



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

Contents

Corporate Overview

03	Message from the Chairman
04	About CRISIL
05	CRISIL Businesses
10	CRISIL Consolidated Ten Year Financial Highlights

2012 – A Glance

13	Thought Leadership at Conferences
22	Events
27	Publications
31	Awards and Accolades
34	Employee Events
38	CRISIL in Media
42	Corporate Sustainability Initiatives

Statutory Reports

46	Board of Directors
50	Directors' Report
61	Management Discussion and Analysis Report
69	Auditors' Certificate for Corporate Governance
70	Report of the Directors on Corporate Governance

Financial Statements

85	Standalone Financial Statements
121	Consolidated Financial Statements
153	Notice
159	Proxy Form and Attendance Slip

Corporate Overview

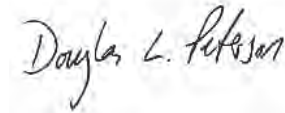
The background features a series of overlapping squares and lines. A large teal square is in the bottom left, with a yellow square partially overlapping its top-left corner. A red square is in the bottom right, with a yellow square partially overlapping its top-left corner. A grey square is in the top right. Several thin grey lines intersect at various points, creating a geometric pattern.

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)