

# Knowledge Responsibility Sustainability

CRISIL Limited | Annual Report 2009



**CRISIL**

A Standard & Poor's Company



CRISIL HOUSE

**CRISIL House** is a state-of-the-art 'green' building, designed to optimise consumption of scarce water and energy resources.

**Key characteristics of CRISIL House:**

- Naturally lit office: 60% of natural light for workstations comes in through the atrium
- Workstations with individual task lights and motion sensors to optimize energy usage
- Bank of photovoltaic panels to generate solar energy
- Multiple natural elements including a large green cover and a roof garden to ensure minimal CO<sub>2</sub> emission
- Sewage treatment plant for water recycling – recycled water used in gardens

These features are expected to significantly reduce CRISIL's energy and water consumption.

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# An Introduction to CRISIL

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

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

## Core Values

At the core of CRISIL's credibility are its values:

- Analytical Rigour
- Independence
- Integrity
- Innovation
- Commitment



directors'  
report

management  
discussion & analysis  
report

auditors'  
certificate for  
corporate governance

report of directors  
on corporate  
governance

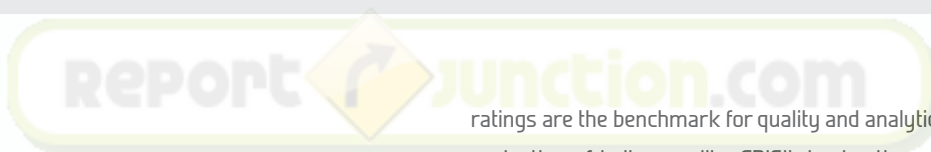
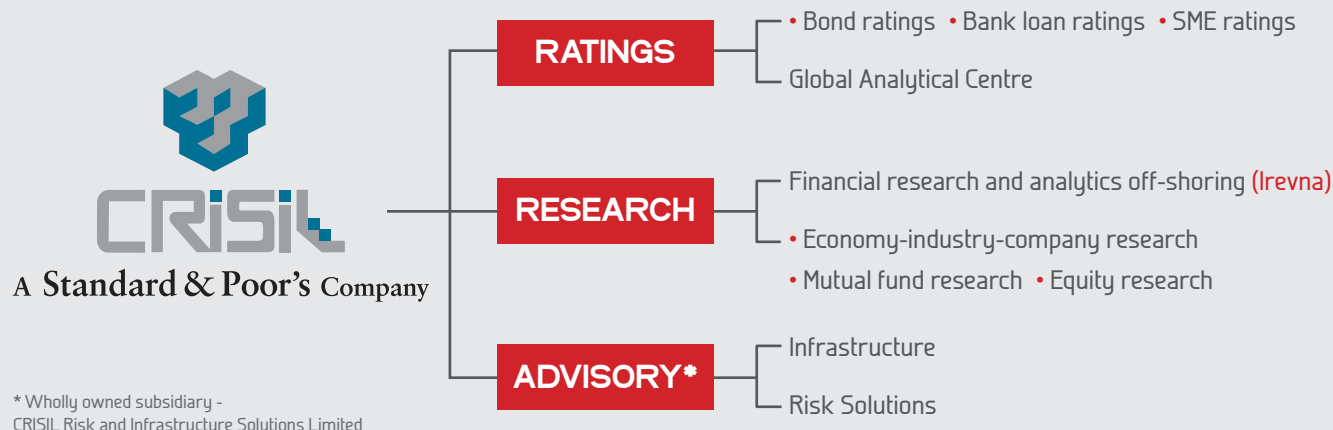
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# CRISIL's Businesses



## Ratings

- OVER RS. 30 TRILLION OF DEBT RATED
- MORE THAN 24,500 DEBT INSTRUMENTS RATED
- NEARLY 8000 ISSUERS AND BORROWERS RATED
- 70 PER CENT PENETRATION IN BOND MARKET
- OVER 50 PER CENT SHARE IN BANK LOAN RATING MARKET
- HIGHEST NUMBER OF OUTSTANDING SME RATINGS IN INDIA

ratings are the benchmark for quality and analytical rigour in the evaluation of Indian credits. CRISIL is also the market leader in the structured finance (SF) ratings segment, having rated more than 60 per cent of the SF securities issued in India so far.

CRISIL Ratings has fostered transparency, accountability, and best practices in the ratings industry. Its initiatives in this direction include:

- Increasing the transparency through the dissemination of rating criteria and methodologies;
- Publishing default studies, with statistics reported separately for structured finance ratings;
- Building dedicated teams for criteria and business development, and ensuring constant and rigorous training for analysts;
- Enforcing a strong code of conduct, entailing the separation of the business development and analytical teams;
- Undertaking robust and continuous surveillance to trigger timely rating actions and regularly communicating with market participants through publications, seminars, and teleconferences; and
- Addressing investor queries in a timely manner through Rating Desk, a dedicated service for investors.

CRISIL is the world's fourth-largest rating agency, and India's largest and most influential. CRISIL has shaped the development of India's debt markets, having rated more than 24,500 debt instruments and facilities, valuing more than Rs. 30 trillion (USD 644 billion), pertaining to nearly 8000 issuers and borrowers. In addition, having rated more than 9500 SMEs, CRISIL has the highest number of outstanding SME ratings in India. CRISIL's

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

## Research

### Irevna

**IREVNA'S TEAMS OF HIGHLY TRAINED PROFESSIONALS AT DELIVERY CENTRES ACROSS THE WORLD PROVIDE COVERAGE ACROSS TIME ZONES, AT THE WORLD'S MAJOR FINANCIAL CENTRES.**

CRISIL's high-end financial research and analytics outsourcing division, Irevna, services financial institutions with investment banking operations, insurance companies, asset management firms, and corporates, across the world. Its teams of highly trained professionals at delivery centres in Chennai and Mumbai in India, Buenos Aires in Argentina, and Wroclaw in Poland, provide coverage across time zones, at the world's major financial centres.

### CRISIL Research

CRISIL Research is India's largest independent research house, with a unique, integrated research platform and capabilities spanning the entire economy-industry-company spectrum. About 90 per cent of India's commercial banks subscribe to CRISIL Research products.

CRISIL FundServices is India's leading provider of fund evaluation and risk solutions to the mutual fund industry. CRISIL is also the official provider of tools and market benchmarks for valuation of fixed-income investments held by Indian mutual funds, insurance companies, and banks.

CRISIL Equities provides two services - Independent Equity Research (IER) and Initial Public Offer (IPO) Grading. CRISIL IER

grades listed companies on fundamentals and valuations, and includes detailed reports on the companies being graded. IPO Grading is a one-time assessment of the fundamentals of a company that is making an IPO.

## Advisory

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

### CRISIL Infrastructure

CRISIL's Infrastructure business assists clients across India, Africa, the Middle East, and Southeast Asia in shaping infrastructure policy, Public Private Partnerships (PPP), and investment assessment.

CRISIL Infrastructure is the preferred advisor to governments, multilateral lending agencies, and private sector companies. Its activities range from developing enabling legislations and sector policies, to structuring concessions, undertaking complex feasibility studies, managing project procurements through global competitive bidding, assisting with fiscal and public sector reforms, and valuations.

### CRISIL Risk Solutions

CRISIL Risk Solutions (CRS) provides risk management solutions to financial institutions, banks, and corporate houses, both in India and overseas. CRS develops technology solutions that help clients perform expert analysis of credit, market, and operational risks. It also works closely with Standard & Poor's Risk Solutions to deliver assignments across the Asia-Pacific region.

# Events

## CRISIL Ratings

1. **Unlocking the Potential of India's Credit Markets**  
A seminar organised jointly by CRISIL, NSE, and Standard & Poor's, to discuss the prospects for India's credit markets.
2. **Banks' Asset Quality: Bumpy Ride Ahead?**  
A discussion on the asset quality of the Indian banking system.
3. **Micro Finance Lending: Growth engine for the Indian Economy**  
A seminar on microfinance.
4. **Commercial Papers: A stepping stone for accessing capital markets**  
A discussion on the benefits of a mature commercial paper market for issuers and investors.
5. **CNBC-TV18 Emerging India Awards 2009, powered by CRISIL**  
India's biggest and most prestigious business award, presided over by Home Minister Mr. P. Chidambaram. CRISIL selected the winners from more than 300,000 entries across 14 sectors.

## CRISIL Research

6. **Launch of CRISIL Independent Equity Research**  
CRISIL Independent Equity Research is a first-of-its-kind service providing investors with high-quality and independent research on listed Indian companies. Mr. C.B. Bhawe, Chairman, Securities and Exchange Board of India (SEBI), was the chief guest.
7. **CNBC-TV18 - CRISIL - Mutual Fund of the Year Award 2009**  
The most coveted and respected Mutual Fund Awards in Asia, based on CRISIL's objective and analytically rigorous CRISIL~CPR methodology. Mr. M.S. Sahoo, Whole-Time Member, SEBI, was the chief guest.

## CRISIL Infrastructure Advisory

8. **India Electricity 2009 Conference**  
As knowledge partners in the conference, jointly organized by the Ministry of Power, Government of India and FICCI, CRISIL Infrastructure Solutions published a paper, 'Strategies for Continued Capacity Addition in the Challenging Global Environment'.



1. Unlocking the Potential of India's Credit Markets



2. Banks' Asset Quality: Bumpy Ride Ahead?



directors' report

management discussion & analysis report

auditors' certificate for corporate governance

report of directors on corporate governance

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3. Micro Finance Lending: Growth engine for the Indian Economy



4. Commercial Papers: A stepping stone for accessing capital markets



5. CNBC-TV18 Emerging India Awards 2009, powered by CRISIL



6. Launch of CRISIL Independent Equity Research



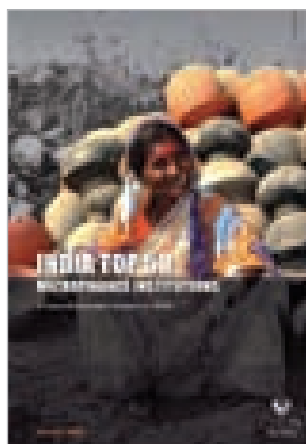
7. CNBC-TV18 - CRISIL - Mutual Fund of the Year Award 2009



8. India Electricity 2009 Conference



# Publications



## CRISIL Ratings

### 1. India's Top 50 Microfinance Institutions

A first of its kind publication, it provides a profile of leading microfinance institutions in the country. The publication draws heavily on CRISIL Rating's deep understanding of the sector, and was launched as part of CRISIL's Financial Awareness Initiative.

### 2. Insight into Risk - Banking Sector

The report provides an overview and outlook on key trends in the credit quality of India's banking sector.

### 3. Opinion on Risk - Banks' Asset Quality: Bumpy Ride Ahead?

The report is a study on the asset quality of the Indian banking system explaining why despite weakening asset quality, impact of increasing delinquencies will remain well within the banks' stress tolerance levels.

### 4. Insight into Risk - General Insurance Sector

The report provides an insight into risks affecting the general insurance sector and steps that insurance players need to take to improve their credit risk profiles over the long term.

### 5. Insight into Risk - CRISIL Default study 2008

The report provides a detailed analysis of the default rate for the year 2008, showcasing CRISIL Ratings' strong default prediction abilities. For the first time in India, a separate performance data for retail-asset-backed securitisation ratings, was carried in the publication.

## CRISIL Research

### 6. City Real(i)ty Report

The City Real(i)ty report serves as a ready reckoner on emerging trends in the realty sector in 10 leading cities of India. A subscription-based report, it also provides an outlook on the sector till 2011.

### 7. Industrial Capex

The subscription-based report provides detailed year-wise outlook on investments projected to take place during 2009-10 to 2011-12 across key sectors such as power, telecom, oil, gas, cement, metals, and automobiles.

### 8. Indian Logistics Industry

The report provides a perspective on the various modes and infrastructure segments. It also assesses the supply chain cost structure across 9 non-bulk segments, and the 3PL (Third party logistics) opportunity in India. It is a subscription-based report.