886,167,111)
	Net cash generated from/(used in) financing activities - (C)	(1,107,607,450)	(1,674,342,294)
D.	Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D)	1,630,643	1,038,730
	Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	(54,981,735)	342,494,654
	Less: Adjustment towards acquisition	498,116,517	-
	Net Increase/(decrease) in cash and cash equivalents after divesture adjustment	**443,134,782**	**342,494,654**
	Cash and cash equivalents - Opening balance	937,830,747	595,336,093
	Cash and cash equivalents - Closing balance	1,380,965,529	937,830,747
	Net increase/(decrease) in cash and cash equivalents	**443,134,782**	**342,494,654**
	Components of cash and cash equivalents as at		
	Cash on hand	220,008	172,779
	With banks on current account	1,370,744,216	928,219,870
	Unpaid dividend account (Earmarked for unpaid dividend)	10,001,305	9,438,098
		1,380,965,529	937,830,747
	Summary of significant accounting policies 2		

The accompanying notes form an integral part of the cash flow statement.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No.: 102102

Date: February 14, 2013
Place: Mumbai

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

Douglas Peterson, Chairman
Rama Bijapurkar, Director
B. V. Bhargava, Director
Nachiket Mor, Director
Roopa Kudva, Managing Director & Chief Executive Officer
H. N. Sinor, Director
Yann Le Pallec, Director
David Pearce, Director
Neelabja Chakrabarty, Company Secretary
Date: February 14, 2013
Place: Mumbai

Notes to financial statements for the year ended December 31, 2012

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 delivers analysis, opinions, and solutions that make markets function better.

2. Summary of significant accounting policies

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, except as disclosed.

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	
		December 31, 2012	December 31, 2011
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna US LLC	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%
Coalition Development Limited, UK	United Kingdom	100%	-
Coalition Development Systems (India) Private Limited*	India	100%	-
Mercator Info-Services India Private Limited*	India	100%	-
Coalition Development Singapore Pte Limited	Singapore	100%	-
CRISIL Irevna Information & Technology (Hangzhou) Co., Ltd	China	100%	100%

* All the above entities have uniform year end except India Index Services and Products Limited (Joint Venture), Coalition Development Systems (India) Private Limited and Mercator Info-Services India Private Limited.

2.7 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 are consistent with those used in the previous year except for the change in Accounting Policy explained in Point No 2.8.

2.8 Changes in accounting policy

a) Presentation and Disclosure of Financial Statements: During the year ended December 31, 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Current/ Non-current classification of assets and liabilities: All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

2.9 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.

2.10 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. Software purchased is charged to the Statement of Profit and Loss as and when incurred.

2.11 Depreciation

Depreciation is provided using the Straight Line Method (except in case of India Index Services and Prouduct Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private 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 and fixtures	4 to 16 Years
Office equipments	3 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.

Notes to financial statements for the year ended December 31, 2012

2.12 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.

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

2.13 Intangibles

Goodwill (acquired) is amortised on a systematic basis over the best estimate of it's 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

2.14 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 Statement of Profit and Loss on a straight-line basis over the lease term.

2.15 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.

2.16 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 research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue at 96% on the date the rating is awarded and the balance 4% is recorded equally over 11 months subsequent to the month in which the rating was awarded. Revenue on service contracts are recognised on completion of related services. Surveillance fee, subscription to information products and services and revenue from IPO grading are accounted on a time proportion basis. Revenue from customised research and IER services are recognised in the period in which such 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. Fees with respect to certain categories of clients are recognised only when there is a reasonable certainty of collection.

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.

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 Statement of Profit and Loss.

2.17 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 Statement of Profit and Loss 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.

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 the Statement of Profit and Loss and are not deferred.

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

2.18 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in reporting currency (INR) by applying to the foreign currency amount to the monthly average exchange rates for the respective periods 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 Statement of Profit and Loss.

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 Statement of Profit and Loss

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 Statement of Profit

Notes to financial statements for the year ended December 31, 2012

and Loss 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 Statement of Profit and Loss 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 the Statement of Profit and Loss for the year.

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 Statement of Profit and Loss over the balance life of the long term monetary item.

2.19 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 the Statement of Profit and Loss.

2.20 Taxes on income

Tax expense comprises of current and deferred tax. Current income 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 recongnised as per local statute.

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

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

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

2.21 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:

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

2.22 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.

2.23 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.

2.24 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.

2.25 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 wherever grant price is lower then the market price.

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012	December 31, 2011
3. Share capital		
Authorised Capital:		
100,000,000 Equity Shares of Re.1 each (P.Y. 100,000,000 of Re. 1 each)	100,000,000	100,000,000
Issued, Subscribed and Paid Up:		
70,235,740 Equity Shares of Re. 1 each fully paid up (P.Y. 70,058,440 of Re. 1 each) [Of the above, 6,000,000 Equity Shares of Re. 1 are held by Standard & Poor's International LLC , USA (P.Y. 6,000,000 of Re. 1 each) and 31,209,480 Equity Shares of Re. 1 are held by S&P India, LLC (P.Y. 31,209,480 of Re. 1 each) (wholly-owned subsidiaries of The McGraw-Hill Companies, Inc., The Ultimate Holding Company)]	70,235,740	70,058,440
TOTAL	**70,235,740**	**70,058,440**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	December 31, 2012	
Particulars	Rupees	Nos.
Equity shares		
At the beginning of the year (face value of Re. 1/- per share)	70,058,440	70,058,440
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer note 29)	177,300	177,300
Outstanding at the end of the year	70,235,740	70,235,740

	December 31, 2011	
Particulars	Rupees	Nos.
Equity shares		
At the beginning of the year (face value of Re. 1/- per share)	70,968,440	70,968,440
Less - Buy-back during the year (Refer note 28)	(910,000)	(910,000)
Outstanding at the end of the year	70,058,440	70,058,440

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Rupees

Particulars	December 31, 2012	December 31, 2011
6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC-USA, Fellow Subsidiary (P.Y. 6,000,000 of Re. 1 each)	6,000,000	6,000,000
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, Fellow Subsidiary (P.Y. 31,209,480 of Re. 1 each)	31,209,480	31,209,480

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: (Refer note 28)

Nos.

Particulars	December 31, 2012	December 31, 2011
Equity shares bought back by the company		
In 2007	Nil	Nil
In 2008	Nil	Nil
In 2009	Nil	Nil
In 2010	1,281,560	1,281,560
In 2011	910,000	910,000
In 2012	-	-
	2,191,560	**2,191,560**

Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date is Nil.

(e) Details of shareholders holding more than 5% shares in the company (Refer note 28)

Name of the shareholder	December 31, 2012	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw-Hill Companies		
a) S&P India, LLC	44.44%	31,209,480
b) Standard & Poor's International LLC, USA	8.54%	6,000,000
2. Jhunjhunwala Rakesh & Rekha	7.69%	5,400,000

Name of the shareholder	December 31, 2011	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw-Hill Companies		
a) S&P India, LLC	43.98%	31,209,480
b) Standard & Poor's International LLC, USA	8.45%	6,000,000
2. Jhunjhunwala Rakesh & Rekha	7.75%	5,500,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements for the year ended December 31, 2012

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company, please refer note 29

Rupees

	December 31, 2012	December 31, 2011
4. Reserves and surplus		
Securities premium account		
Opening balance	-	-
Add:- Amount received on excercise of employee stock options (Refer note 29)	102,635,424	-
	102,635,424	**-**
Capital reserve	**122,232,111**	**122,232,111**
Capital redemption reserve		
Opening balance	2,191,560	1,281,560
Add: Transfer on account of buy back of equity shares (Refer note 28)	-	910,000
	2,191,560	**2,191,560**
General reserve		
Opening balance	444,109,327	1,052,568,228
Add: Transfer from the statement of profit and loss	192,859,895	186,512,168
Less:Transfer to capital redemption reserve account (Refer note 28)	-	(910,000)
Less: Used towards buy back of equity shares	-	(794,061,069)
	636,969,222	**444,109,327**
Foreign currency monetary item translation account		
Opening balance	45,664,182	-
Add: Movement during the year	33,757,869	45,664,182
	79,422,051	**45,664,182**
Currency fluctuation reserve		
Opening balance	9,785,939	(2,386,986)
Add: Movement during the year	(55,920,061)	12,172,925
	(46,134,122)	**9,785,939**
Hedging reserve account		
Opening balance	(162,366,170)	25,548,217
Add: Movement during the year	132,754,328	(187,914,387)
	(29,611,842)	**(162,366,170)**
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	3,647,311,131	2,674,309,810
Profit for the year	2,203,962,562	2,064,150,944
Less: Appropriation		
Proposed final equity dividend	(280,942,960)	(192,660,710)
Interim dividend	(842,225,470)	(585,494,277)
Corporate dividend tax	(183,445,604)	(126,482,468)
Transfer to general reserve	(192,859,895)	(186,512,168)
Total appropriations	(1,499,473,929)	(1,091,149,623)
Net surplus in the statement of profit and loss	**4,351,799,764**	**3,647,311,131**
TOTAL	**5,219,504,168**	**4,108,928,080**

Rupees

	December 31, 2012	December 31, 2011
5. Trade payables		
Current		
Trade payables	1,135,260,424	957,648,147
	1,135,260,424	**957,648,147**
Non-current		
Trade payables	165,137,221	159,130,486
	165,137,221	**159,130,486**
TOTAL	**1,300,397,645**	**1,116,778,633**

Rupees

	December 31, 2012	December 31, 2011
6. Short-term Provisions		
Current		
Other provisions		
Proposed dividend	280,942,960	192,660,710
Corporate dividend tax thereon	45,575,972	31,254,384
Provision for tax	6,535,682	8,568,433
Provision for employee benefits		
Provision for leave encashment	314,051,052	250,663,960
Provision for gratuity (Refer note 25)	75,790,835	50,000,071
TOTAL	**722,896,501**	**533,147,558**

Rupees

	December 31, 2012	December 31, 2011
7. Other liabilities		
Current		
Statutory liabilities	290,082,459	148,711,166
Unearned revenue and fees received in advance	750,600,958	814,280,871
Deferred grant revenue	59,291,107	15,786,077
Forward contract payable	29,611,842	162,366,170
Other payables	1,363,384,100	-
Unpaid dividend (Investor Education and Protection Fund will be credited by following amounts as and when due)	10,001,305	9,438,098
	2,502,971,771	**1,150,582,382**
Non-current		
Statutory liabilities	300,626	1,537,105
Deferred grant revenue	13,719,672	50,239,387
Unearned revenue and fees received in advance	428,615	-
	14,448,913	**51,776,492**
TOTAL	**2,517,420,684**	**1,202,358,874**

8. Fixed assets

Rupees

	Gross Block at Cost						Accumulated Depreciation/Amortisation						Net Block	
	As on January 1, 2012	Additions	Deductions	Currency Translation Reserve	Adjustments	As on December 31, 2012	As on January 1, 2012	For the year	On Assets sold	Currency Translation Reserve	Adjustments	As on December 31, 2012	As on December 31, 2012	As on December 31, 2011
Intangibles														
Goodwill On Consolidation	825,225,891	2,325,087,338	-	-	-	3,150,313,229	-	-	-	-	-	-	3,150,313,229	825,225,891
Customer Relationship	235,504,419	-	-	19,807,205	-	255,311,624	37,312,148	35,496,192	-	5,114,963	-	77,923,303	177,388,321	198,192,271
Brand	29,728,859	-	-	2,500,359	-	32,229,218	4,584,412	4,361,293	-	628,457	-	9,574,162	22,655,056	25,144,447
Non Compete	37,825,658	-	-	3,181,344	-	41,007,002	13,610,328	12,947,921	-	1,865,782	-	28,424,031	12,582,971	24,215,330
Goodwill	144,786,155	38,175,590	-	21,136,304	-	204,098,049	14,863,373	16,752,890	-	10,030,254	-	41,646,517	162,451,532	129,922,782
Sub Total Intangible Assets	1,273,070,982	2,363,262,928	-	46,625,212	-	3,682,959,122	70,370,261	69,558,296	-	17,639,456	-	157,568,013	3,525,391,109	1,202,700,721
Tangibles														
Buildings	161,565,478	-	4,213,381	-	-	157,352,097	97,829,098	7,973,585	3,564,796	-	-	102,237,887	55,114,210	63,736,380
Furniture and Fixtures	235,067,674	32,419,113	12,372,629	1,026,572	-	256,140,730	100,851,341	19,451,905	6,642,034	7,763,358	-	121,424,570	134,716,160	134,216,333
Office Equipments	329,302,704	71,047,733	15,960,179	(188,281)	-	384,201,977	129,242,063	37,789,437	8,691,054	4,961,705	-	163,302,151	220,899,826	200,060,641
Computers	626,641,723	137,223,025	82,880,292	(538,698)	-	680,445,758	475,805,706	110,397,154	81,989,021	2,907,284	-	507,121,123	173,324,635	150,836,017
Vehicles	59,984,550	25,135,049	16,751,785	(246,881)	-	68,120,933	34,472,443	16,406,802	15,619,507	275,560	-	35,535,298	32,585,635	25,512,107
Leasehold Improvements	658,076,454	130,695,099	22,373,653	(47,193)	-	766,350,707	172,580,608	81,641,144	14,723,330	1,041,073	-	240,539,495	525,811,212	485,495,846
Sub Total Tangible Assets	2,070,638,583	396,520,019	154,551,919	5,519	-	2,312,612,202	1,010,781,259	273,660,027	131,229,742	16,948,980	-	1,170,160,524	1,142,451,678	1,059,857,324
TOTAL	**3,343,709,565**	**2,759,782,947**	**154,551,919**	**46,630,731**	**-**	**5,995,571,324**	**1,081,151,520**	**343,218,323**	**131,229,742**	**34,588,436**	**-**	**1,327,728,537**	**4,667,842,787**	**2,262,558,045**

Rupees

	Gross Block at Cost						Accumulated Depreciation/Amortisation						Net Block	
	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, 2011	As on December 31, 2010
Intangibles														
Goodwill On Consolidation	825,225,891	-	-	-	-	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	-	37,312,148	198,192,271	201,346,215
Brand	25,563,445	-	-	4,165,414	-	29,728,859	203,107	3,936,740	-	444,565	-	4,584,412	25,144,447	25,360,338
Non Compete	32,525,773	-	-	5,299,885	-	37,825,658	861,413	11,415,495	-	1,333,420	-	13,610,328	24,215,330	31,664,360
Goodwill	124,499,661	-	-	20,286,494	-	144,786,155	494,587	13,306,493	-	1,062,293	-	14,863,373	129,922,782	124,005,074
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	1,202,700,721	1,207,601,878
Tangibles														
Buildings	161,565,478	-	-	-	-	161,565,478	89,750,830	8,078,268	-	-	-	97,829,098	63,736,380	71,814,648
Furniture and Fixtures	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	134,216,333	124,774,999
Office Equipments	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	200,060,641	212,663,701
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	150,836,017	124,324,077
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	25,512,107	17,060,880
Leasehold Improvements	588,850,264	69,366,916	-	(140,726)	-	658,076,454	98,916,019	73,409,733	-	254,856	-	172,580,608	485,495,846	489,934,245
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	1,059,857,324	1,040,572,550
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**	**2,262,558,045**	**2,248,174,428**

A Standard & Poor's Company

Notes to financial statements for the year ended December 31, 2012

Rupees

	December 31, 2012		December 31, 2011	
9. Investments				
Non-current investments				
Trade investment (valued at cost unless stated otherwise)				
Unquoted equity instruments				
Other Investments				
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
Quoted equity instruments				
Other Investments				
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10 each, fully paid up		1,218		1,218
Proportional Share of Investments in Bonds by Joint Venture Company (Quoted -At Cost Or Market Value, whichever is lower)		10,103,536		-
TOTAL {A}		**66,354,755**		**56,251,219**
Current investments				
Non-trade investment (valued at lower of cost or market value)				
Unquoted mutual funds				
Investments In Mutual Funds				
180,285.40 (P.Y. Nil) units of Rs 1019.45 each UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment		183,791,174		-
1,824,758.72 (P.Y. Nil) units of Rs.100.20 each Birla Sunlife Cash Plus - Daily Dividend - Reinvestment		182,831,700		-
2,234,997.27 (P.Y. Nil) units of Rs.100.03 each ICICI Prudential-Regular Plan - Daily Dividend		223,550,237		-
206,846.31 (P.Y. Nil) units of Rs.1000.63 each Baroda Pioneer Liquid Fund - Daily Dividend		206,976,625		-
90,267.74 (P.Y. Nil) units of Rs.1000.25 each IDFC Cash Fund Regular Plan - Daily Dividend		90,290,303		-
Proportional Share of Investments in mutual funds by Joint Venture Company		196,872,536		102,297,311
TOTAL {B}*		**1,084,312,575**		**102,297,311**
TOTAL INVESTMENTS {A}+{B}		**1,150,667,330**		**158,548,530**
* Aggregate market value of Company's investment in Quoted instruments		10,105,005		805
* Aggregate market value of Company's investment in Unquoted Mutual Funds		1,281,185,111		102,297,311

Rupees

	December 31, 2012	December 31, 2011
10. Deferred tax asset		
Deferred tax liability		
Fixed assets	79,202,814	(96,016,136)
Provision for gratuity	25,011	-
Gross deferred tax liability	**79,227,825**	**(96,016,136)**
Deferred tax asset		
Lease rent amortisation	53,690,813	47,352,076
Provision for leave encashment	80,123,327	64,734,115
Provision for bonus and commission	27,596,619	51,777,584
Provision for gratuity	21,326,083	8,397,696
Provision for bad debt	36,632,530	21,376,237
Initial rating fees deferred	5,771,506	8,933,504
Fixed assets	4,816,301	6,326,947
Carry forward losses*	18,924,751	12,386,460
Disallowance under section 40(a)	5,186,981	5,754,812
Gross deferred tax asset	**254,068,911**	**227,039,431**
Net deferred tax asset	**174,841,085**	**131,023,295**

*Based on current year's profit and management estimate of future performance from existing contract.

Rupees

	December 31, 2012	December 31, 2011
11. Loans and advances		
Current		
Unsecured, considered good		
Sundry deposit	75,869,008	55,263,324
Advances recoverable in cash or kind	55,813,021	19,633,956
Other loans and advances		
Service tax input credit receivable (Net)	20,740,261	-
Prepaid expenses	41,558,724	31,023,507
Loans to employees	39,842,559	30,079,330
Advance taxes paid	469,448	433,028
VAT receivable	12,915,636	-
	247,208,657	**136,433,145**
Non-current		
Unsecured considered good		
Sundry deposit	355,492,733	355,089,774
Advances recoverable in cash or kind	7,669,285	-
Other loans and advances		
Service tax input credit receivable (Net)	4,514,708	-
Prepaid expenses	7,646,499	3,411,060
Advance taxes paid	80,184,956	43,327,509
VAT receivable	555,220	-
	456,063,401	**401,828,343**
TOTAL	**703,272,058**	**538,261,488**

Notes to financial statements for the year ended December 31, 2012

Rupees

12. Trade receivables	December 31, 2012	December 31, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	22,232,237	55,626,967
Unsecured, considered doubtful	120,385,250	88,464,933
Other receivables		
Unsecured, considered good	1,150,091,116	868,609,452
Less: Provision for doubtful receivables	(120,385,250)	(88,464,933)
TOTAL	**1,172,323,353**	**924,236,419**

Rupees

13. Others assets	December 31, 2012	December 31, 2011
Current		
Interest accrued on fixed deposit	10,373,974	70,960,947
Assets held for sale	233,488	-
Accrued revenue	298,308,886	286,056,066
Grant receivable	77,191,282	31,083,655
	386,107,630	**388,100,668**
Non-current		
Interest accrued on fixed deposit	272,677	144,771
Grant receivable	13,719,672	47,183,553
Other bank balances		
- Deposits with original maturity for more than 12 months	33,440,373	33,845,604
(Deposit includes fixed deposits with bank Rs. 626,215 (P.Y. Rs. 787,521) marked as lien for guarantees issued by banks on behalf of the Group (Refer note 20))		
	47,432,722	**81,173,928**
TOTAL	**433,540,352**	**469,274,596**

Rupees

14. Cash and bank balances	December 31, 2012	December 31, 2011
Cash on hand	220,008	172,779
Balances with banks:		
On current accounts	1,370,744,216	928,219,870
On unpaid dividend accounts	10,001,305	9,438,098
Other bank balances		
- Deposits with original maturity within 12 months	147,002,244	1,603,739,107
(Deposit includes fixed deposits with banks Rs.55,548,142 (P.Y.Rs.56,289,178) marked as lien for guarantees issued by banks on behalf of the group (Refer note 20))		
TOTAL	**1,527,967,773**	**2,541,569,854**

Rupees

15. Income from operations	Year Ended December 31, 2012	Year Ended December 31, 2011
Income from ratings services	3,963,695,511	3,260,013,484
Income from advisory services	553,236,571	573,059,524
Income from research services	5,260,243,281	4,236,503,863
TOTAL	**9,777,175,363**	**8,069,576,871**

Rupees

16. Other income	Year Ended December 31, 2012	Year Ended December 31, 2011
Interest on deposits	77,035,438	127,865,939
Profit on sale of fixed assets (Net)	9,679,073	63,638,512
Rental income	7,700,000	13,200,000
Foreign exchange gain (Net)	52,276,146	176,463,803
Profit from sale of investments (Net)	14,079,037	11,663,558
Dividend income from other investments	27,166,807	8,564,150
Miscellaneous income	15,859,249	26,781,346
TOTAL	**203,795,750**	**428,177,308**

Rupees

17. Personnel expenses	Year Ended December 31, 2012	Year Ended December 31, 2011
Salaries and bonus	4,037,361,513	3,262,001,993
Contribution to provident funds	179,238,107	132,937,730
Contribution to other funds	41,946,355	19,720,403
Staff training and welfare expenses	131,521,388	108,683,637
TOTAL	**4,390,067,363**	**3,523,343,763**

Rupees

18. Establishment expenses	Year Ended December 31, 2012	Year Ended December 31, 2011
Repairs and maintenance - Buildings	100,072,372	85,620,903
Repairs and maintenance - Others	70,305,647	88,389,475
Electricity	75,129,860	64,112,333
Communication expenses	104,903,900	84,939,669
Insurance	1,948,686	2,472,476
Rent (Refer note 24)	469,880,136	453,428,137
Rates and taxes	2,478,156	5,181,248
TOTAL	**824,718,757**	**784,144,241**

Notes to financial statements for the year ended December 31, 2012

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
19. Other expenses		
Printing and stationery	36,328,732	33,608,620
Conveyance and travelling	281,303,307	250,028,489
Data subscription	82,150,539	74,511,028
Vehicle expenses	1,021,913	1,235,901
Remuneration to non-whole time directors	14,063,318	13,507,215
Business promotion and advertisement	16,744,779	15,748,979
Professional fees	360,788,340	336,198,388
Professional fees - Associate services	259,938,580	211,055,514
Software purchase and maintenance expenses	49,771,712	46,883,626
Provision for bad debts (Including bad debt)	118,634,312	76,845,758
Auditors' remuneration	8,790,481	8,092,237
Recruitment expenses	23,671,008	43,080,418
Miscellaneous expenses	28,281,819	19,593,719
Sales commission	4,595,828	7,669,678
TOTAL	**1,286,084,668**	**1,138,059,570**

Rupees

	Year Ended December 31, 2012	Year Ended December 31, 2011
20. Details of contingent liabilities and capital commitments are as under:		
1. Bank guarantee in the normal course of business	56,174,357	57,076,699
2. Disputed income tax and sales tax demand:		
(i) Pending before appellate authorities in respect of which the group is in appeal	159,281,720	96,638,477
(ii) Decided in group's favour by appellate authorities and department is in further appeal	24,406,312	23,506,360
3. Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	10,097,864	38,163,302
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows.		
	249,960,253	**215,384,838**

21. Segment reporting

Business segments:

The Group has three major business segment's: Rating, 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 includes 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, 2012

Rupees

Particulars	Business segments			Total
	Ratings	Advisory	Research	
Operating revenue	3,963,695,511	553,236,571	5,260,243,281	9,777,175,363
Segment results	1,637,716,135	99,672,566	1,588,432,179	3,325,820,880
Add / (Less) Unallocables:				
1.Unallocable income				
Interest income				77,035,438
Profit on sale of fixed assets				9,679,073
Profit on sale of investments				14,079,037
Others				63,799,939
2. Unallocable expenditure				(10,314,042)
3. Depreciation				(343,218,323)
Profit before tax				3,136,882,002
Tax expense				(932,919,440)
Profit after tax				2,203,962,562
Non-cash expenses other than depreciation and amortisation	142,649,066	42,235,976	323,591,157	508,476,199
Segment assets	451,498,731	235,509,882	605,699,990	1,292,708,603
Unallocable assets*	-	-	-	8,537,746,135
Segment liabilities	466,840,889	17,178,203	267,010,481	751,029,573
Unallocable liabilities*	-	-	-	9,079,425,165

Revenue by geographic segments

Country	Rupees
India	3,625,838,050
United Kingdom	2,316,727,231
United States Of America	3,152,362,429
Others	682,247,653
TOTAL	**9,777,175,363**

Notes to financial statements for the year ended December 31, 2012

Segment reporting for the Year ended December 31, 2011

Rupees

Particulars	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 assets				63,633,612
Profit on sale of current investments				11,017,024
Others				56,851,772
2.Unallocable expenditure				(9,011,899)
3.Depreciation				(298,288,150)
Profit before tax				2,753,918,455
Tax expense				(689,767,511)
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	303,567,119	216,675,471	492,458,762	1,012,701,352
Unallocable assets*	-	-	-	6,018,570,233
Segment liabilities	546,933,439	19,779,368	247,568,064	814,280,871
Unallocable liabilities*	-	-	-	6,216,990,714

Revenue by geographic segments

Country	Rupees
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**

Notes to segmental results:

*Assets and liabilities used interchangeably between segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

22. List of related parties

Parties	Relationship
Related parties where control exists	
The McGraw-Hill Companies, Inc	The Ultimate Holding Company
Other related parties	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC, USA	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
McGraw-Hill Education India Private Limited	Fellow Subsidiary
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

Related party disclosure

Rupees

Name of the related party	Nature of transaction	Year Ended December 31, 2012	Year Ended December 31, 2011
Standard & Poor's LLC	Professional services rendered	1,390,392,396	1,002,140,073
	Revenue share paid	837,077	2,860,778
	Reimbursement of expenses	-	1,322,484
	Amount receivable	202,923,522	74,257,704
S&P India, LLC	Dividend	499,351,680	343,304,280
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses	12,395,424	25,775,898
	Amount receivable	1,617,228	7,626,119
Standard & Poor's International LLC, USA	Dividend	96,000,000	66,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees and commission paid to nominee directors	3,920,000	3,910,000
The McGraw-Hill Companies, Inc	Amount receivable	90,241	-
Standard & Poor's Australia Pty. Ltd.	Reimbursement of expenses	3,838,621	12,329,527
	Amount payable	6,919,050	2,695,657
Capital IQ	Amount receivable	572,957	-
	Professional service rendered	572,957	1,779,358
Ravinder Singhania	Professional fees paid	275,750	46,750
Roopa Kudva*	Remuneration paid	48,133,243	32,322,196
	Option granted (Nos.)	25,000	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.

Notes to financial statements for the year ended December 31, 2012

23. 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

Particulars	Unaudited	
	Year Ended December 31, 2012	Year Ended December 31, 2011
Assets	305,906,817	228,771,848
Reserves and surplus	285,143,376	215,445,110
Liabilities	14,393,441	6,956,737
Income	134,190,152	125,269,006
Expenses	20,994,847	23,636,818
Tax expense	34,542,462	31,971,584
Contingent liability	13,712,655	14,270,937

24. Operating Lease

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Lease payment recognised in the statement of profit and loss	469,880,136	453,428,137
Future minimum lease payments:		
Not later than one year	434,363,468	392,732,711
Later than one year & not later than five years	1,593,328,557	1,476,349,145
Later than five years	515,909,436	592,547,196
TOTAL	**2,543,601,461**	**2,461,629,052**

25. Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees of the Company. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Group.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit and Loss:

Net employee benefit expense (recognised in personnel expenses)

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Current service cost	33,083,842	29,464,802
Interest cost on defined benefit obligation	11,250,633	9,589,537
Expected return on plan assets	(7,562,345)	(5,911,588)
Net actuarial (gain)/ loss recognised in the year	5,757,609	11,066,496

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Past service cost	-	(26,151,020)
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Net gratuity benefit expense	42,529,739	18,058,227

Balance Sheet:

Details of provision for gratuity benefit

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Present value of funded obligations	176,731,353	137,139,263	122,357,703	59,956,957	46,923,957
Fair value of plan assets	(100,940,518)	(87,139,192)	(54,956,729)	(51,514,412)	(25,723,052)
Net liability	75,790,835	50,000,071	67,400,974	8,442,545	21,200,905

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Opening defined benefit obligation	137,139,263	122,357,703	59,956,957	46,923,957	29,261,994
Current service cost	33,083,842	29,464,802	16,653,548	14,085,580	9,544,786
Interest cost	11,250,633	9,589,537	4,774,974	3,128,810	3,153,094
Plan amendments	-	(26,151,020)	4,105,740	-	-
Actuarial (gain)/loss	4,214,639	12,286,802	42,889,085	2,629,250	12,811,600
Liabilities assumed on acquisition/ (Settled on divestiture)	1,577,122	-	5,212,394	-	-
Benefits paid	(10,534,146)	(10,408,561)	(11,234,995)	(6,810,640)	(7,847,517)
Closing defined benefit obligation	176,731,353	137,139,263	122,357,703	59,956,957	46,923,957

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Opening fair value of plan assets	87,139,192	54,956,729	51,514,412	25,723,052	10,315,331
Expected return on plan assets	8,309,796	5,911,588	3,794,502	2,845,210	1,426,980
Actuarial gain/ (loss)	(1,620,049)	1,220,306	2,980,714	(1,479,890)	3,241,621
Contribution by employer	15,832,107	35,459,130	5,835,906	31,236,680	18,547,143
Asset acquired on acquisition	1,813,618	-	2,066,199	-	39,494
Benefits paid	(10,534,146)	(10,408,561)	(11,235,004)	(6,810,640)	(7,847,517)
Closing fair value of plan assets	100,940,518	87,139,192	54,956,729	51,514,412	25,723,052

Notes to financial statements for the year ended December 31, 2012

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

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Experience adjustment on plan assets	(1,620,049)	1,220,306	3,581,797	(1,479,840)	3,523,032
Experience adjustment on plan liabilities	(1,594,692)	(47,016,952)	(40,991,052)	(3,207,220)	(299,664)

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

%

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Investment with insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2012/2011)	9.30%	9.30%

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

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

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Discount rate	8.30%	8.50%
Estimated rate of return on plan assets	8.50%	8.50%
Expected employee turnover		
Age: 20-44 Years	6.50%	6.5%
Age: 45-57 Years	6.00%	6.0%
Expected employer's contribution next year (Rupees)	29,794,760	30,000,000

With respect to foreign subsidiaries Gratuity and other retiral benefits are provided as per local statute are not disclosed above.

26. 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.

27. 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. Details of currency hedge and forward contract value are as under:

Hedged Currency	Year Ended December 31, 2012		Year Ended December 31, 2011	
	Amount	Amount in INR	Amount	Amount in INR
USD	30,274,000	1,712,661,900	30,274,000	1,533,549,704
GBP	9,378,000	844,571,350	9,378,000	753,595,830
EUR	4,014,000	294,068,775	4,014,000	278,637,230

28. 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

Details	Year Ended December 31, 2012	Year Ended December 31, 2011
Date of public announcement	13-Dec-11	13-Dec-11
Number of shares purchased	-	910,000
Face value of shares purchased	-	1
Consideration paid towards buy back	-	794,971,069
Share capital reduction	-	(910,000)
General reserve utilised	-	794,971,069
Amount transferred to Capital redemption reserve on extinguishment of Share capital	-	910,000
	-	794,971,069

In the previous 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 had given the impact of the buy back of shares in the previous year's financial statement. Out of the above Rs.6,795,885 was paid out in the current year.

29. 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 2012 (1)	ESOS 2012 (2)	ESOS 2011 (1)	ESOS 2011 (2)
Date of grant	16-Apr-12	16-Apr-12	14-Feb-11	14-Feb-11
No. of options granted	903,150	5,125	1,161,000	23,750
Exercise price (Rs.)	1,060.00	1,060.00	579.88	579.88
Graded vesting period:				
1st Year	180,630	5,125	232,200	23,750
2nd Year	361,260	-	464,400	-
3rd Year	361,260	-	464,400	-
Weighted average price of options as per Black -Scholes Option Pricing model at the grant date (Rs.)	320.59	230.97	185.21	149.41

Notes to financial statements for the year ended December 31, 2012

A summary of Company's ESOS is given below:

Nos.

Details	Year Ended December 31, 2012	Year Ended December 31, 2011
Outstanding at the beginning of the year	1,160,000	-
Add: Granted during the year	908,275	1,184,750
Less: Forfeited/lapsed during the year	68,475	24,750
Exercised during the year	177,300	-
Exercised during the year but not allotted	300	-
Outstanding at the end of the year	1,822,200	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.66,032,202 and EPS would have been as under:

Earnings per share: Nominal value of Re.1 per share:	Year Ended December 31, 2012	Year Ended December 31, 2011
Basic (Rupees)	30.48	28.87
Diluted (Rupees)	30.31	28.77
Key Assumptions:		
Expected volatility	30.44%	34.77%
Time to maturity	3.69 Years	3.68 Years
Expected dividend	2.23%	2.37%
Risk free rate of interest	8.40%	8.03%

30. In all cash transaction, CRISIL Limited and its subsidiary acquired 100% stake in Coalition Development Limited. along with its subsidiaries on 4th July, 2012.

31. In the current year, there was a one time impact of Rs. 7.30 crore in rating revenue pertaining to previous year on account of certain price renegotiations with retrospective effect.

32. The Company has revised its estimate of recording upfront initial rating fees from 94% to 96% . However, the impact of the revision in estimate is not material.

33. Details of unhedged foreign exposure

Rupees

Particulars	Year Ended December 31, 2012	Year Ended December 31, 2011
Current asset	502,195,298	579,803,805
Current liability	60,092,671	57,345,346

34. The Company's operations in Poland have received approval for sanction of grant amounting to Rs. 93,730,350. The grant has been awarded under Operational Program - Innovative Economy scheme and will be available to the Company on fulfillment of certain conditions. During the year, the Company has recognised Rs. 3,587,890 as grant in the Statement of Profit and Loss (year to date Rs. 20,203,551).

35. 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	Nachiket Mor Director
Date: February 14, 2013 Place: Mumbai	Roopa Kudva Managing Director & Chief Executive Officer	H. N. Sinor Director	Yann Le Pallec Director	David Pearce Director
	Neelabja Chakrabarty Company Secretary Date: February 14, 2013 Place: Mumbai			

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 Irevna Argentina S.A.	CRISIL Irevna Poland SP.Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna US LLC	Pipal Research Analytics and Information Services (I) Pvt. Limited	CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Coalition Development Limited, UK*	Coalition Development Systems (India) Private Limited*	Mercator Info-Services India Private Limited*	Coalition Development Singapore Pte Limited*
2	Share Capital	49,999,900 Equity Shares of Re.1 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	5,514,100 Equity Shares of 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	174,691 Equity Shares of £ 1 each, fully paid up	50,000 Equity Shares of Rs. 10 each, fully paid up	100,000 Equity Shares of Rs. 10 each, fully paid up	1 Equity Shares of SGD 1 each, fully paid up
3	Reserves & Surplus	373,876,473	37,117,149	17,196,863	297,521,971	(24,965,978)	37,880,828	4,294,646	86,305,890	49,369,634	5,500,239	20,814,220
4	Total Assets	552,460,783	99,345,587	110,160,009	3,784,260,100	324,043,803	128,331,706	21,613,633	740,326,278	80,688,395	51,267,298	51,365,864
5	Total Liabilities	552,460,783	99,345,587	110,160,009	3,784,260,100	324,043,803	128,331,706	21,613,633	740,326,278	80,688,395	51,267,298	51,365,864
6	Investments	-	-	-	2,666,225,790	552,732	-	-	44	-	-	-
7	Turnover	554,653,694	247,515,218	108,861,738	2,136,392,324	1,148,712,671	326,013,594	42,355,520	631,860,377	49,501,618	37,339,608	59,387,365
8	Profit/(Loss) Before Taxation	101,435,955	24,511,478	6,671,688	364,773,348	19,409,974	42,541,488	4,666,146	199,941,159	7,232,522	2,948,478	18,244,225
9	Tax Expense	33,031,946	8,896,357	(325,222)	-	(4,216,993)	13,771,116	1,635,839	56,117,154	2,434,314	(167,591)	12,966,803
10	Profit After Taxation	68,404,009	15,615,121	6,996,910	364,773,348	23,626,967	28,770,372	3,030,307	143,824,004	4,798,208	3,116,068	5,277,422
11	Dividend Paid	-	-	-	-	-	-	-	449,359,602	-	-	-

* CRISIL Limited and its subsidiaries acquired 100% stake in Coalition Development Limited along with its subsidiaries on 4th July 2012.

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

Douglas Peterson	Rama Bijapurkar	B. V. Bhargava	Nachiket Mor
Chairman	Director	Director	Director
Roopa Kudva	H. N. Sinor	Yann Le Pallec	David Pearce
Managing Director & Chief Executive Officer	Director	Director	Director

Neelabja Chakrabarty
Company Secretary
Date: February 14, 2013
Place: Mumbai

Notice

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Thursday, April 18, 2013 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS

1. Adoption of accounts

To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended December 31, 2012 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

To confirm the payment of interim dividends on the equity shares for the year ended December 31, 2012 and declare the final dividend for the year 2012 on equity shares.

3. Re-appointment of Mr. B. V. Bhargava

To appoint a Director in place of Mr. B. V. Bhargava, who retires by rotation and being eligible, seeks re-appointment.

4. Re-appointment of Mr. H. N. Sinor

To appoint a Director in place of Mr. H. N. Sinor, who retires by rotation and being eligible, seeks re-appointment.

5. Appointment of Auditors

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

"RESOLVED THAT S. R. Batliboi & Co., (Firm Reg. No. 301003E), Chartered Accountants, be and are hereby appointed as Statutory 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. Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass, with or without modifications, the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of commission up to 3 (three) per cent of the net profits of the Company, every year computed in the manner specified in the Act, to the Director(s) of the Company who is / are neither in the whole-time employment nor managing director(s), in accordance with the provisions of Section 309 (4) of the Act, for a period of 5 (five) years from the financial year commencing January 1, 2013, in such manner and up to such extent as Board and / or the Compensation Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and / or the Compensation Committee constituted by the Board be and is hereby authorised to take all actions and do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

By order of the Board
For CRISIL Limited

Neelabja Chakrabarty
Company Secretary

Mumbai, February 14, 2013

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

Item No. 6 - Payment of Commission to Non-Executive Directors

The Shareholders of the Company, at the 20th Annual General Meeting of the Company held on April 27, 2007, approved payment of commission up to three per cent per annum to Non-Executive Directors who are not in full time employment of the Company, under provisions of the Section 309(4) of the Companies Act, 1956 ("the Act") computed in the manner specified in the Act, for period of five years from the financial year commencing January 1, 2008.

The Company had obtained approval from Central Government vide letter no. 12/1014/2007-CL.VII dated April 9, 2008 for payment of commission to Non - Executive Directors up to limit of three per cent of the net profits of the Company per year, for a period of five years from the financial year 2008, i.e. up to financial year ending December 31, 2012.

Notice

The Non-Executive Directors are required to devote significant time and attention with wider scope of activities of the Company and more so with the increasing scale and size of the business. The Board, therefore, considers that it is imperative to remunerate Director(s) of the Company, who are not in whole-time employment, with such commission based on net profits of the Company.

As per the provision of Section 309 of the Act, a company can pay commission to directors who are neither in the whole time employment of the Company nor managing director up to ceiling of one per cent, if the Company has managing director or whole time director or manager; or three per cent, if the Company has no managing or whole time director or manager, of the net profits of the Company, every year, computed in the manner specified in the Act.

The Company has one Managing Director. The Company can pay remuneration exceeding one per cent or three per cent of its net profits, or such other limit as may be approved by the Central Government. The quantum of the said commission will be apportioned amongst the Non - Executive Directors commensurate with their respective performance, which will be adjudged by the Compensation Committee of the Board, based on predefined qualitative and quantitative parameters.

The Board of Directors accordingly recommend the resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members as a Special Resolution.

All the Directors of the Company, except the Managing Director, may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them, from time to time.

By order of the Board
For CRISIL Limited

Neelabja Chakrabarty
Company Secretary

Mumbai, February 14, 2013

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. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, March 14, 2013 to Friday, March 15, 2013 (both days inclusive).
5. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on May 3, 2013:
   (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 13, 2013; 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 13, 2013.
6. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends. Shareholders desirous of availing ECS facility for payment of dividend may download the required ECS mandate form from the website of the Company, www.crisil.com.
7. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or un-encashed dividends for financial years upto 2004-05 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account. Members who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately. The detailed dividend history and due dates for transfer to IEPF are available on website of the Company, www.crisil.com.
8. The Board of Directors of the Company has passed a resolution giving its consent for not attaching the balance sheet of the subsidiary companies 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.

9. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme–2011 and Employee Stock Option Scheme–2012 are being implemented in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed by the members of the Company will be available for inspection by the members at the Annual General Meeting.
10. The Annual Report of the Company for the financial year 2012 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 Nos. 17/2011 dated April 21, 2011 and 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 postal address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.
11. 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.
12. Pursuant to Clause 49 of the listing agreement with the stock exchanges, the following information is furnished about the Directors proposed to be re-appointed:

Mr. B. V. Bhargava:

Mr. B. V. Bhargava, Director, retires by rotation and being eligible, seeks re-appointment. A brief resume of Mr. B. V. Bhargava is given below:

Mr. B. V. Bhargava has been associated with CRISIL since 1992, and was Chairman from May 1999 to July 2008. 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.

Mr. B. V. Bhargava is currently on the Boards of The Supreme Industries Limited, Grasim Industries Limited, J. K. Lakshmi Cement Limited, Excel Crop Care Limited, L&T Infrastructure Finance Company Limited, Grasim Bhiwani Textiles Limited and L&T Finance Holdings Limited.

Mr. B. V. Bhargava is a member of the Audit Committee of CRISIL and the Chairman of its Compensation Committee, Investors Grievances Committee, Investment Committee and Rating Committee. Mr. Bhargava is also the Chairman of the Audit Committees of J. K. Lakshmi Cement Limited, Grasim Industries Limited, Excel Crop Care Limited and Grasim Bhiwani Textiles Limited. He is a member of the Audit Committees of L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited. He does not hold any shares in the Company and is not related to any director of the Company in any way.

The Board considers it in the interest of the Company to re-appoint Mr. B. V. Bhargava as a Director.

None of the Directors, except Mr. B. V. Bhargava, is interested or concerned in this resolution.

Mr. H. N. Sinor:

Mr. H. N. Sinor, Director, retires by rotation and being eligible, seeks re-appointment. A brief resume of Mr. H. N. Sinor is given below:

Mr. H. N. Sinor has been a veteran banker having spent over four 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 the 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 ICICI Venture Funds Management Company Limited, ICICI Lombard General Insurance Company Limited, Tata Investment Corporation Limited, Tata Motors Finance Limited, Tata Capital Limited, Tata Capital Financial Services Limited, Tata Securities Limited and few private limited companies, besides being Non-Executive Chairman of Zoroastrian Co-operative Bank Limited, 3i Infotech Limited and Themis Medicare Limited.

Mr. H. N. Sinor is the Chairman of the Audit Committee of CRISIL and a member of its Allotment Committee. He is also the Chairman of the Audit Committees of Tata Investment Corporation Limited and Tata Motors Finance Limited and a member of the Audit Committees of ICICI Venture Funds Management Company Limited, ICICI Lombard General Insurance Company Limited, Themis Medicare Limited, Tata Capital Limited and Tata Securities Limited. He does not hold any shares in the Company and is not related to any director of the Company in any way.

The Board considers it in the interest of the Company to re-appoint Mr. H. N. Sinor as a Director.

None of the Directors, except Mr. H. N. Sinor, is interested or concerned in this resolution.

By order of the Board
For CRISIL Limited

Neelabja Chakrabarty
Company Secretary

Mumbai, February 14, 2013

CRISIL Locations

REGISTERED OFFICE

CRISIL House,
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ASIA PACIFIC

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Reference for CRISIL in Media

The article ‘Four steps that will help you save for sunset years’ was first published in The Times of India

The article ‘It’s time markets evaluated the credit rating agencies’ was first published in The Economic Times

The article ‘Debt recast for discoms a big step in reforming power sector’ was first published in The Economic Times

The article ‘CRISIL’s big bet on big data’ was reprinted with one time reproduction rights some the Fortune India

Notes

A Standard & Poor's Company

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 SIXTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, April 18, 2013 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.

Revenue stamp of 15 paise

Signed this _____ day of _____ 2013. 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)

26th Annual General Meeting–April 18, 2013

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company held on Thursday, April 18, 2013 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021.

Full Name of the Member (in BLOCK LETTERS) _____

Regd. Folio No. _____ No. of Shares held _____

Full Name of the Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____

Printed on 100% recycled paper.

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