

CRISIL LIMITED
ANNUAL REPORT 2014

 **CRISIL**
A STANDARD & POOR'S COMPANY

EMPOWERING RURAL WOMEN

BY STRENGTHENING THEIR
**FINANCIAL
CAPABILITIES**



CRISIL KE SAATH SEEKHOON PAISON KI BAAT

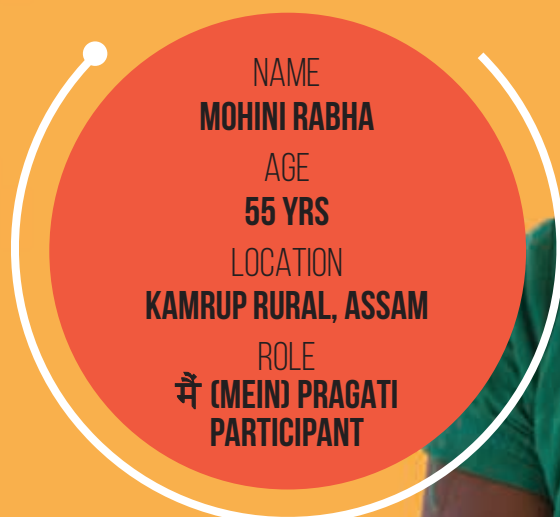
It's a myth that entrepreneurship is only for the young. Mohini Rabha, a 55-year-old widow with no formal education, used to live on a meagre income from weaving.

Today, Mohini **owns and runs a pig farm in Kamrup Rural district, Assam**. She not only manages it efficiently, but has the wisdom to plan for future contingencies – **she took out a livestock insurance policy** to cover potential losses arising from livestock fatalities.

Mohini's uncommon wisdom and foresight stem from the मै Pragati financial awareness workshops that she attended in 2012. In her own words, **it inspired her to start planning for her future**. Subsequently, she took a micro-loan from Rashtriya Gramin Vikas Nidhi (North-East) Microfinance Limited and started her business. She has also opened an account at a government bank branch in Loharghat to deposit her savings.

Mohini has not let the lack of formal education or her husband's absence come in the way of a better life.

Mohini's uncommon wisdom and foresight stem from the मै Pragati financial awareness workshops that she attended in 2012.



This pdf has been kept interactive to help you easily access the information that you seek by clicking on the desired sections from the contents page.



The icons will take you back to the respective pages from any page that you are on.

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CHAIRMAN'S MESSAGE



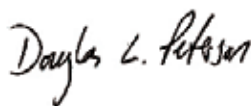
Douglas L. Peterson
Chairman

CRISIL HAS HAD ANOTHER EXCELLENT YEAR, GROWING STRONGLY AND PROFITABLY IN AN ENVIRONMENT WHERE GROWTH SIGNALS HAVE BEEN MIXED AT BEST.

At the end of my third year as Chairman of the Board of CRISIL, I am happy to see the Company in such good shape. At a strategic level we have built a diverse portfolio of thriving businesses, and are reaping the benefits of closer integration with McGraw-Hill Financial globally. Financially and operationally, CRISIL has had another excellent year, growing strongly and profitably in an environment where growth signals have been mixed at best.

You will read about many achievements in this report. One that gives me particular pleasure is the establishment of a CRISIL Chair of Financial Markets at IIM Ahmedabad, India's leading business school. This is CRISIL's first association with a top-level academic institution, and it defines a new path for industry-academia co-operation in India's financial domain.

As a vibrant, global analytical company with a unique business portfolio, CRISIL has an important position in the McGraw-Hill Financial network. I am confident that CRISIL's businesses will continue to grow from strength to strength, echoing the business logic and living the values of McGraw-Hill Financial, while contributing their own distinctive flavour to the group's identity.



Douglas L. Peterson

ABOUT CRISIL

A global analytical company providing ratings, research and risk and policy advisory services.

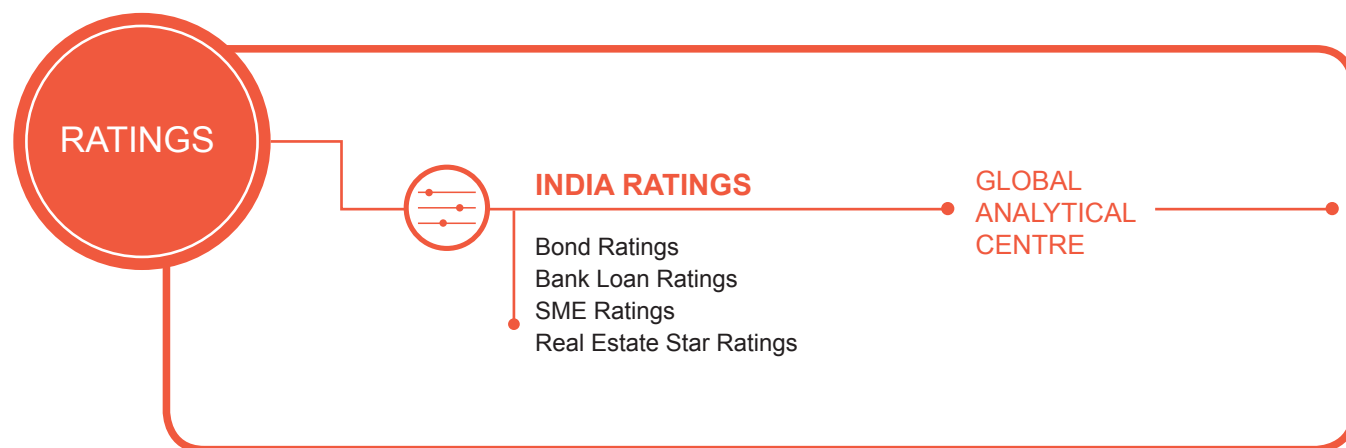
CRISIL is majority owned by Standard & Poor's (S&P), the world's foremost provider of credit ratings and a part of McGraw Hill Financial, Inc. (NYSE:MHFI).

In India, we work with the country's largest corporations, financial institutions, small and medium enterprises (SMEs), governments – both at the Centre and in the states – and policymakers. Globally, we serve the world's largest banks, leading corporations and governments. We empower our customers and the markets at large with independent analysis, benchmarks and tools.





CRISIL BUSINESSES



Over
95,500 entities rated
in India

Across
196 industry sectors

Coverage on
2,800 global stocks enabled through
our financial research services

\$100 mn annual savings
enabled for global
investment banks



CRISIL Ratings

India's leading credit rating agency;
has rated/assessed over 95,500 firms
across 196 industry sectors.

Our clients include, 75,800 micro, small and medium enterprises (MSMEs) and over 19,755 large and mid-scale corporates and financial institutions. Our capabilities span the entire range of debt instruments. We improve access to funding for issuers and borrowers and help optimise their cost of funds. For investors and lenders, we supplement internal evaluation processes and benchmark credit quality across investment options. We help the markets function better and also assist regulators in measuring and managing credit risks at a systemic level.

Our ratings are used in the computation of capital adequacy in the banking sector and to determine the eligible investment pool for insurance companies, pension funds and provident funds.



CRISIL Global Research & Analytics (GR&A)

World's largest provider of equity and
fixed income research support,
end-to-end risk and analytics.

Our research support enables coverage on 2,800 stocks globally, comprising 85% of global trading volumes, 88% of global market capitalisation and 60% of the global credit markets. Our team of quantitative, regulatory, risk and actuarial specialists deals with over 75 banks globally and reviews 20% of outstanding exotic equity derivatives.

Our team at Coalition provides high-end competitive, country, institutional and corporate analytics to investment banks. Our eight global research centres serve some of the world's top investment banks, buy-side firms, insurance companies, consulting groups and Fortune 500 companies. We have enabled global banks to achieve multi-million-dollar savings in research budgets and significant improvements in process efficiencies. We save more than USD 100 million (marked-to-market impact) annually for investment banks. Our research support has helped asset management firms outperform benchmark indices.

1,200

Indian and global clients leverage our independent research services

\$1,167^{bn}

of Indian debt securities valued till date

Our infra advisory clients are spread across India and

22

emerging countries

50

banks and financial institutions across 20 countries leverage our risk solutions



CRISIL Research

India's largest independent and integrated research house, providing insights, opinions and analysis on the economy, industry, capital markets and companies.

We help our clients make informed lending, investment and strategic decisions, thereby mitigating and managing risk. We serve 1,200 Indian and global clients, including 95% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, the entire Indian mutual fund (MF) and life insurance industries and six of the world's leading consulting firms.

We are India's most credible provider of economy and industry research, with coverage across 86 sectors. We are the largest provider of valuation of fixed-income securities to the MF, insurance and banking industries, valuing over USD 1,167 billion of Indian debt securities. We rank Indian MF schemes, covering 73% of assets under management and worth USD 120 billion. We are also the sole provider of debt and hybrid indices to India's MF and life insurance industries.



CRISIL Risk & Infrastructure Solutions Limited

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

CRISIL Infrastructure Advisory: CRISIL Infrastructure Advisory is a leading advisor to regulators and governments, multilateral agencies, investors and large firms. We help shape public policy and enable infrastructure development. We work in the areas of policy formulation, regulation, project advisory and design and implementation of public-private partnership frameworks and infrastructure financing mechanisms. Our teams have expertise across the infrastructure spectrum, including urban development, energy and natural resources, transport and logistics, and infrastructure financing in India and 22 emerging countries.

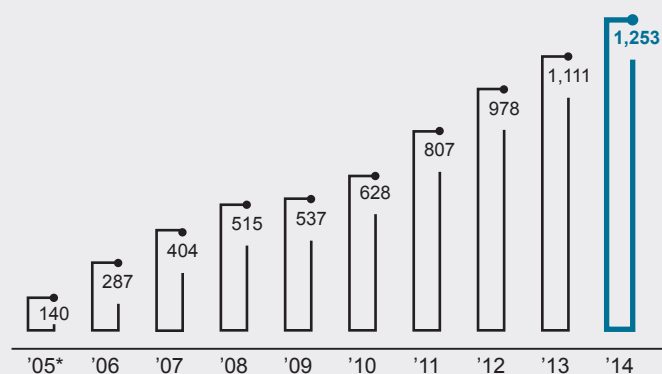
CRISIL Risk Solutions: We provide a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks, insurance companies and corporates in India, Africa and Asia. We have helped over 50 banks and financial institutions adopt best practices in risk management, undertaken risk management assignments in 20 countries and provided risk management solutions to 8 of the top 10 banks in India.

FINANCIAL HIGHLIGHTS

Income from operations

CAGR 28% ▲

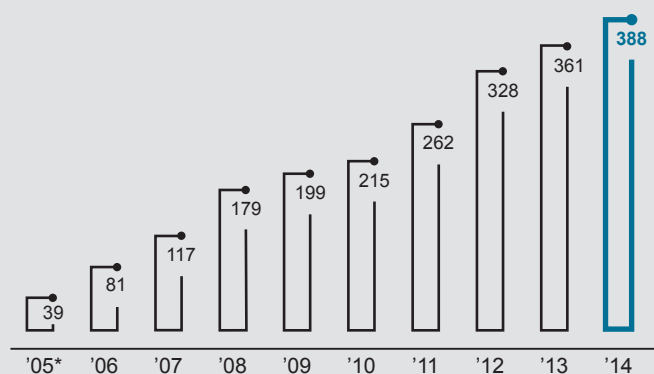
Rupees in crore



EBITDA

CAGR 29% ▲

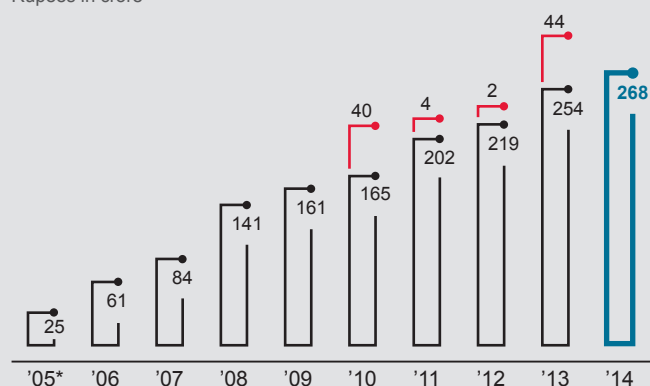
Rupees in crore



Profit after tax

CAGR 30% ▲

Rupees in crore

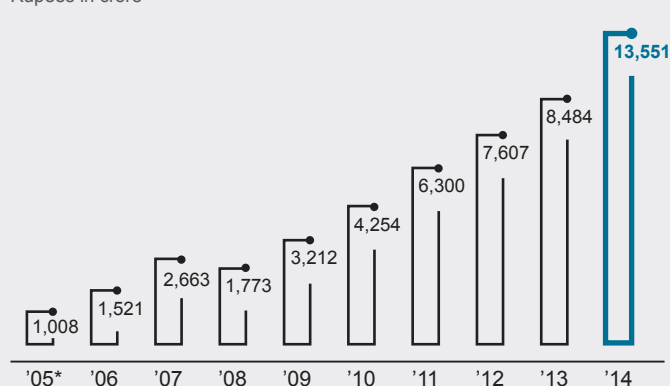


■ One time gains

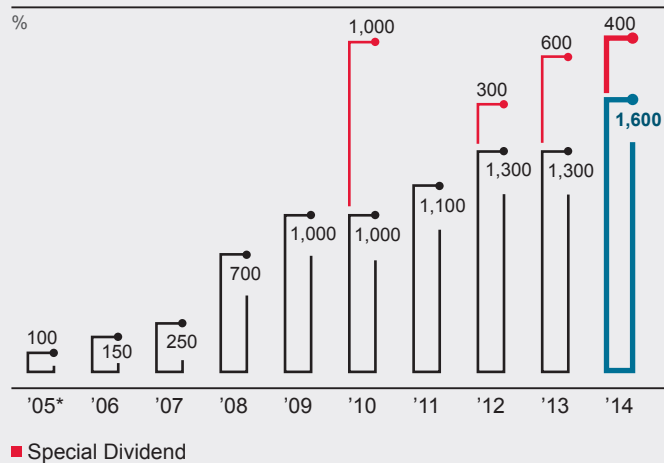
Market capitalisation

CAGR 33% ▲

Rupees in crore

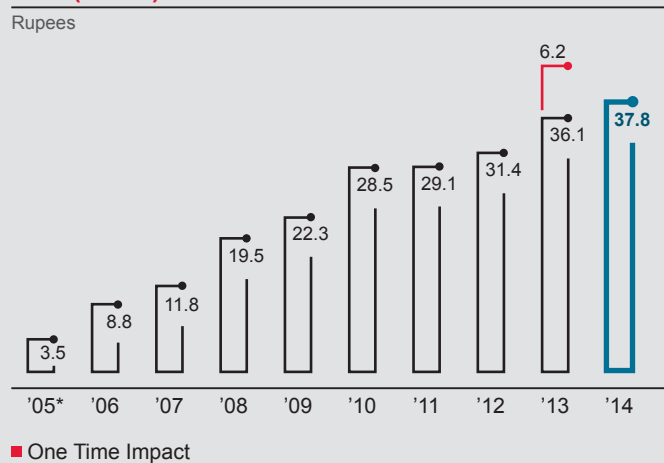


Dividend



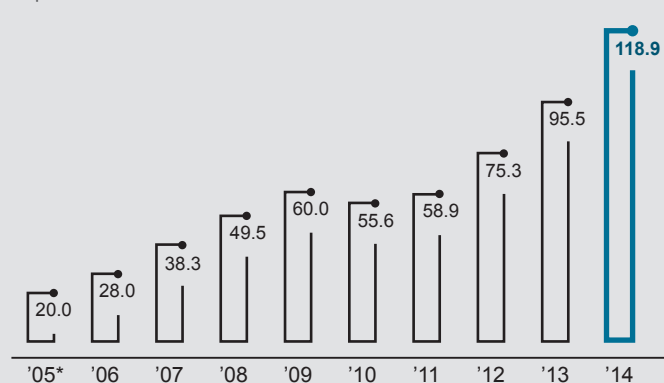
EPS (Basic)

CAGR 30% ▲



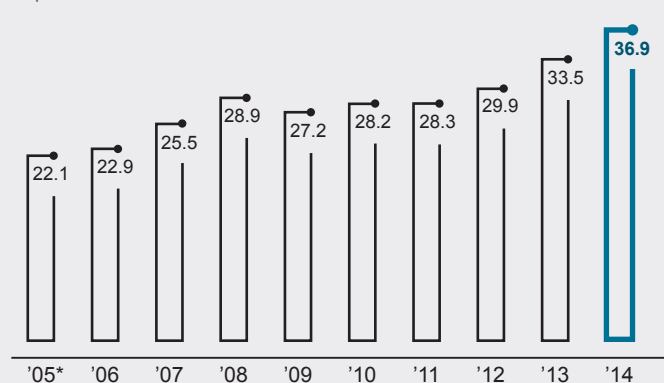
Net worth per share

Rupees



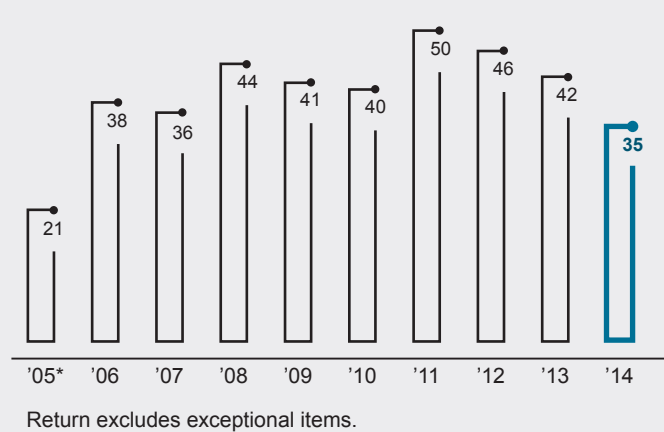
Income per employee

Rupees in lakhs



Return on average net worth

%



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

NAME
NILIMA DEKA

AGE
55 YRS

LOCATION
KAMRUP DISTRICT, ASSAM

ROLE
CRISIL MITRA





EMPOWERING RURAL WOMEN

BY STRENGTHENING THEIR
**FINANCIAL
CAPABILITIES**

Today, Nilima trains women (and men) in basic financial concepts that enable them to take their first steps towards financial independence.

Nilima Deka was drawn to मैं (mein) Pragati because of her desire to help other women in the community become active participants in their household financial planning. As a government health worker, Nilima would meet many rural women in the course of her work. She was dismayed to learn that unlike her, most of them tend to leave household financial decision-making to the menfolk. She also realised that they did not have a supportive environment that encouraged them to make the right financial choices for themselves or their families.

Today, as a CRISIL Mitra, Nilima is helping change traditional attitudes towards women and financial decision-making. She trains women (and men) in basic financial concepts that enable them to take their first steps towards financial awareness. For these people, Nilima Deka is a beacon of hope.

**CRISIL KE SAATH
SEEKHOON PAISON KI BAAT**

2014 AT A GLANCE



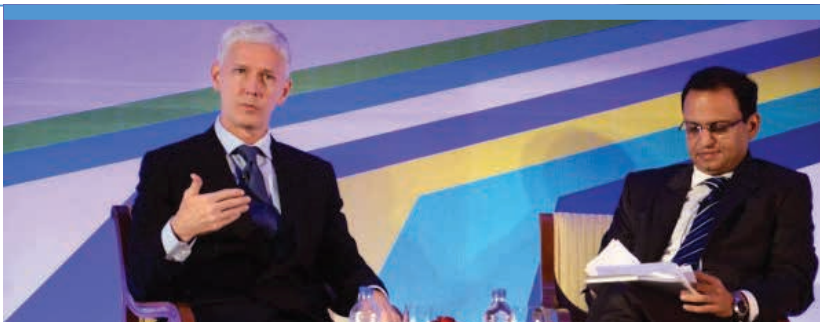
A Tanzanian government delegation visits India for a study tour on public-private partnerships and urban reforms organised by CRISIL Infrastructure Advisory.

The Tanzanian delegation with (front row, third from right) Sameer Bhatia, President, CRISIL Infrastructure Advisory, and members of his team at CRISIL House during the study tour.



JANUARY

Binaifer Jehani, Director, CRISIL Research, participates in a panel discussion on 'Capital for a Capital-Intensive Sector' at the annual Hotel Investment Forum India Conference.



(Right) Sandeep Sabharwal, Senior Director, Capital Market, CRISIL Research, moderates a session titled 'Corruption of Capitalism: Challenges to Sustainable Growth & Asset Allocations' at the 4th India Investment Conference hosted by The CFA Institute and the National Institute of Securities Market.



(Extreme left) Dharmakirti Joshi, Chief Economist, CRISIL, speaks at the Confederation of Indian Industry (CII). Annual Regional Meeting 2013-14 and Conference on Reviving Growth in the North.



FEBRUARY



CRISIL SME Ratings collaborates with the Planning Commission, Government of India, to organise a workshop on 'Improving Access to Finance: Role of MSME Ratings'.

(Front row, from left) Dr. P. K. Anand, Senior Advisor (Industries), Planning Commission, Shri Arun Maira, Member, Planning Commission, Dr. H. P. Kumar, CMD, National Small Industries Corporation and Roopa Kudva, MD & CEO, CRISIL launch a report titled 'Ratings catalyse MSME growth: Empowering tomorrow's leaders' at the event.



CRISIL Infrastructure Advisory participates in the 'Progressive Maharashtra' conference hosted by the Federation of Indian Chambers of Commerce and Industry (FICCI).

(Second from left) Rakesh Bangera, Director, Urban Practice, CRISIL Infrastructure Advisory at the conference.



Roopa Kudva, MD & CEO, CRISIL participates in a panel discussion at the PwC CEO Summit 2014.

The other panelists included Manu Anand, Managing Director of Cadbury India, Ronnie Screwvala, Founder & Advisor, Investment Strategy - Unilazer Ventures Pvt. Ltd, and Ramakrishnan Mukundan, Managing Director of Tata Chemicals. The discussion revolved around the corporate leaders' confidence levels about the future and the key issues on their minds.

(Third from left) Roopa Kudva at the PricewaterhouseCoopers (PwC) CEO Summit 2014 with the other panelists.

Rohit Chaturvedi, Director – Transport, CRISIL Risk & Infrastructure Advisory, speaks at the World Conference on Ports 2014 organised by Chemtech Foundation and supported by the Ministry of Shipping, Government of India.

CRISIL hosts two Leadership Summits in Chandigarh and Kolkata that see participation from several senior bankers across the private and public sectors.

2014 AT A GLANCE



CRISIL GR&A sponsors the GARP 15th Annual Risk Management Convention held in New York City.



Team CRISIL GR&A comprising (from left to right) Chetan Majithia, Director, Business Development, Liudmila Davydiuk, Office Manager, North America, Gurpreet S Chhatwal, Senior Director and Global Head, Risk & Analytics, Vikas Tyagi, Director, Business Development, Neeraj Nagpal, Associate Director, Risk & Analytics, and Anshuman Prasad, Director, Risk & Analytics, at the CRISIL GR&A exhibition booth.

MARCH



CRISIL GR&A participates in job fairs hosted by leading universities across Poland, including Wroclaw University of Economics, Wroclaw University of Technology, Poznan University of Economics, University of Science and Technology in Cracow, and a Career Expo in Wroclaw.



(Extreme left) Adam Lesniewski, Research Analyst, CRISIL GR&A, interacts with students during the job fair at the Wroclaw University of Technology.



CRISIL Real Estate Star Ratings (CREST) power the inaugural Confederation of Real Estate Developers' Association of India (CREDAI) Bengal Realty Awards as the knowledge partner.



(From left to right) Anurag Jhanwar, Director, CREST, D. D. Purkayastha, MD, Ananda Bazar Patrika Group and Sushil Fatesaria, Vice President, Marketing, Alcove Realty at the awards finale.

APRIL



(Third from left) **Nadir Bhalwani, Director, Corporate Technology, CRISIL, receives the Top 100 CISO Award at an event organised by the CISO platform, a social media network for information security leaders.**



Roopa Kudva delivers the convocation address to graduating students at the S. P. Jain Institute of Management and Research.



(Front row, extreme right) Roopa Kudva leads the faculty and students to the convocation venue with (front row, extreme left) Dr. Sesha Iyer, Director, S. P. Jain Institute of Management and Research.

CRISIL rates India's maiden Commercial Mortgage Backed Securitisation (CMBS) transaction for a leading developer.



CRISIL, in association with the US India Business Council (USIBC), hosts a joint teleconference on 'The Outlook on Indian Markets'. The teleconference is attended by over 110 delegates from diverse industries.



CRISIL Infrastructure Advisory is the knowledge partner for the 3rd edition of BHP 2014, an international conference on 'Break Bulk & Heavy Lift Sector – Challenges & Opportunities in Developing Markets'.



(Second from left) Jagannarayan Padmanabhan, Director, Transport & Logistics, CRISIL Infrastructure Advisory, unveils a special report by CRISIL, along with other panelists during the event.

2014 AT A GLANCE

MAY



CRISIL GR&A co-sponsors the 3rd Annual Risk Americas Risk & Regulation Summit in New York, USA.

Anshuman Prasad, Director, Risk and Analytics, CRISIL GR&A, makes a presentation on 'New Direction for Market Risk: Issues and Challenges' at the summit.

The CRISIL GR&A team at the 3rd Annual Risk Americas Risk & Regulation Summit.



CRISIL celebrates May 2014 as the 'SME Ratings Month' to create awareness about MSME ratings, build and strengthen our relationships with key stakeholders and felicitate select CRISIL SME-rated customers.

Keynote address by Surendra Nath Tripathi, Joint Secretary, Ministry of MSME at the SME Ratings Month event in New Delhi.



Employees hit the summer heat for a six at the CRISIL Cricket League.

The CRISIL Infrastructure Advisory business gets two major mandates: the THDC – Capacity Building and Institutional Strengthening project, and the Asian Development Bank – Bond Guarantee Fund of India.

CRISIL Risk Solutions wins a mandate to implement its Credit Processing System and Early Warning System solutions for ICICI Bank.



Women's Initiative for Networking and Success (WINS), the largest and oldest employee resource group of McGraw Hill Financial (MHFI), organises a group-wide conference, the 2013 Leadership Conference, in New York to mark its 10th anniversary.

Roopa Kudva delivers a speech on 'What it means to be a Woman in India.'

JUNE



CRISIL GR&A and Coalition organise the first international seminar on 'Investment Banking: The Road Ahead' in London, showcasing their capabilities and underscoring the unique complementarity of their service offerings.

(From left, in front) Stamatoula Matsoukis, Roopa Kudva and Suprabha Dikshatha of CRISIL with (from left, back row) Stéphane Besson, CEO, Coalition, Keith Garbutt, MD, Head of Model Risk Management, Credit Suisse, David Phillips, Group Head of Risk Analytics, RBS Risk Management, David Hudson, CFO, Global Markets, J.P. Morgan, and Ali Almakky, MD, Bank of America Merrill Lynch.



CRISIL Ratings launches the Analytical Excellence Framework, which details the four pillars of analytical excellence.



CRISIL Ratings organises a discussion forum titled 'Indian Microfinance Sector: Re-gaining growth momentum – Capital availability critical', to present its perspectives on the sector and map the road ahead.

(From left to right) P. N. Vasudevan, MD, Equitas Micro Finance, Jayant Prasad, Joint General Manager, ICICI Bank, Ramraj Pai, President, Business Head – CRISIL Ratings, Large Corporates, CRISIL, Alok Prasad, CEO, Micro Finance Institutions Network (MFIN) and Manoj Nambiar, MD, Arohan Financial Services.



Roopa Kudva is conferred the Indian Merchants' Chamber Ladies' Wing's 'Woman of the Year' award.

The award recognises and encourages women achievers who have made outstanding contributions in their chosen fields.

CRISIL Ratings organises a web conference on asset reconstruction companies (ARCs), titled 'What is bad for banks is good for ARCs recovery track record critical for long-term sustainability'. Several senior industry representatives participated.

2014 AT A GLANCE

JULY



CRISIL participates in the Federation of Indian Chambers of Commerce and Industry's (FICCI) FINSEC 2014 conference.

Manish Gupta, Director, Corporate and Government Ratings, CRISIL Ratings, during a panel discussion on the challenges in financing infrastructure in India.

CRISIL Ratings rates the Rs.10 billion long-term infrastructure bonds of Andhra Bank, making it the first issuance to be rated after the Reserve Bank of India (RBI) revised regulations on July 15, 2014.



CRISIL GR&A wins a mandate from a UK-based global financial conglomerate for its financial research business.



CRISIL Board Members Nachiket Mor and Vinita Bali, along with Roopa Kudva, MD & CEO, CRISIL and V Srinivasan, Chief Strategy Officer and Business Head, Ratings – SME, visit Barukata village in Morigaon District near Guwahati, Assam, to get an on-ground experience of the CRISIL Foundation's 'मै(mein) Pragati' initiative.



(From left) Dr. Amiya Kumar Sharma, Executive Director, Rashtriya Gramin Vikas Nidhi (CRISIL's partner NGO), V. Srinivasan, Roopa Kudva, Nachiket Mor, Vinita Bali and Maya Vengurlekar with members of a local self-help group.



The CRISIL Ratings team strikes the right notes at a karaoke evening.



CRISIL Research hosts a web conference to give markets a detailed overview of the 2014-15 Union Budget and the impact of the announcements on the economy, industry and capital markets.



AUGUST



Roopa Kudva, is conferred the 'India Today Woman in the Corporate World Award' at the India Today Woman Summit & Awards 2014 in recognition of her able stewardship of CRISIL and key initiatives, such as CRISIL Inclusix and the State of the Nation report.



(From left) Aroon Purie, Editor-in-Chief and Chairman, India Today Group, presents the award to Roopa Kudva.



GREAT LEARNINGS

ROOPA KUDVA, MD & CEO, CRISIL

For Roopa Kudva, who heads a male-dominated board at ratings firm CRISIL, 2013/14 was a year of great learnings. "It was a satisfying year overall because of the way we surmounted the challenges," she added. Her people-first approach was the result of coaching, mentoring and leadership development initiatives. CRISIL's business-unit managers are encouraged to deliver analysis, such as the 'State of the Nation' report, a first-of-its-kind effort to provide insights into key trends in the economy, sectors and companies. Then 'Inclusix', India's first index that objectively measures financial inclusion all the way to the district level, was launched. Mumbai-based CRISIL also took on a bolder new leap signifying a young, able, ambitious, system-driven and relevant organisation.

BY PRATEEP GUPTA

99 BUSINESS TODAY | August 15, 2014

Business Today magazine names Roopa Kudva one of 'The Most Powerful Women in Indian Business 2014' for the sixth straight year.



CRISIL Infrastructure Advisory participates in the 5th World Renewable Energy Technology Congress.



Vivek Sharma, Director, Energy & Natural Resources, CRISIL Infrastructure Advisory, makes a presentation at the event.



A participating team at the Enduro Challenge.



CRISIL SME Ratings signs a memorandum of understanding (MoU) with Punjab National Bank to assist the latter's MSME customers in obtaining credit rating from CRISIL.



2014 AT A GLANCE

SEPTEMBER



Manish Jaiswal, Senior Director, CRISIL Risk Solutions, participates in a panel discussion at the 13th edition of the FIBAC Summit, an annual banking conference organised by FICCI and Indian Banks' Association. The discussion was focused around 'Pre-approvals to early warnings: Re-imagining lending business end to end with digital tech'.



CRISIL Research participates in the PHD (Progress Harmony Development) Chamber of Commerce's Real Estate Summit 2014 as the knowledge partner.

A white paper on Smart Cities authored by CRISIL Research was released at the event.



(Extreme left) Binaifer Jehani, Director, CRISIL Research and the other panelists release the white paper.

CRISIL Risk Solutions participates in The ASSOCHAM 10th Annual Banking Summit.



CRISIL participates in The ASSOCHAM national conference on Real Estate Investment Trusts and Infrastructure Investment Trusts.

Manoj Damle, Director, Corporate & Infrastructure Ratings, CRISIL Ratings, makes a presentation.



CRISIL GR&A continues to expand its global footprint and wins a new mandate from one of the top 15 global investment banks.



(Left) Ramnath Iyer, Global Head of Corporate Research, CRISIL GR&A & Chief Technology Officer, CRISIL, receives the CIO 100 Award, his fourth, from Louis D'Mello, President and CEO, IDG India.



Football enthusiasts from different CRISIL business verticals participate in the CRISIL Pune Champions League.



OCTOBER



After a successful debut in London, CRISIL GR&A and Coalition organise their second 'Investment Banking: The Road Ahead' seminar in New York, drawing participation from over 75 senior professionals from global investment banks.

(Extreme left) Roopa Kudva moderates a panel discussion; featuring (after Roopa Kudva, left to right) Agus Sudjianto, MD, Head of Corporate Model Risk, Wells Fargo, David Covin, Lead Finance Officer, Global Markets and Securities Services, Citi, Mark Flannery, Managing Director, Head of US Equity Research, Credit Suisse and Reto Kohler, MD, Head of Strategy, Investment Bank, Barclays.

CRISIL Ratings introduces Fund Management Capability Ratings for the mutual fund industry.



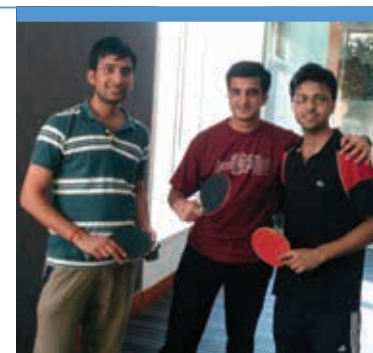
CRISIL Infrastructure Advisory participates in the 3rd World Hydro Power Convention 2014 as the knowledge partner. Vivek Sharma makes a presentation on the current status and potential of hydropower in India.



Rakesh Bangera shares insights at the Africa Public-Private Partnerships (PPP) Investment and Development Summit 2014 held in Accra, Ghana.



CRISIL Ratings participates in a discussion on 'Credit Rating and its importance for MSMEs' at the CII Conference on Branding, Financing & Technology for MSMEs.



CRISILites participate in an intra-CRISIL table tennis tournament.



CRISIL Research wins a mandate from a leading European energy major to provide customised research services.



2014 AT A GLANCE



CRISIL and Standard & Poor's (S&P) Ratings Services jointly host two investor briefing sessions in Hong Kong and Singapore to share insights on 'India: The Way Ahead'.

Dharmakirti Joshi shares his view on India's corporate credit profile.



NOVEMBER

CRISIL Risk Solutions wins the biggest mandate in its history – implementing its Credit Risk Evaluator (CRE), Credit Processing System (CPS), Early Warning System (EWS) and Retail Pooling (RP) solutions for a bank in Nigeria.



CRISIL participates in ACETECH, Asia's largest exhibition and conference on architecture, construction, design and engineering, inaugurated by Devendra Fadnavis, Chief Minister of Maharashtra, in Mumbai.

V. Srinivasan, Chief Strategy Officer and Business Head, CRISIL Ratings – SME, takes part in a panel discussion on 'Excellence in Real Estate – Making the Most of the Upward Economic Trend'.

(Fifth from right) V. Srinivasan and other speakers pose with the Chief Minister.



DECEMBER



CRISIL hosts the 9th Emerging India awards 2014 in partnership with CNBC TV18 and ICICI Bank.

The awards recognise and reward the nation's best small and medium enterprises.

(Extreme right) Roopa Kudva and (extreme left) N Chandrasekharan, CEO and MD, Tata Consultancy Services, present the 'Best SME in Power & Telecom' award to (centre) M. G. Philip, MD, Pravin Electricals Private Limited.



CRISIL Ratings recognises its best analysts for 2014 through an organisation-wide competition.

(Centre) Aditya Nori, Rating Analyst, CRISIL Ratings receives the 'Best Analyst' award from (left) Ramraj Pai, President, Business Head – CRISIL Ratings, Large Corporates and (right) Amish Mehta, Chief Financial Officer (CFO), CRISIL.

CRISIL signs an MoU with the Indian Institute of Management, Ahmedabad (IIM-A) to set up a 'CRISIL Chair of Financial Markets' at the institute.

The CRISIL Chair will enable research initiatives that can help financial markets evolve and function better.



CRISIL Ratings completes 2,000 Rating Committee Meetings.

Raman Uberoi, President, Corporate Affairs and B. V. Bhargava, former Chairman, Analytical Quality Board, CRISIL Ratings commemorate the occasion.

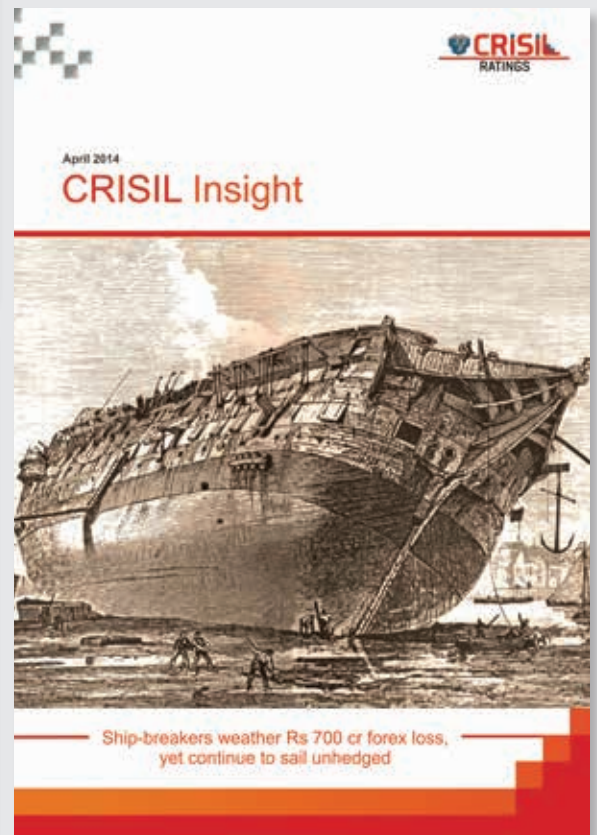
CRISIL PUBLICATIONS



CRISIL Ratings



CRISIL Insight: A series that captures CRISIL Ratings' opinion on 130+ industries and 12,500 CRISIL-rated entities.





CREST Connect:
A newsletter from CRISIL Real Estate Star Ratings.



CRISIL Credit Conversations:
A monthly bulletin aimed at initiating conversations with market participants on relevant developments in the credit space.



CREDAI Bengal Home Front 2014: A CREDAI Bengal – CREST joint report on the visitor profile at the event of the same name.

CRISIL PUBLICATIONS



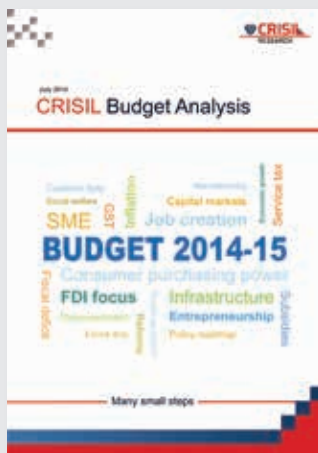
Research

Of Growth & Missed

Opportunity: A report that highlights the 'how' and 'why' of the economic slowdown, its implications on social objectives and the opportunity loss for India Inc.

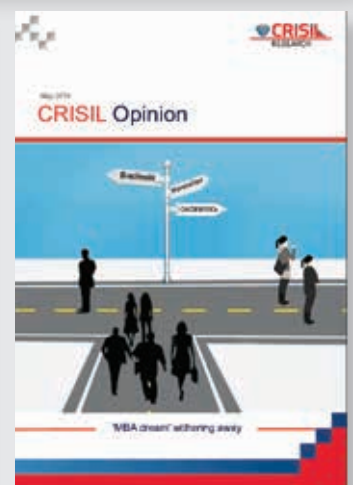
Budget 2014-15 Analysis:

A document capturing the overall impact of the budget on the Indian economy and key sectors.



CRISIL Opinion:

Series on key themes about the Indian economy and sectors.





CRISIL Insight:
CRISIL Research's outlook on the economy and business environment in India across 86 sectors and sub-sectors.

PUBLICATIONS



Global Research & Analytics

'Independent Amount – The Way Forward': An Insight Paper by CRISIL GR&A.



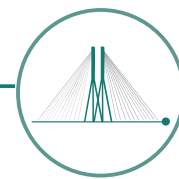
Coalition Index:

A quarterly publication that reviews key trends and aggregate performance of the 10 leading global investment banks across 13 products and three regions.

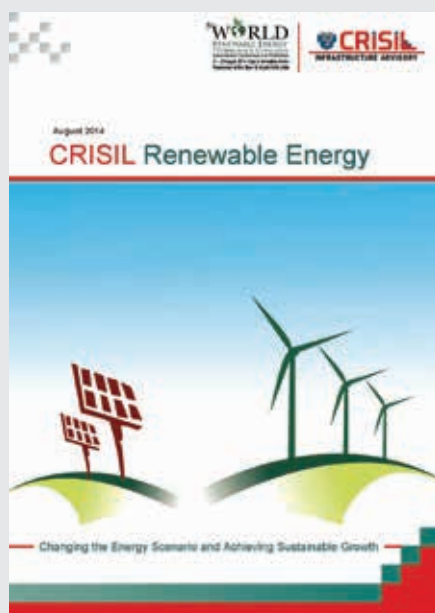


CRISIL Insights: CRISIL GR&A's monthly series on global and India's macroeconomic trends.

CRISIL Risk & Infrastructure Solutions



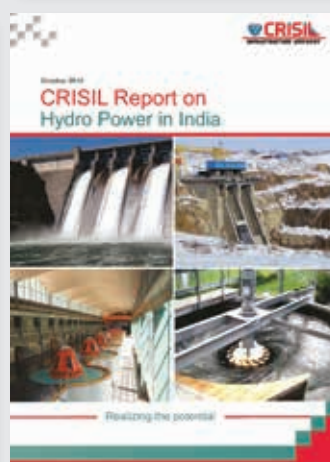
Knowledge report presented at the 5th World Renewable Energy Technology Congress: Changing the energy scenario and achieving sustainable growth.



Knowledge report presented at the Break-bulk Heavy Lifting and Project Forwarding Conference 2014 showcasing CRISIL Infrastructure Advisory's outlook on short-to-medium term projects in cargo/ over-dimensional cargo imports.



Knowledge report presented at the International Water Summit: A hundred small steps in making urban water supply sector better performing.



Knowledge report presented at the 3rd World Hydro Power Convention: Focus areas for realising the hydro power sector's potential in India.

CRISIL IN NEWS

Business Standard

Domestic capital markets given a miss



Managing director and chief executive officer at CRISIL

This may seem to be a Union Budget of many small steps, but a deeper evaluation does show the themes of urbanisation and infrastructure, job-creation and promotion of entrepreneurship, besides the increase in foreign direct investment in defence and insurance. But, it appears to have given the domestic capital markets a miss. The gates have opened wider for long-term foreign money but India needs significantly more domestic wherewithal to achieve and sustain the stated objective of 7-9 per cent growth.

July 11, 2014 Business Standard

Roopa Kudva

THE NEW INDIAN EXPRESS

Rural Operations to Turn Profitable for PSU Banks in 5 Years, says CRISIL Report

By Economic Bureau



We see the rural business of public sector banks turning around by the end of 2018-19 with return on assets turning positive

— CRISIL, Hyderabad

November 18, 2014 The New Indian Express

Prasad Koparkar, Ajay Srinivasan

THE EDGE SINGAPORE

Cheap oil, low inflation and reforms put India on cusp of new boom, says CRISIL's Joshi

By Dharmakirti Joshi



December 8, 2014 The Edge Singapore

Dharmakirti Joshi

THE ECONOMIC TIMES

PSU Banks Must Consider Securitising Loans

Guest Column



Ramraj Pai

August 20, 2014 The Economic Times

Ramraj Pai *

The Indian EXPRESS

Agriculture can't wait



Dharmakirti Joshi

June 4, 2014 The Indian Express

Dharmakirti Joshi

While RBI is holding rates steady, government needs to overhaul food markets

Dharmakirti Joshi

June 4, 2014 The Indian Express

Dharmakirti Joshi

GULF NEWS



August 25, 2014 Gulf News

Roopa Kudva

Business Standard

El Niño shadows monsoon: CRISIL



Australia's Bureau of Meteorology and the US Climate Prediction Centre have warned of increased chance of the return of an El Niño weather pattern that can trigger drought, halting production of key crops such as rice, wheat and sugar cane.

El Niño

The El Niño weather phenomenon, a biennially disruptive to this year's monsoon as experienced, it could severely affect economic growth and cause inflation in the next financial year, CRISIL Research said in a report issued on Tuesday.

El Niño is a prolonged warming in the Pacific Ocean near surface temperatures, disrupting the formation of clouds, the effect spread worldwide.

Australia's Bureau of Meteorology and the US Climate Prediction Centre have warned of increased chances of the return of an El

RAINY DAYS

Rainfall deviation from normal (%)



After the last decade's drought in drought-prone districts in view of the global warming and the return of the El Niño weather pattern, CRISIL Research said in a report issued on Tuesday.

CRISIL, however, added, "There is a high degree of uncertainty associated with these early forecasts, as it will be too

March 5, 2014 Business Standard

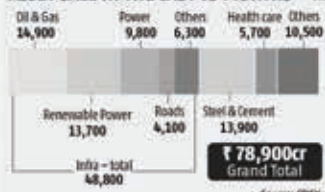
Business Standard

Debt-lightening measures to continue, says CRISIL

BS REPORTERS
Pune/Mumbai, 7 July

In recent months, a number of companies have sold assets to lower their debt liability. Studies suggest expected policy reforms and a buoyant capital market should lead to more such transactions, in which Indian companies are expected to raise around ₹60,000 crore in 2014-15.

ASSET SALE IN THE LAST 18 MONTHS



Source: CRISIL

July 8, 2014 Business Standard

Pawan Agarwal



EXPANDING RESIDENTIAL FOOTPRINT



July 9, 2014 MINT



India Inc's credit quality improving: Crisil

But warns that the system is still facing stress

OUR BUREAU
New Delhi, 6 October

The overall credit quality of Indian companies, especially that of firms with lower debt on books, appears to be improving, according to a study

ing and capital goods and auto ancillary sectors had higher downgrade rates.

Upgraders exceeded downgrades in the first half of 2014, with 54 upgraders compared to 45 downgrades. Firms with low debt exposure, primarily, witnessed positive trends in credit quality," Crisil said in a statement.

The ratings agency upgraded debt worth ₹39,000 crore during the first half of the current financial year. At the same time, it downgraded debt worth ₹65,000 crore during the same period.

This means companies with lower debt on their books are turning around faster than companies which have borrowed more. Vijayakrishnan Iyer, Chairperson of Bank of India, agrees. "While the markets have turned, the economy is yet to turn around. So, the stress in the banking system continues."

October 6, 2014 The Hindu Business Line

Pawan Agarwal



IT services jobs will halve in 4 yrs: Crisil

the correspondent
New Delhi

Asked: Are you planning your career to information and technology (IT) sector? How your skills and get ready to face a tougher competition as IT companies are going to make incremental jobs in near future. This has been revealed by a recent study by rating and research agency Crisil.



PARADIGM SHIFT

The study reveals that job cutting will not be a result of impact on revenue growth of the IT service industry. It will be because of paradigm shift in industry leading to rationalisation of bench strength, improving utilisation rate and trimming operational costs.

Client service providers are doing everything possible to increase utilisation rates. "The service providers are rationalising utilisation rate through decrease of bench strength, shortening time to production cycle, cross-training employees for movement across different technology areas and focusing more on client facing," said Anuj Sethi, president of Capital Economics and Software Industry Association (CESA).

November 11, 2014 DNA

Anuj Sethi

CRISIL IN NEWS

hindustantimes

9% growth a pipedream for India, 6.5% more likely: Crisil

SMOKY FUTURE Lower growth will pull down both job creation and consumption, in turn dragging down future expansion; immediate policy push critical

HT Correspondent
* anurag.jhanwar@hindustantimes.com

NEW DELHI: There is an even chance that the Indian economy will grow at an annualised average rate of 6.5% over the next five years, credit rating and research firm Crisil said in a report on Sunday, signalling that the country's slowdown is stickier than earlier believed.

The slower expansion will affect job creation and job prospects, while on the other hand, weak income will affect the sales of a range of goods—from cars to two-wheelers, from houses to cement and steel.

Crisil warned that unless propping policy and implementation issues are addressed, even sustaining this (6.5%) growth would be difficult.

The Indian economy's average annual expansion of 6.7% during the past five years (2009-14) and Crisil's forecasts suggest the economy's a steep turnaround won't likely anytime soon.

CRISIL'S 5-YEAR FORECAST

NUMBER GAME: BIGGER IS BETTER
Growing at 6.5% rather than 9% a year would mean hundreds of thousands of fewer jobs

15 mn Fewer jobs created in industry and services, if growth is 6.5% not 9%

49 mn More people stuck below poverty line

10 mn Fewer 3-wheelers sold—equivalent to 70% of present annual sales

2 mn Less passenger vehicles sold

125 mn tonnes Less cement sold—equivalent to 50% of the present annual sales

96,000 Fewer new houses sold in the 32 major cities

GROWTH = JOBS + DEMAND + SALES
A higher growth rate brings cheer across sectors

Additional sales during 2014-15	9.0%	6.5%
Passenger Vehicles (mn units)	18.5	16.5
Two-wheelers (mn units)	108	98
TV sets (mn units)	18	17
Refrigerators (mn units)	53	47
Non-farm job additions (mn people)	52	37
No. of people moving out of poverty line (mn people)	62	43

THE RISE, THE FALL AND THE STRUGGLE
From a heady 9%, the 5-yr period Real GDP growth in %

Period	Real GDP growth in %
2004-2009	8.6
2009-2014	6.7
2014-2019	6.5 (Crisil's)
2014-2019	6.5 (Likely)

AN AUTO PLANT: BUYERS SCARE
Households putting off spending are early warning signals for the onset of an economy-wide slump.

TERMINAL SOURCE: CRISIL
The projection comes even as jobs data for the period 2004-05 to 2011-12, released by the National Sample Survey Office (NSSO) last year, showed that for the first time, more than half of India's labour force was working in non-farm jobs, mainly in construction. In the seven years to 2011-12, about seven million non-farm jobs were added every year, absorbing the five million workers who left agriculture every year, the data showed.

"It is desirable to pull more and more people out of agriculture since it is a low-productivity sector, with only a 14% share in GDP (gross domestic product), but around 49% share in em-

TECHNICAL ANALYSIS: CRISIL
The slowing economy will result in fewer jobs being added to industry and services in the next seven years and more workers moving back to farming, Crisil Research said in a report on Tuesday, indicating job creation will remain a key concern for the next government.

Non-farm employment will increase by only 38 million in financial years 2012-19, compared with 52 million in FY 2005-12, Crisil said.

Because of this, an additional 12 million workers will move into agriculture, considered the least productive activity and a low-wage sector, even as the labour force swells faster than before, it said.

Crisil estimates India's economy will grow at an average 6% between fiscal years 2013 and 2019, with 50 million new jobs being created.

The Indian economy grew at an average 8.5% between fiscal years 2005 and 2012. But growth fell to 5% in 2012-13, the slowest in a decade, and is expected to be at similar levels this fiscal year as well.

According to NSSO data, 14 million jobs were added between 2009-10 and 2011-12 as against only a million in the five years to 2009-10, labelled by many as a

period of jobless growth. In five-year period ended 2006 million jobs were added. It said the ability of labour-intensive sectors such as manufacturing to absorb workers has diminished due to not only automation but also compliance laws.

Pronab Sen, chairman of the National Statistical Commission, said it may not be correct to say agriculture is a net employer.

"Between the 1960s and 1 agriculture was (a) residual player—those who did no any job in the manufacturing sector moved to farms. But has changed from the 1 Those workers who are not absorbed into the manufacturing sector look for employment in the informal non-agricultural sector," he said. "Even there is a lot of talk on how labour is not available for farming, the point remains average productivity is low; can't add more labour without increasing productivity," he said.

The problem of job creation for the non-farm sector will be more severe given the decline in economic growth, Jugal Kishore, professor of Economics, Delhi University, said.

anurag.jhanwar@hindustantimes.com

April 21, 2014 Hindustan Times

mint

GROWING CONCERNS

Low growth may turn jobseekers back to farm sector: Crisil report

BY RENUKA NAIR & KIRTI V. RAO

NEW DELHI: The slowing economy will result in fewer jobs being added to industry and services in the next seven years and more workers moving back to farming, Crisil Research said in a report on Tuesday, indicating job creation will remain a key concern for the next government.

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ployment. The old trend of migration from agriculture will reverse with fewer non-farm job opportunities coming in the way of achieving this," Mukesh Agarwal, president, Crisil Research, said. The study said fewer jobs will be created in the coming years due to slowing economic growth and a decline in labour intensity—the proportion of labour used—across industry and services. This was because of increasing automation.

Because of this, an additional 12 million workers will move into agriculture, considered the least productive activity and a low-wage sector, even as the labour force swells faster than before, it said.

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anurag.jhanwar@hindustantimes.com

January 8, 2014 MINT

TIMES PROPERTY

WHY INCOMPLETE APPROVALS CAN LEAD TO A COMPLETE HEADACHE

ANURAG JHANWAR lists out the various approvals that must be checked before buying property

A common source of stress for a home buyer is finding out that a project has been delayed, owing to pending approvals to be received by the developer. At the time of negotiating property purchase, buyers are generally told that all permissions from the authorities are in place or are nearly finished. However, on a closer look, it is evident that in many cases across the country, this is not true, since developers are more interested in selling the property than ensuring that it is legal and clear in the present and future. In fact, there is the interest of the customer to be aware of the various approvals required at different stages of a project's lifecycle. To simplify matters for buyers, here are listed various approvals required during various stages of a residential project, from land acquisition to final project delivery.

PRE-CONSTRUCTION APPROVALS

- For land acquisition: This is the first step in project development and includes the following approvals:
 - The title of the land should be freehold, with clear ownership. It should be marketable and free from any claim or encumbrance.
 - The developer must possess a valid title certificate for the type of project proposed.
 - The developer must have a certificate from the district collector's office for change of land use or conversion to non-agricultural land (in case it is agricultural land).
- For initiating construction: What is required here is a sanction plan and occupation certificate issued by the local authority. A final approval is required from the Ministry of Urban and Environmental Development (MUEP).
- For construction and allied infrastructure: Every project has an impact on its surroundings.
- Projects with a built-up area of over 20,000 square metres, require clearance from the Ministry of Urban and Environmental Development (MUEP).
- Projects taller than 12 metres need provisioned fire clearance and require a height clearance certificate from the Airport Authority of India, if it lies in an air-traffic zone.
- Depending on the location, the project may need clearance from the National Mineral Management Authority (NMMA), Ministry of Defence, National Highway Authority of India (NHAI), Central Regulatory Zone Authority, Traffic Department, etc.
- Consent is required from the State Pollution Control Board.

POST-CONSTRUCTION APPROVALS (UP TO THE HAND-OVER STAGE)

- Service connections: Before the handover, the developer needs to seek approval for water, electricity, a lift license and other services in the case may be, from the relevant authorities.
- Final approvals against provisioned SPC: A final approval is required from the authority responsible for fire and pollution control, besides others, to ensure that the final structure has not violated any regulations.
- Occupancy certificate: For the handover, the developer needs to seek an occupancy certificate from the local development authority. Occupancy certificate, certifying that the project is completed as per the sanctioned plans and is fit for a habitation in the occupied state.
- While majority of buyers generally do not bother checking for the above approvals, a few are aware of the importance of these approvals in ensuring peace of mind in property transactions, as there are numerous legal and other consequences.

(The writer is director, CRISIL Real Estate Score Business)

February 22, 2014 Times Property

Anurag Jhanwar **

THE FINANCIAL EXPRESS

Crisil launches India's 1st inflation-linked G-Sec index

Mumbai, Sept 18: Credit rating agency CRISIL, on Thursday launched the country's first inflation-linked G-Sec index. The index tracks the performance of a portfolio of inflation-linked government bonds. At present, the government has issued only one such bond with a coupon rate of 1.41%.

India has launched schemes based on inflation-linked bonds (ILBs). ILBs, launched in January 2011, have slipped into oblivion with hardly any trades happening in the market. The volume has fallen to a mere ₹1 crore from ₹1,000 crore a year ago. HDFC Mutual Fund and Deutsche Mutual Fund had launched schemes based on the bonds.

"We believe the CRISIL IGCS index will be a good benchmark for institutional investors in India in a bid to offer a financial product that provides protection from high inflation. The return on the 10-year ILBs are linked to the retail inflation index and

deep Sabharwal, senior director at the capital market division of the agency.

"The ILBs launched by us exclusively for institutional investors in India in a bid to offer a financial product that provides protection from high inflation. The return on the 10-year ILBs are linked to the retail inflation index and

September 19, 2014 The Financial Express

Sandeep Sabharwal

THE FINANCIAL EXPRESS

'Falling crude may limit increase in energy import bill to 1.6% by 2019'

fe Bureau

New Delhi, Aug 21: India's energy import bill will rise at a slower pace of 1.6% per annum in next five years compared with 14% between 2009 and 2014 as global prices of crude oil, LNG and coal are likely to fall, Crisil said on Thursday. This raises hope the country's current account deficit may stay within limits in the coming years and the Centre's fiscal consolidation efforts would receive help from the external front.

Crisil expects Brent crude to fall to \$90-100 per barrel by 2018 from \$109 in

Crisil expects Brent crude to fall to \$90-100 per barrel by 2018 from \$109 in 2013, while thermal coal is seen at \$77-82 a tonne compared with \$84 in 2013

2013, while thermal coal is seen at \$77-82 a tonne compared with \$84 in 2013. Spot LNG is forecast at \$13-14 per mmbtu from \$15 per mmbtu in 2013 — all because of improved supplies and relatively subdued demand.

Prices of crude oil, thermal coal and liquefied natural gas (LNG) will be under pressure in long-term because of structural shifts like surge in supplies, move to alternate fuel, and slowing demand, which will be a blessing for India whose energy imports accounted for 36% of total imports last fiscal.

India's energy import bill, which surged on an average of 14% annually to \$161 billion between 2009 and 2014, is expected to rise only 1.6% annually to \$175 billion by 2019 because prices of the three commodities are expected to decline, Crisil report said.

August 22, 2014

The Financial Express

Business Standard

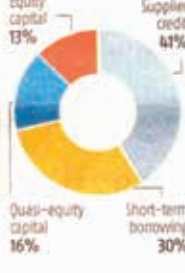
CRISIL SME TRACKER

Trading MSMEs rely more on supplier credit

CRISIL has studied the performance of 2,100 micro, small, and medium enterprises (MSMEs) rated by it in the trading sector in 2013-14 (financial year April 1 to March 31). The study was conducted to understand the sector's working capital patterns, which indicates that these enterprises depend more on credit provided by suppliers than on short-term borrowing from financial institutions (FIs). About 41 per cent of their aggregate working capital is financed by supplier credit, in comparison to 30

CAPITAL FUNDING

Source of working capital finance for trading MSMEs



and collateral-free credit from FIs. MSMEs generally have limited access to credit, which forces them to borrow from suppliers or unregulated sources, and thus they end up paying much higher interest. This impacts their profitability and also leads to product overpricing. Availability of credit at affordable cost is therefore critical for MSMEs in the trading sector.

Note: CRISIL has rated over 50,000 MSMEs in India. This fortnightly tracker presents

October 28, 2014

Business Standard

THE HINDU

Under-recoveries of oil PSUs to halve in 2 years: Crisil

Special Correspondent

CHENNAI: Public sector oil companies are poised to see structural improvements in their profitability as under-recoveries are expected to halve with ongoing price revisions and softer crude prices, pointed out a report of rating agency Crisil.

A Crisil Research indicated that over the next two years there will be an 8-10 per cent y-o-y decline in international petroleum product prices as

said stating that PAT (profit after tax) of downstream companies will increase by Rs.33-36 billion y-o-y in 2014-15 and by another Rs.7-10 billion in 2015-16. Also, profitability of these companies will get a boost with decline in interest burden.

On the other hand, upstream companies, which typically share 40-50 per cent of the total under-recovery burden on petroleum products, will see a sharper improvement of Rs.105-120

ther increase by Rs.70-75 billion in 2014-15, resulting in an overall increase of Rs.235-230 billion, it added.

In 2013-14, with an increase of 50 paise every month, retail diesel prices have risen by Rs.6.90 per litre. Around 10-12 million duplicate LPG connections, which account for 7-8 per cent of overall connections in the country, have been cancelled over the last 18 months. Due to these measures, in spite of high crude oil prices

June 10, 2014

The Hindu

दैनिक भास्कर

आर्थिक विकास दर 6.5 फीसदी संभव : क्रिसिल

एनबीए

स्टैंडिंग एजेंसी क्रिसिल ने कहा है कि अगर चुनाव बाद फिर सरकार बने तो अपने 5 वर्षों के दौरान देश को आर्थिक विकास दर अकेलान 6.5 फीसदी रह सकती है। क्रिसिल ने अपने रिपोर्ट में कहा है, 'वृत्तव्य बर्तमान में से विकास बर्तमान बर्तमान बर्तमान है। इन्फ्लेक्शन पर अम्बरी

नई रिपोर्ट

- चुनाव बाद फिर सरकार बने तो देश को विकास दर 6.5 फीसदी रह सकती है।
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April 22, 2014

Dainik Bhaskar

The Economist

Trading

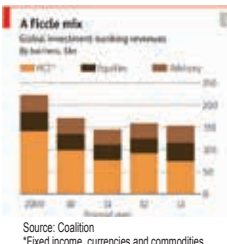
Swap you

Hobbled banks are a diminishing presence in financial markets
May 10th 2014 | From the print edition

TRADING DERIVATIVES—CONTRACTS whose value fluctuates with the price of an underlying asset—is a vast business. Most are sold 'over the counter' (OTC), meaning by direct agreement between the two parties rather than through an exchange. According to the Bank for International Settlements, the notional value of all OTC derivatives contracts outstanding is almost \$700 trillion. The business is also resilient: it has continued to grow despite the financial crisis (see chart 6 below). All of which must make it especially galling for bankers that regulators want to take the business away from them.

All this has led to a calamitous decline in revenues from 'fixed income'—the parts of investment banks that deal in bonds, commodities, currencies and derivatives. They have fallen to about half their peak (see chart 7), and Morgan Stanley, an investment bank, and Oliver Wyman, a consultancy, estimate that they will shrink by a further 5-10% this year.

As with lending and payments, various other financial institutions are trying to capitalise on the restrictions placed on banks' trading operations. Commodity-trading firms, for example, have cheerfully snapped up banks' unwanted commodities businesses. In March Mercuria, a Swiss firm, agreed to buy JPMorgan Chase's physical-commodities unit for \$3.5 billion. Such outfits are also expanding their presence in commodity derivatives as banks cut staff and close trading desks.



Source: Coalition
*Fixed income, currencies and commodities

May 10, 2014

The Economist

SUSTAINABILITY INITIATIVES

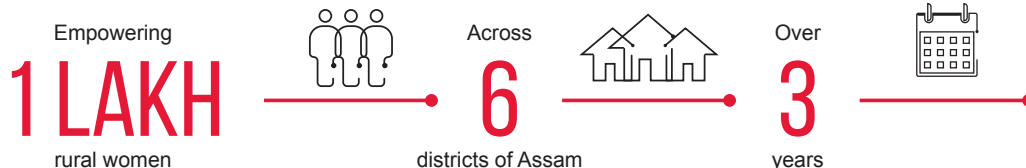


PRAGATI:
EMPOWERMENT OF
RURAL WOMEN BY
**STRENGTHENING
THEIR FINANCIAL
CAPABILITIES**

110 COMMUNITY-BASED
TRAINERS WILL DELIVER
PROGRAMME COMPONENTS
AT THE DOORSTEPS OF
PRAGATI PARTICIPANTS



FROM **FINANCIAL LITERACY
WORKSHOPS** AND OPENING OF BANK
ACCOUNTS, THE PROGRAMME WILL NOW
INCLUDE FEATURES SUCH AS **FINANCIAL
GOAL-SETTING AND COUNSELLING**



CRISIL's Corporate Social Responsibility (CSR), driven by the CRISIL Foundation, has two key goals – empowerment of women through financial awareness, and conservation of the environment.

The CRISIL Foundation has been implementing financial literacy and awareness programmes under the **मैं (mein) Pragati** banner to empower underprivileged women in Assam. CRISIL also conducts employee volunteering programmes and other initiatives on an ongoing basis for environment conservation. The key developments on the Corporate Sustainability front this year at CRISIL can be summed up as follows:

Formation of the CSR Committee

CRISIL formed a CSR Committee at its Board meeting in February 2014. The Committee recommended to the Board a CSR Policy which has been approved.

Formulation of CSR Strategy

The CSR Committee visited Barukata village in Morigaon District near Guwahati (Assam) to get a first-hand understanding of the work done under **मैं Pragati**, and to formulate the company's CSR policy.

The high-powered committee witnessed the financial awareness workshops for women being organised

by CRISIL's partner NGO, Rashtriya Gramin Vikas Nidhi (RGVN). The committee members also had extensive discussions with the RGVN team members, trainers, local bankers, business correspondents, stakeholders and village folk.

Based on the field visit and extensive discussions with various stakeholders, the committee further articulated and sharpened the CSR activities that are linked to CRISIL's broader vision and goals. The CSR activities that CRISIL will undertake are as follows:

Empowerment of rural women by strengthening their financial capabilities

The **मैं Pragati** programme will now reach out to 100,000 rural women in six districts of Assam over three years. A trained workforce of 110 community-based trainers will deliver programme components at the doorstep of Pragati participant.

Expanding its scope from financial literacy workshops and mere opening of bank accounts, the programme will now include added features such as financial goal-setting and counselling. The CRISIL Foundation signed a three-year MoU with RGVN in November 2014 to implement the programme. The ground-level activities of the programme have been initiated in line with the overall plan.

SUSTAINABILITY INITIATIVES

Environment conservation through employee volunteering

Employee volunteering is the central approach used to achieve the CRISIL Foundation's second goal of conservation of the environment. Employees across locations will work on environment conservation projects chosen by them and relevant to their respective cities. This initiative will also increase the level of their engagement with CRISIL. To this end, the Foundation has partnered with an NGO, United Way of Mumbai, and formulated Core Committees across certain offices in India and Argentina. The causes and key activities for each location have been formalised.

Other highlights of the year

Community Impact Month

The McGraw Hill Financial Community Impact Month (CIM) was launched in May under the Global Volunteer Day initiative. CRISIL rolled out the initiative across multiple offices between May 15 and June 30, 2014. Nineteen NGOs helped design community-centric projects that used sports, art and craft, dance and drama, nature trails, movie screenings, songs and debates to make a difference to the participants' lives. A total 683 employees volunteered their time, skills and expertise for these projects, and between them, contributed more than 4,098 hours.

Giving back to society

- **Daan Utsav:** This year, under Daan Utsav – earlier known as the Joy of Giving Week – various activities were organised across 9 offices of CRISIL to promote the spirit of volunteering among employees. These included a collection drive (over 5,313 articles of clothes, toys, books and stationery collected), and cause-related awareness and donations promoted through 'Wish Trees' and booths where non-governmental organisations (NGOs) displayed various products.
- **Saying Thank You to Mumbai police:** CRISIL gifted 50 rain-suits to the Mumbai police in August to express the organisation's gratitude to the police for working tirelessly to safeguard the city and serve citizens.
- **Blood donation camp:** About 175 CRISIL employees participated in Blood Donation camps organised at various CRISIL offices.
- **Health camps and talks:** CRISIL undertook various employee wellness initiatives that saw enthusiastic participation from employees. These included health talks, an eye and dental check-up and executive health check-ups.
- **Running for a cause:** This year too, CRISIL encouraged employees to take part in the 'Run Powai Run' event. Over 130 CRISILites sponsored by CRISIL participated. The sponsorship amount will be utilised by the organisers (The Rotary Club, Mumbai Lakers) to set up solar lamps in rural Maharashtra in partnership with a local NGO.



**OVER 130
EMPLOYEES
PARTICIPATED IN
THE 'RUN POWAI
RUN' EVENT**

**5,313 ARTICLES
DONATED BY
CRISIL EMPLOYEES
DURING 'DAAN
UTSAV'**



**4,098 HOURS CONTRIBUTED
BY 683 EMPLOYEES WHO
VOLUNTEERED IN THE
COMMUNITY IMPACT
MONTH INITIATIVE**

NAME
NANDITA RABHA

AGE
33 YRS

LOCATION
KAMRUP DISTRICT, ASSAM

ROLE
**মেইন (MEIN) PRAGATI
PARTICIPANT**





EMPOWERING RURAL WOMEN

BY STRENGTHENING THEIR
**FINANCIAL
CAPABILITIES**

Nandita has taken a loan to expand her husband's shop and start a farm.

With a happy family and a small income from her husband's grocery shop, 33-year-old Nandita Rabha thought she had it all. Like many of her friends and neighbours, she and her husband lived for the present. Her participation in a मै Pragati financial awareness workshop was an eye-opener.

Nandita realised the importance of managing the family budget, expanding their income opportunities and planning for future exigencies. She has now taken charge of the family finances and actively participates in the household's financial planning. Understanding the need to augment her family's finances, Nandita has taken a loan to expand

her husband's shop and start a farm. The family now manages to save around Rs. 2,500 per month (earlier, they used to spend whatever they earned), which goes into their newly-opened bank account. Being in control of her finances and her family's future has given Nandita's life a new meaning.

**CRISIL KE SAATH
SEEKHOON PAISON KI BAAT**

BOARD OF DIRECTORS



1.

Mr. Douglas L. Peterson (Chairman)

is President and Chief Executive Officer of McGraw Hill Financial. He joined the Company in September 2011 as President of Standard & Poor's Ratings Services. Prior to joining McGraw Hill Financial, Mr. Peterson was with Citigroup for 26 years.

Mr. Peterson is co-chairman of the World Economic Forum's Global Strategic Infrastructure Initiative. He serves on the Boards of Directors of McGraw Hill Financial, the Federal Deposit Insurance Corporation's Systemic Resolution Advisory Committee, the Institute of International Finance's Market Monitoring Group, the Boards of Advisors of Wharton Financial Institutions Center, the Partnership for New York City and the Kravis Leadership Institute, and the Boards of Trustees of Claremont McKenna College and the Paul Taylor Dance Company.

2.

Mr. H. N. Sinor (Director)

has been a veteran banker, having spent over four decades in public as well as private sector banks like Union Bank of India, Central Bank of India and ICICI Bank. He was MD and CEO of ICICI Bank from 1997 to 2002 and after ICICI's merger with ICICI Bank, became Joint MD until his superannuation. He, thereafter, joined Indian Banks' Association as Chief Executive from 2003 to 2008.

In 2010, Mr. Sinor joined Association of Mutual Funds in India in a similar capacity, where he continues till now.

3.

Dr. Nachiket Mor (Director)

has qualified in business management from the Indian Institute of Management at Ahmedabad and obtained a doctorate in finance from the University of Pennsylvania. He is Board Chair of CARE India and a member of the Boards of Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), CRISIL, Institute for Financial Management and Research, CIPLA, and IKP Trust. He is Chair of RBI's Advisory Committee for the Licensing of Payment Banks; and a member of the Government of India's Task force on Primary Healthcare Rollout, the Health Commission for the State of Himachal Pradesh, and the Task Force on Global Health at the Institute of Medicine in Washington DC. 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.

4.

Mr. M. Damodaran (Director)

a former Indian Administrative Service (IAS) officer, has held important positions in the Government and India's financial sector, before demitting office

as Chairman, Securities and Exchange Board of India (SEBI) in 2008. In 1992, he was appointed Chief Secretary of Tripura – the youngest ever IAS officer in India to hold such a position in the State government. Thereafter, he worked as Joint Secretary in the Ministry of Finance, Banking Division. He is known for turning around the ailing Unit Trust of India and Industrial Development Bank of India. As SEBI Chairman, Mr. Damodaran brought improved practices to India's securities market. He is presently Advisor and Chief Representative in India for the ING Bank of Netherlands and an independent Director on the Boards of some of India's leading companies.

5.

Ms. Vinita Bali (Director)

is global business leader with extensive experience in leading large companies in India and overseas. She has worked with multinationals like The Coca-Cola Company and Cadbury Schweppes PLC in the UK, Nigeria, South Africa, Chile and the USA, in addition to Britannia Industries Ltd. in India.

Ms. Bali is a Non-Executive Director on the global Boards of Syngenta International AG, Smith & Nephew PLC, Global Alliance for Improved Nutrition (GAIN) and the Advisory Board of Cornell University's Department of Nutritional Science. She also serves as a Non-Executive Director on the Boards of several companies in India – CRISIL, Titan Industries and



Kasturi & Sons. She is on the Advisory Board of The World Gold Council and is a Member of the Board of Governors of IIM-Bangalore. Ms. Bali is among 27 global leaders appointed by the UN to help improve maternal and child health as part of its SUN (Scaling Up Nutrition) initiative.

6.

Mr. Yann Le Pallec (Director)

is Standard & Poor's Executive Managing Director for Europe, Middle East, and Africa (EMEA). He is a member of S&P's Ratings Services Executive Committee. Based in Paris, Mr. Le Pallec leads a team of over 800 ratings analysts and support staff operating from 12 global offices.

Before his appointment in December 2011, Mr. Le Pallec occupied various managerial and analytical positions at S&P including Head of EMEA Corporate and Government Ratings, Regional Practice Leader for EMEA Sovereign, International Public Finance and Insurance Ratings, and Regional Practice Leader for EMEA Insurance Ratings.

7.

Mr. Neeraj Sahai (Director)

has served as President of Standard & Poor's Ratings Services since January 2014.

Previously, he was the head of Citi's Securities and Fund Services business, which offers securities services to

investors, issuers and intermediaries. From 2002 to 2005, Mr. Sahai was Chief Financial Officer of Citi's Global Transaction Services. He also served as head of audit and risk review for Citi's Capital Markets and Banking businesses and held other roles with Citi in the U.S. and in India. Mr. Sahai began his career at Citi in 1984.

Mr. Sahai holds a bachelor's degree in Economics with honors, a master's degree in Economics from the University of Delhi and a master of business administration degree from Clarkson University.

8.

Mr. Ravinder Singhania (Alternate Director to Mr. Douglas L. Peterson)

is the Managing Partner of Rajani, Singhania & Partners, Advocates & Solicitors and has over 20 years of international experience. He currently serves on the Board of several multinational companies' Indian subsidiaries such as National Instruments, American Bureau of Shipping etc., as well as listed companies such as Unitech Limited. He is the former Vice Chairman of Asia Pacific Committee of American Bar Association. Mr. Singhania is a consultant to the World Bank and OECD. He is a Governing Body Member of the Indian Council of Arbitration and a Co-Chairman of Law & Justice Committee of PHD Chamber of Commerce.

9.

Ms. Roopa Kudva

is Managing Director & Chief Executive Officer of CRISIL.

Ms. Kudva is a member of several policy-level committees relating to the Indian financial system, including committees of the Securities and Exchange Board of India and the Reserve Bank of India. She has also been a member of the National Executive Council of NASSCOM.

SENIOR MANAGEMENT

	● Ms. Roopa Kudva Managing Director & Chief Executive Officer
CRISIL Ratings	● Mr. Pawan Agrawal ● Mr. Subodh Rai ● Mr. V. Srinivasan ● Mr. Raman Uberoi
CRISIL GR&A	● Ms. Suprabha A. D. ● Mr. Stephane Besson ● Mr. Gurpreet Chhatwal ● Mr. Pankaj Jain
CRISIL Research	● Mr. Manish Jaiswal
Corporate	● Mr. Ramnath Iyer ● Mr. Amish Mehta Chief Financial Officer ● Mr. Ramraj Pai ● Mr. G. Ravishankar

COMMITTEES OF THE BOARD

● Audit Committee Mr. M. Damodaran, Chairman Mr. H. N. Sinor Dr. Nachiket Mor Mr. Neeraj Sahai
● Nomination and Remuneration Committee Mr. H. N. Sinor, Chairman Ms. Vinita Bali Mr. Douglas L. Peterson
● Stakeholders' Relationship Committee Mr. M. Damodaran, Chairman Mr. Yann Le Pallec Ms. Roopa Kudva
● Corporate Social Responsibility Committee Dr. Nachiket Mor, Chairman Ms. Vinita Bali Ms. Roopa Kudva
● Investment Committee Ms. Vinita Bali, Chairperson Mr. M. Damodaran Mr. Neeraj Sahai Ms. Roopa Kudva

Company Secretary
Mr. Neelabja Chakrabarty

Auditors
S. R. Batliboi & Co. LLP,
Chartered Accountants

Solicitors
Wadia Ghandy & Co.

Bankers
ICICI Bank Limited
Andhra Bank
Citibank N.A.
HDFC Bank Limited
Deutsche Bank

Share Transfer Agent
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

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



DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Member,

The Directors are pleased to present to you the 28th Annual Report of CRISIL Limited, along with the audited accounts, for the year ended December 31, 2014.

Financial performance

A summary of the Company's financial performance in 2014:

Particulars	Rupees in crore			
	Consolidated		Standalone	
	2014	2013	2014	2013
Total income for the year was	1,277.07	1,147.28	935.41	832.18
Profit before depreciation, exceptional item and taxes was	412.17	397.19	331.31	312.57
Deducting depreciation of	36.12	37.92	23.92	23.22
Profit before exceptional item was	376.05	359.27	307.39	289.35
Exceptional item	-	65.89	-	99.36
Profit before tax was	376.05	425.16	307.39	388.71
Deducting taxes of	107.62	127.33	91.88	107.52
Profit after tax was	268.43	297.83	215.51	281.19
The proposed appropriations are:				
Dividend	142.48	134.15	142.48	134.15
Corporate dividend tax	27.21	23.15	27.21	23.02
General reserve	21.55	28.12	21.55	28.12
Balance carried forward is	77.19	112.41	24.27	95.90

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses standalone audited financial results on a quarterly and an annual basis, consolidated un-audited financial results on a quarterly basis and consolidated audited financial results on an annual basis.

a) Consolidated operations

Revenue from the consolidated operations of your Company for the year was Rs. 1,277.07 crore, 11% higher than Rs. 1,147.28 crore in the previous year. Overall operational expenses for the year was Rs. 901.01 crore, against Rs. 788.01 crore in the previous year. Operating Profit (EBITDA) was Rs. 412.17 crore, against Rs. 397.19 crore in the previous year. Profit after Tax (excluding exceptional item) for the year at Rs. 268.43 crore, 21% of revenue, was higher by 6% over Rs. 254.27 crore, 22% of revenue, in the previous year.

b) Standalone operations

Revenue from the standalone operations of your Company for the year was Rs. 935.41 crore, 12% higher than Rs. 832.18 crore in the previous year. Overall operational expenses for the year was Rs. 628.02 crore, against Rs. 542.84 crore in the previous year. Operating Profit (EBITDA) was Rs. 331.31 crore, against Rs. 312.57 crore in the previous year. Profit after Tax (excluding exceptional item) for the year at Rs. 215.51 crore, 23% of revenue, was higher by 6% over Rs. 204.17 crore, 25% of revenue, in the previous year.

A detailed analysis on the Company's performance, both consolidated and standalone, is included in the "Management's Discussion and Analysis" Report, which forms part of this Annual Report.

Voluntary disclosures under Companies Act, 2013

The provisions with respect to preparation of financial statements and Board's Report under the Companies Act, 2013 are applicable for companies whose financial year had commenced on or after April 1, 2014. Since our financial year commenced on January 1, 2014, the provisions with respect to preparation of financial statements and the contents of Board's Report are not applicable to us for the year under review. We have, however, voluntarily made certain additional disclosures prescribed under the new Act in the Board's Report.

Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 17, 2015, payment of final dividend of Rs. 6 and a special dividend of Rs. 4 per equity share of face value of Re. 1 each for the year under review. During the year, the Company paid three interim dividends, first two interim dividends of Rs. 3 each and the third interim dividend of Rs. 4 per equity share of face value of Re. 1 each. The total dividend for the year works out to Rs. 20 per share on a face value of Re. 1 per share in 2014 (including

a special dividend of Rs. 4 per share) as against Rs. 19 per share (including a special dividend of Rs. 6 per share) on a face value of Re. 1 per share in the previous year.

Increase in issued, subscribed and paid-up equity share capital

During the year, the Company issued and allotted 4,06,607 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Scheme – 2011 and 2,97,558 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Scheme – 2012. Consequently, the issued, subscribed and paid-up capital of the Company increased from 7,06,52,890 equity shares of Re. 1 each to 7,13,57,055 equity shares of Re. 1 each.

Review of operations - 2014

A. Ratings

Highlights

- Announced 3,245 new bank loan ratings (BLRs); total BLRs outstanding exceed 12,800
- Assigned 14,798 SME ratings during the year
- Introduced the CRISIL Analytical Excellence framework, based on four pillars, to establish a common understanding of what constitutes analytical excellence at CRISIL
- Provided enhanced support through Global Analytical Centre (GAC) to Standard & Poor's Ratings Services and commenced support for Platts, another McGraw-Hill Financial business unit

Business environment

The Indian economy and business environment remained largely subdued during 2014, especially in the first half, owing to slowing demand and expectations of GDP growing at 5.5% for 2014-15 with limited investment by Indian corporates. Credit growth of the Indian banking sector has been low and is projected to be less than 10% for the financial year 2014-15.

The bond market witnessed moderate growth on account of sizeable issuances by large corporates and financial institutions to refinance their high-cost debt. However, the new Companies Act was introduced with stringent guidelines with respect to debt issuances, resulting in fewer companies approaching the bond market. The securitisation market also witnessed a slowdown for the second year running with continued regulatory uncertainty. While the RBI has not lowered interest rates, bond market yields have come down

DIRECTORS' REPORT

CRISIL Ratings continued to launch innovations aimed at the development of the corporate bond market in 2014. We rated various innovative instruments such as BASEL III Tier I Bonds and Infra Bonds, and also introduced Fund Management Capability Rating.

due to abundant liquidity, and we expect the bond market to see increased issuances in 2015.

In 2014, CRISIL's BLR ratings witnessed strong growth. This was despite a challenging business environment due to weak credit off-take and increased competitive pressures impacting realisation adversely. While pricing pressures are likely to continue, expectation of a pick-up in investments in 2015 could result in an improvement in the BLR market.

SME ratings showed healthy volume growth in the backdrop of a challenging business environment and high interest rates. Enhanced awareness about the benefits of ratings, banks' growing acceptance of CRISIL's SME ratings, and CRISIL's intensive outreach initiatives and expansion into new markets are expected to drive demand in 2015.

Operations

CRISIL Ratings maintained its market leadership in 2014 backed by strong performance in its bond ratings, bank loan ratings and SME ratings businesses. CRISIL announced 3,245 new BLRs and 14,798 SME ratings during the year. It has, to date, assigned more than 12,800 BLRs and over 75,800 SME ratings/assessments. This year, SME ratings/assessments were focused on newer geographies like the North-East region. The SME business added new clients from the interiors of North and South India.

CRISIL announced 3,245 new BLRs and 14,798 SME ratings during the year. It has, to date, assigned more than 12,800 BLRs and over 75,800 SME ratings/assessments.

CRISIL Ratings also introduced the CRISIL Analytical Excellence framework. The framework is based on four pillars – Proprietary Tools & Frameworks, Multiple Levels of Transparency, Robust Processes, and Highest Level of Analytical Rigour – and establishes a common understanding of what constitutes analytical excellence, how CRISIL strives to achieve it, and how it enables us to stand apart in the market.

In 2014, CRISIL Ratings rated various innovative instruments in the corporate bond market, such as BASEL III Tier I Bonds and Infra Bonds. We also introduced Fund Management Capability Ratings for the mutual fund industry. In addition, CRISIL rated India's maiden Commercial Mortgage Backed Securitisation (CMBS) transaction for a leading developer. This rating reflects CRISIL's commitment to supporting innovation in the Indian bond market. Structures like CMBS provide a fine balance between the developers' requirement for diversified funding and investors' need for higher safety. All the above innovations were well received by the market, and are seen as significant milestones in the deepening of the corporate bond market in India.

CRISIL Ratings continued to conduct regular investor and market outreach programmes aimed at providing insights on credit issues. These initiatives included opinion pieces, bankers' meetings, investor discussion forums and seminars which helped CRISIL reach out to relevant stakeholders, such as issuers and investors, across the country.

GAC continues to work closely with Standard & Poor's Ratings Services, growing in new areas such as risk management, while increasing the level of integration with S&P teams across the corporate, infrastructure, financial services, public finance, and structured finance domains globally. GAC has steadily increased its value-addition to S&P, moving up the curve in terms of analytical and content support, and assisting S&P in implementing key projects. GAC's culture of continuous improvement creates ongoing efficiency gains for S&P through automation, work standardisation and process reengineering.

GAC has also expanded its support to the larger McGraw-Hill Financial universe. In 2014, GAC began supporting Platts, a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets.

B. Research

B.1. Global Research & Analytics (GR&A)

(Includes Financial Research / Risk and Analytics (Irevna), Corporate Research and Coalition)

Highlights

- Innovations and new work-stream additions to our Risk & Analytics vertical in response to regulatory changes seen gaining traction with clients
- In Corporate Research, a combination of product-based strategy and extensive market outreach generated growth momentum
- Coalition continued its tradition of product innovation, and now serves all the top 15 investment banks in the world
- CRISIL GR&A and Coalition collaborated to organise thought leadership seminars in London and New York titled 'Investment Banking: The Road Ahead'

Business environment

In 2014, the global economy witnessed another year of subdued growth. As a result, banks focused on re-assessing front, middle and back-office activities to provide differentiated services, achieve cost efficiency and increase productivity. This, coupled with increasing regulatory changes, opened up new opportunities for CRISIL GR&A, especially in the Risk & Analytics vertical. The Coalition Index that tracks the performance of the top 10 global investment banks is expected to be flat in 2014 after decreasing 4% in 2013. It is a telling barometer of the performance of the global investment banking industry. In 2014, Fixed Income Currency and Commodities – or FICC – revenues declined by 4% (following a 19% decrease in 2013). Similarly, revenues from equity products decreased 5% (following a strong growth of 24% in 2013), while investment banking revenues from mergers & acquisitions, and debt and equity markets surged by 11% (following a growth of 13% in 2013).

In Financial Research, we have added clients on both the buy and sell sides. A majority of the incremental business has come from new areas and new clients. There was excellent demand for our services from the buy-side, especially private equity and fixed-income research clients. We also saw positive traction from regional and mid-sized banks that were keen to

partner high-end and bespoke service providers like us in order to sharpen their focus on offering differentiated services.

The Risk & Analytics vertical saw good demand as banks continued to face pressure from new regulations such as on fundamental review of trading book, data aggregation and reporting. US regulators, as part of the Comprehensive Capital Analysis and Review – or CCAR – exercise, focused on the qualitative aspect of submissions such as data integrity, model appropriateness and documentation.

In Europe, comprehensive stress testing returned after three years. This more-stringent regulatory regime has led to a global shortage of good quality risk-management talent, especially those with risk-modelling expertise.

In Corporate Research, an extensive market outreach plan coupled with a focus on productisation provided growth momentum during the year. With a balanced mix of

CRISIL GR&A and Coalition collaborated to organise the first series of thought leadership seminars titled 'Investment Banking: The Road Ahead', in London and New York.

introductory meetings and rigorous follow-ups, we have cemented relationships with existing clients, initiated fresh engagements, entered new geographies and gained traction for our products.

Global investment banks are increasingly making strategic choices on their business. This is creating business opportunities for Coalition. In the current uncertain and challenging environment, investment banks turn more than ever to Coalition to assess which product/region/client type to grow or exit and how to optimise scarce resources (capital and balance sheet). As a result, its Client Analytics and recently launched Return on Equity (RoE) Analytics are showing strong growth.

Operations

In Financial Research, we embarked on several initiatives to accelerate growth, maximise value to clients, increase sales effectiveness, optimise costs, and fortify our brand globally – all of which has enhanced our competitiveness. We have significantly increased our market presence and customer

DIRECTORS' REPORT

engagement, which buoyed growth in a tough business environment. We also undertook several thought leadership initiatives for hedge funds, private equity firms, investment bankers and regulators across continents which received excellent response and reinforced our position as an industry leader. Our global research centres continue to scale up, with China continuing its growth momentum and Argentina expanding its client roster and also moving to a larger facility to accommodate future expansion. Investments made in the past two years to add new work-streams in Risk & Analytics to cater to new regulatory requirements have begun paying off. We have quickly achieved scale in model development, model validation and stress-testing support and have added many clients in these areas.

We also hosted and sponsored multiple thought leadership events and summits, and made presentations at premier risk conferences such as the GARP Annual Summit and Risk Americas. This year, our annual regulator's roundtable titled 'Conversation with the US Regulators' was held in New York. Senior regulators from the US Federal Reserve and about 50 risk practitioners participated. CRISIL GR&A and Coalition collaborated to organise thought leadership seminars, titled 'Investment Banking: The Road Ahead' in London and New York. These seminars brought the best of both teams' expertise and analysis to our clients and were landmark global events for CRISIL.

In Corporate Research, our investments and efforts, including a new data analytics offering, are expected to deliver results in 2015. We kept focus through the year on skills development and quality initiatives.

In 2014, Coalition added several clients among the top 25 global investment banks and is now working with all of the top 15 investment banks. Coalition delivered a strong performance, driven by its core Competitor and Client Analytics, which reported solid growth, and the recently launched Cost /Operating Margins Analytics. Coalition continued its tradition of product innovation, and launched Balance Sheet/Leverage Ratio Analysis to complete its suite of RWA Analytics, as well as a new Cost/Operating Margin Analytics to complete its Revenue Analytics offerings. Coalition is now able to offer a comprehensive RoE analysis of investment banks by combining its Revenue, Cost and RWA Analytics. Its media strategy in each region has delivered very good result with more than 350 articles quoting Coalition and a resulting media market share estimated at more than 40%. Together with two conferences organised in London and New York in partnership with the GR&A business, this strategy has led to significant improvement in Coalition's reach among current and prospective clients.

Our global research centres continue to scale up, with Financial Research continuing to see traction among buy-side clients, while Coalition continues its tradition of product innovation. The emerging regulatory environment provided opportunities for the Risk & Analytics business.

B.2. India research

Highlights

- Released three new fixed-income indices including the Inflation-Indexed Government Securities (IIGS) Index, the first of its kind in India
- Introduced bond valuations for individual debt securities and now provides daily valuations for 4,000 securities, affirming our position as a key player in India's capital markets
- Got a mandate from the Employees' Provident Fund Organisation for the third time in a row to help it select and monitor the performance of fund managers
- Continued to focus on deepening coverage of niche sectors where research is not available easily; launched special one-time reports on three new sectors – NBFC, agriculture and iron ore

Business environment

The business environment remained subdued in the first half of 2014, but we have seen some green shoots emerging in the second half.

The Industry Research business grew at a steady pace despite significant profitability pressure on our banking-sector clients who constitute a major portion of our revenues. The Funds & Fixed Income business also continued to grow at

We have expanded our industry coverage to 86 sectors in 2014 from 70 earlier.

a healthy rate due to increased sophistication and adoption of better practices like daily security-wise pricing for debt securities by market participants such as mutual funds and insurance companies.

However, the continuing slowdown in the economy and corporate investment cycle impacted the growth of Customised Research and Equity Research businesses as fewer projects were being commissioned and fund-raising activities declined.

Going forward, we believe that as the business environment improves, the profitability of the banking, financial services and insurance – or BFSI – segment will also improve, leading to greater demand for research and training support and a pick-up in the investment cycle will increase the demand for customised research.

Therefore, we will continue to focus on enhancing our existing offerings, launching new products, sharpening our communication about value proposition and increasing our client engagement initiatives. We will also increase our franchise activities to showcase differentiated offerings in the market place.

Operations

During the year, CRISIL Research continued its efforts to expand its client base and leverage its analytical capabilities to serve clients better.

Our flagship industry research product, www.crisilresearch.com, which provides near-real-time update on industry and economy, continued to be extensively used by clients. Since its launch in 2009, this online platform has increasingly synchronised with the internal processes of clients – as underscored by the 60%-plus increase in the average number of hits it has received per month, over the last one year.

We continued to expand our coverage of industries, and included niche and emerging sectors on which research is not easily available. We expanded our coverage to 86 sectors in 2014 from 70 earlier, and launched special one-time reports on the NBFC, agriculture and iron-ore sectors. The agriculture-sector report received excellent feedback from clients owing to the depth of its coverage.

In the Customised Research space, we continued to receive repeat business from existing clients, signalling the superior quality of our work. This was accompanied by an increase in the number of mandates received from multinationals looking to invest in India.

In the Capital Markets space, we launched three new indices, including the Inflation-Indexed Government Securities, or IIGS, Index. We also leveraged our domain expertise and analytical capabilities to increase penetration in mutual funds, corporate treasuries, provident funds and banks. Additionally, and for the third straight time, the Employees' Provident Fund Organisation gave us the mandate to select and monitor the performance of its fund managers.

We also added 20 new modules to our Executive Training programme. The modules were based on a wide range of financial topics including capital markets. They will help broaden our product offerings and approach a more diversified set of clients.

The Funds & Fixed Income Research team launched security level valuations and carries out over 4,000 debt securities valuation on a daily basis

The CRISIL Centre for Economic Research (C-CER) continued to focus on conducting distinctive research on macroeconomic issues and published several landmark reports during the year. There were seven special reports in its series 'Economy Insight' covering contemporary macroeconomic issues such as the implications of interest rate cuts, employment, food wastage and inflation, goods and services tax, trade competitiveness, and growth possibilities in the short and medium run.

C-CER's report 'Of growth and missed opportunity – What 5% / 6.5% / 9% GDP growth will mean for India in the next 5 years' analysed growth possibilities and their ramifications for business and economy over the medium term. It also evaluated the implications of each of these growth outcomes for employment and poverty reduction.

C-CER also published two reports on employment, 'Hire & Lower: Slowdown compounds India's job-creation challenge' and 'What can a pro-jobs policy do for India?' These reports assessed the challenge of generating jobs for India's burgeoning young population and how to address it.

These reports helped build CRISIL's franchise among media and policymakers and reaffirmed its position as a thought leader in the macro-economy and policy space.

DIRECTORS' REPORT

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

Highlights

- Enhanced our engagement with government and multilateral agencies, both at the Centre and state, to align with the new government's breakthrough agenda
- Won several marquee assignments in the urban infrastructure sector
- Deepened our focus on international business and investing in developing key markets in Africa

Business environment

The business environment in India was extremely challenging during the first half of calendar 2014 due to the general elections and adverse investment climate. With a new stable government at the Centre, things have improved significantly in the second half. Outside India, the economic situation in Indonesia, one of our key markets, was impacted through the year due to the prolonged Presidential elections. Africa showed positive progress, although the pace of infrastructure development remains extremely slow.

Various policy initiatives identified by the new government in the infrastructure sector look promising. The positive impact of the initiatives is likely to translate into investments and an improvement in the overall economic climate by the second half of 2015. The private sector is expected to play a major role in infrastructure development, and the new government is likely to address major challenges in financing frameworks and bottlenecks, to provide a renewed impetus to public-private-partnership (PPP).

Operations

Despite a challenging business environment through 2014, the business won several large and prestigious mandates, and has built up a significantly larger, more robust order book. The focus on increasing the size of orders continued, due to

We are part of the Expert Group for the new government's 'Shyama Prasad Mukherji Rurban Mission' programme

which the year saw a sharp increase in the average bid and mandate size. On the revenue side, there was modest growth over the previous year.

Focus on the eminence and outreach agenda was sharper during the year, both in India and Africa. We were nominated as a member of the Expert Group for the proposed 'Shyama Prasad Mukherji Rurban Mission' in the Ministry of Rural Development. We were the knowledge partners of the Africa Public-Private-Partnerships (PPP): Investment and Development Summit in Ghana, and our team participated in the event as key speakers. We were special invitees at the Rajasthan Chief Minister's workshop on creating an urban transformation blueprint for the state.

In addition, the business won prestigious assignments from multilateral agencies and governments. We are working on a large mandate with the Asian Development Bank (ADB) on the City Cluster Development Project in Bangalore. Another significant project with the ADB is to develop a Bond Guarantee Fund for India. We were deeply involved with the private sector in advising them on the recent City Gas Distribution (CGD) bids announced by Petroleum and Natural Gas Regulatory Board (PNGRB). We provided key inputs to

We are working with the Asian Development Bank (ADB) to develop a Bond Guarantee Fund for India

the Ministry of Coal for the new coal block auction process.

The business has also built up a healthy order book to sustain growth during 2015.

C.2. CRISIL Risk Solutions (CRS)

Highlights

- Expanded our product suite beyond the traditional regulatory risk products are working to create two new products to help banks manage their loan lifecycle management – Early Warning Systems (EWS) and Credit Processing Systems (CPS)
- Obtained two large-ticket mandates for EWS, one from a leading private sector bank, and the other from one of the largest public sector banks in India
- Expanded our coverage to newer geographies in Africa and the Middle-East

Business environment

The business environment for the CRISIL Risk Solutions (CRS) business in India improved compared with last year. Portfolio management was in sharp focus as the banking sector witnessed further deterioration in asset quality. Consequently, there was demand for both, our Early Warning System (EWS) and Credit Processing System (CPS) services from banks in India. Our credit rating and credit processing systems were sought in the Middle-East and North Africa (MENA) region. It's heartening to note that large banks in India and South Asia are looking to invest in integrated risk management solutions.

Operations

It was a year of growth for CRISIL Risk Solutions (CRS). The recovery was driven by investments in new products and new geographies. The new products have started to contribute significantly to the revenues in 2014. The revenue mix was geographically distributed across India, MENA, and South and South-East Asia.

Focused efforts were made towards creating new channels of business. We forged teaming agreements with two vendors in MENA and aspire to increase our share in these markets in the coming years. There were multiple transaction-level partnerships with systems integrators and product vendors alike, which enabled access to new opportunities.

Our EWS product drew interest from a cross-section of banks. The release of a Framework for Revitalising Distressed Assets in the Economy by the Reserve Bank of India in February 2014 provided an impetus for the same, and came as an affirmation of our investment in EWS. We received three EWS implementation mandates in 2014 – from the largest public and private sector banks in India and from a commercial bank in Nigeria. We also received mandates to implement CPS at two of the top three private sector banks in India and from the aforementioned bank in Nigeria. The demand for our flagship product RAM/ CRE has been steady, and we continue leveraging S&P Capital IQ to win mandates for CRE implementation in the MENA region.

Apart from new products, investments were made to upgrade our old stack of products to newer technology platforms and to develop mobile apps. We anticipate faster proliferation of mobile applications in financial services and have, therefore, taken measures to enter this space early. There were several process initiatives undertaken to standardise project implementation, improve quality and reduce implementation costs and timelines.

The business development team continued to build CRS's franchise in India and abroad. We participated in multiple banking seminars conducted by CAFRAL on resolving stressed assets in banking books. We spoke at multiple banking forums conducted by SBBN in Turkey, FIBAC, ASSOCHAM and Infrastructure Financing. We will continue to invest time and money in building our franchise in the coming years.

CRS expects to maintain its growth momentum in 2015 and anticipates revenue to be driven by newer products. The business has been realigned to synchronise with changing product dynamics, and will continue to invest in new products. At the same time, we will look to expand our operations to new markets and customer segments to hasten growth.

CRS's growth was driven by new products, new markets and investments in product development, upgrades and process improvements

D. Collaboration with S&P

In 2014, we deepened our engagement with Standard & Poor's for outreach initiatives in different geographies. An S&P-CRISIL joint seminar, '*India – The Way Ahead*', was organised for investors in Hong Kong and Singapore. The discussions at the seminar revolved around the macro-economic overview and outlook for India, the road ahead for India's sovereign rating, views on the credit quality of Indian companies and the outlook for key sectors. We also held an S&P-CRISIL roundtable in Mumbai, on '*Trends and Developments in Asia Pacific and Indian Insurance Industry*'. The speakers' presentations covered recent global and regional regulatory developments and their implications for insurers in India and the Asia-Pacific, credit trends in the Asia-Pacific insurance sector, an overview of the Indian general insurance industry and enterprise risk management trends.

As part of our joint outreach initiatives, we also organised a breakfast meeting for S&P Asia-Pacific Chief Economist Paul Gruenwald with senior Indian economists to exchange notes on the Indian and global economy.

S&P hosted our special report '*Of growth and missed opportunity*' on the S&P Global Credit Portal. In addition, C-CER continued to provide an outlook on the Indian economy to S&P and contributed two articles on India in S&P's bi-annual publication - Global Economic Outlook.

DIRECTORS' REPORT

The collaboration between S&P Capital IQ and CRISIL Risk Solutions to increase market outreach in the risk solutions arena continue to progress well in the Middle-East and Africa, with plans to expand our footprint in other regions. Synergies on products and methodologies are being explored for jointly creating value to customers globally.

E. Human Resources

CRISIL's Human Resources team successfully ran its talent acquisition, retention and development agendas during the year. As on December 31, 2014 CRISIL's headcount stood at 3,313.

Highlights

- CRISIL's senior management team was strengthened through hiring of leaders in various domains, including business development.
- CRISIL's Business Leadership Programme, designed in association with the University of Michigan's Ross School of Business, focused on developing skills critical for enabling strategic thinking capabilities and strategic talent development. The programme was attended by 47 senior leaders of the organisation.
- Talent development and coaching programmes were further strengthened to make the process robust. Young leaders identified through 'The Young Leaders Development Programme' launched last year were assigned mentors and projects. This group has gone through varied assignments aimed at providing necessary exposure to face future challenges.
- Global offices continued to build the CRISIL GR&A brand through partnership with premier universities, sponsorship of events, job fairs and others. CRISIL is looking at hiring from premier campuses internationally.
- The focus on employee development through training modules that were created in-house continued. More than 160 training programmes were conducted during the year, over 86% of them through in-house trainers and business leaders. The programmes added up to over 23,350 man-hours / 3,590 man-days of training.
- To strengthen the Performance Management Process and to link it to development goals, 360-degree leadership polls were conducted for all team managers and detailed analysis and feedback provided to them. This initiative has sharpened the feedback process and brought out clear development goals for the leaders.

Number of meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board / Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times in financial year 2014 viz., on February 14, April 17, July 18 and October 17. The maximum interval between any two meetings did not exceed 120 days.

Committees of the Board

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee. There are currently five Committees of the Board, as follows:

- Audit Committee
- Corporate Social Responsibility Committee
- Investment Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

CEO succession

The Nomination and Remuneration Committee of the CRISIL Board of Directors is overseeing the search for a successor to Ms. Roopa Kudva, MD & CEO. Ms. Kudva has informed the Board of Directors of her intent to leave CRISIL after ensuring a smooth succession.

The Nomination and Remuneration Committee has engaged an executive search firm to conduct the search. All interested candidates, internal and external, will be assessed and evaluated objectively by the Committee.

Directors' responsibility statement

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts for financial year ended December 31, 2014, 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, 2014 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 ended December 31, 2014 on a 'going concern' basis.

Board independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

- a) Mr. H. N. Sinor
- b) Mr. M. Damodaran
- c) Dr. Nachiket Mor
- d) Ms. Vinita Bali

Company's policy on Directors' appointment and remuneration

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as Annexure I to this Report.

Comments on auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by S. R. Batliboi & Co. LLP, Statutory Auditors, in their report and by Dr. K. R. Chandratre, Company Secretary in Practice, in his secretarial audit report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Particulars of loans, guarantees or investments under Section 186

The Company has provided following loans and guarantees and made following investments pursuant to Section 186 of the Companies Act, 2013:

Name of the entity	Relation	Amount Rupees in crore	Particulars of loans, guarantees and investments	Purpose for which the loan, guarantee and investment are proposed to be utilised
CRISIL Irevna UK Limited	100% subsidiary	169.35	Loan given by CRISIL to CRISIL Irevna UK Limited for financing acquisition	Acquisition

In addition to the above, the Company has given advance against salary to employees of the Company as per the terms of appointment, wherein the interest charged is equivalent to prevailing G-Sec rate for the tenure of the loan.

DIRECTORS' REPORT

Particulars of contracts or arrangements with related parties referred to in Section 188(1)

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as Annexure II.

Transfer to reserves

The appropriations for the year are:

	Rupees in crore	
	Consolidated	Standalone
	Year Ended December 31, 2014	
Net Profit for the year	268.43	215.51
Balance of Reserve at the beginning of the year	91.82	91.82
Transfer to General Reserve	21.55	21.55
Balance of Reserve at the end of the year	113.37	113.37

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo

The particulars regarding foreign exchange earnings and outgo 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 (Accounts) Rules, 2014 are not applicable.

Risk management policy and internal adequacy

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity

of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board of Directors of the Company at its meeting held on February 14, 2014. The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as Annexure III to this Report.

Vigil mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

Annual evaluation by the Board

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Attendance of Board Meetings and Board Committee Meetings
- Quality of contribution to Board deliberations
- Strategic perspectives or inputs regarding future growth of Company and its performance
- Providing perspectives and feedback going beyond information provided by the management
- Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

Subsidiary Companies

As on December 31, 2014, the Company had four Indian and seven overseas wholly owned subsidiaries. There has been no change in the number of subsidiaries or in the nature of

business of the subsidiaries, during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.crisil.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.crisil.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

Directors and key managerial personnel

Mr. David Pearce resigned as Director of the Company on October 17, 2014. Your Directors place on record their sincere appreciation of the valuable contribution made by him to CRISIL.

During the year, Mr. Ravinder Singhania ceased to be Alternate Director to Mr. Douglas L. Peterson, Mr. Yann Le Pallec and Mr. David Pearce with effect from July 18, 2014. He was appointed as Alternate Director to Mr. Douglas L. Peterson under Companies Act, 2013 with effect from the same date.

The Board of Directors appointed Mr. Neeraj Sahai as an Additional Director of the Company with effect from October 17, 2014. Mr. Neeraj Sahai holds office as Additional Director until the ensuing Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying her intention to propose the candidature of Mr. Neeraj Sahai for the office of Director. A brief profile of Mr. Neeraj Sahai has been given in the Notice convening the Annual General Meeting.

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. Douglas L. Peterson retires by rotation and being eligible, seeks re-appointment.

During the year, Mr. Dinesh Sharma resigned as the Chief Financial Officer of the Company on May 21, 2014. Mr. Amish Mehta has been appointed as the Chief Financial Officer

of the Company with effect from October 3, 2014. Further, Ms. Roopa Kudva is the Managing Director & Chief Executive Officer of the Company and, Mr. Neelabja Chakrabarty is the Company Secretary.

Auditors' appointment

The Statutory Auditors, S. R. Batliboi & Co. LLP, Chartered Accountants, hold office up to the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment for a term of two consecutive years from the conclusion of this Twenty Eighth Annual General Meeting up to the conclusion of Thirtieth Annual General Meeting of the Company in the calendar year 2017, subject to ratification of their appointment in the intermittent Annual General Meeting to be held in calendar year 2016. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

Secretarial audit report

The Board of Directors of the Company has appointed Dr. K. R. Chandratre, Practising Company Secretary, to conduct the Secretarial Audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure IV.

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.

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 Securities and Exchange Board of India. 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 also published elsewhere in this Annual Report.

Particulars of remuneration

During the year, 65 employees received remuneration of Rs. 6 million or more per annum. In accordance with the

DIRECTORS' REPORT

provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013, 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 the Company's registered office.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 14, 2015 that the remuneration is as per the remuneration policy of the Company.

Employee Stock Option Schemes

The Company has three 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. The Employee Stock Option Scheme - 2014 (ESOS 2014) was approved by the shareholders vide a special resolution passed through postal ballot on April 3, 2014.

The details of options granted under ESOS 2014 and the summary information on ESOS 2011, ESOS 2012 and ESOS 2014 are provided as Annexure V to this Report.

Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Financial year

Section 2(41) of the Companies Act, 2013 has defined "financial year" as the period ending March 31 for all companies and bodies corporate. However, if a company which is a holding company or a subsidiary of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, it can make an application to National Company Law Tribunal (NCLT) or Company Law Board (till NCLT is formed) to have a different financial year.

CRISIL is a subsidiary of McGraw Hill Financial Inc. (MHFI) which follows calendar year as its financial year. CRISIL had changed its financial year from March 31 to December 31 in the year 2005 so as to have a uniform accounting year with MHFI. The above referred section mandates that the companies / bodies corporate should align its financial year within two years from the date of notification of the section, that is on or before March 31, 2016. As CRISIL intends to continue to follow calendar year as its accounting / financial year, the Company will make an application to Company Law Board to seek necessary exemption from applicability of section 2(41) of the Act.

CEO & CFO certification

Certificate from Ms. Roopa Kudva, Managing Director & CEO and Mr. Amish Mehta, Chief Financial Officer, pursuant to provisions of Clause 49(V) of the Listing Agreement, for the year under review was placed before the Board of Directors of the Company at its meeting held on February 14, 2015.

A copy of the certificate on the financial statements for the financial year ended December 31, 2014 is annexed along with this Report.

Acknowledgements

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

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

Douglas L. Peterson
Chairman

Mumbai, February 14, 2015

ANNEXURE I TO THE DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

1. Introduction

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the policy

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.3 To devise a policy on Board diversity; and
- 2.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board on February 14, 2014. This is in line with the requirements under the New Act.

The Board has authority to reconstitute this Committee from time to time.

Definitions

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 'Company' means CRISIL Limited.

- 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- 'Key Managerial Personnel (KMP)' means-
 - i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
 - ii) the Company Secretary; and
 - iii) the Chief Financial Officer
- Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

- This Policy is divided in three parts: -
 - Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
 - Part – B covers the appointment and nomination; and
 - Part – C covers remuneration and perquisites etc.
- This policy shall be included in the Report of the Board of Directors.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

- (a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;
- (b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

ANNEXURE I TO THE DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

- (c) Succession plans:
Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;
- (d) Evaluation of performance:
- Make recommendations to the Board on appropriate performance criteria for the Directors.
 - Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
 - Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.
- (e) Board diversity:
The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.
- (f) Remuneration framework and policies:
The Committee is responsible for reviewing and making recommendations to the Board on:
- (a) the remuneration of the Managing Director, Whole-time Directors and KMPs
 - (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
 - (c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
 - (i) attract and motivate talent to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between executive compensation and performance; and
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
 - (d) the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
 - (e) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
 - (f) the Company's remuneration reporting in the financial statements and remuneration report.

PART – B

Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to CRISIL, ability to contribute to CRISIL's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of sixty years. Provided that the term of the person holding this position may be extended beyond the age of sixty years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of CRISIL.

Term / Tenure

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for Directors, KMPs and other employees

General

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to KMPs and other employees

The policy on remuneration for KMPs and other employees is as below:-

1. Fixed pay

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

ANNEXURE I TO THE DIRECTORS' REPORT

NOMINATION & REMUNERATION POLICY

These guidelines are as under:

a) Annual remuneration

Annual remuneration refers to the annual compensation payable to the 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 and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group in the Indian market, established through independent compensation surveys, from time to time.

b) Long-term rewards

Long-term rewards may include Long-Term Incentive Plans (LTIP) or under which incentives would be granted to eligible key employees based on their contribution to the profitability of the Company, relative position in the organisation, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the company. Stock Options may be granted to key employees and high performers in the organisation who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013

and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive / Independent Directors

1. Commission

The commission payable to each Non-Executive Director is limited to a fixed sum per year as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. The commission payable to Non-Executive Directors nominated by Standard & Poors' (S&P) is paid to 'Standard & Poors' International LLC'.

The overall commission to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2. Sitting fees

The Non-Executive Directors (including Independent Directors) will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules.

3. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges as on December 31, 2014.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

This Policy is updated on February 14, 2015.

ANNEXURE II TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
								Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	McGraw-Hill Financial, Inc. and its subsidiaries (Fellow Subsidiaries)	Global Analytical Center	Ongoing, subject to renewal as per contractual terms	Support MHFI and its group in their global operations, consideration of around Rs. 133.08 crore p.a.	Services rendered by Global Analytical Services (GAC) to S&P / MHFI entities	July 17, 2014	Nil	December 15, 2014
2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services	Ongoing, subject to renewal as per contractual terms	CRISIL Irevna UK Limited provides marketing services to CRISIL. Marketing services include client contracting, client liaising, assisting in collection for which CRISIL pays CRISIL Irevna UK Limited consideration of around Rs. 160.23 crore p.a.	CRISIL Irevna UK Limited provides marketing support services to CRISIL India .	July 17, 2014	Nil	Not applicable
3	CRISIL Irevna US LLC (100% Subsidiary)	Global Research and Analytical Services	Ongoing, subject to renewal as per contractual terms	CRISIL Irevna US LLC provides marketing services to CRISIL. Marketing services include client contracting, client liaising, assisting in collection for which CRISIL pays CRISIL Irevna US LLC consideration of around Rs. 125.36 crore p.a.	CRISIL Irevna US LLC provides marketing support services to CRISIL India	July 17, 2014	Nil	Not applicable
4	CRISIL Irevna UK Limited (100% Subsidiary)	Loan given by CRISIL	10 years	Loan outstanding Rs.169.35 crore from CRISIL Irevna UK Limited. Tenure of loan is ten years and interest rates are based on appropriate benchmarking	Loan given by CRISIL India to CRISIL Irevna UK Limited for financing acquisition	July 17, 2014	Nil	Not applicable

ANNEXURE III TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

CRISIL (the "Company" or "CRISIL") has identified Corporate Social Responsibility (CSR) as a strategic tool for sustainable growth. For CRISIL, CSR means not only investment of funds for social activity but also a continuous integration of business processes with social processes.

In March 2013, CRISIL set up the CRISIL Foundation to steer our CSR agenda and guiding principles by taking into consideration the position of our stakeholders, the spirit of trusteeship and the intention of enhancing social capital. CRISIL believes in equitable societies and efficient markets and has always endeavoured to follow these lodestars.

The CSR Policy

CRISIL would carry out the following activities:

- Empowerment of rural women by strengthening their financial capabilities
- Conservation of the environment by focusing on relevant programmes in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives

CSR funding and allocation

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, CRISIL will annually contribute up to 2% of average profits for the last three years towards CSR activities.

CSR contribution for the year will be determined by CRISIL management at the beginning of each calendar year based on audited financial statements for the last three years.

Any unspent CSR allocation of a particular year, will be reviewed by the CSR Committee and decision would be taken on whether the unspent amount should be carried over to the subsequent year/s. The CSR Committee, while determining the requirement for carry over to next year, will consider various factors like availability of desired projects, utilisation trend, practical aspects of spending the required amount in a particular timeframe and best interests of all the stakeholders.

Applicability

CRISIL's CSR Policy has been prepared in accordance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India, in 2014.

Implementation

CRISIL's CSR initiatives will be implemented by the CRISIL management and CRISIL Foundation under the guidance of Corporate Social Responsibility Committee (the "Committee") of the Board of Directors (the "Board") of CRISIL.

Constitution of the CSR Committee

The Board has constituted the "CSR Committee" of the Board on February 14, 2014. The Committee shall consist of minimum of three members with at least one being an Independent Director. The present constitution of the CSR Committee is as follows:

Dr. Nachiket Mor, Chairman

Ms. Vinita Bali

Ms. Roopa Kudva

The Board has authority to reconstitute this Committee from time to time.

Meetings and quorum

The Committee shall meet at least twice a year. Two members present shall form the quorum for the meeting of the Committee.

Roles and responsibilities of the Committee:

The roles and responsibilities of the Committee shall be the following:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR Policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation, including the Listing Agreement and the Companies Act, 2013.

Policy review

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Corporate Social Responsibility Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be given for approval of the Board of Directors.

This Policy is dated October 17, 2014.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

The provisions under Companies Act, 2013 and the Rules made thereunder for CSR are applicable for companies whose financial year had commenced on or after April 1, 2014. Since our financial year commenced on January 1, 2014, the provisions are not applicable to us for the year under review

- A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:** Kindly refer the Corporate Sustainability Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
- The Composition of the CSR Committee:** Dr. Nachiket Mor (Chairman), Ms. Vinita Bali and Ms. Roopa Kudva.
- Average net profit of the Company for last three financial years (2011-2013):** Rs. 265.46 crore.
- Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2011-2013) :** Not applicable (This provision is applicable from financial year starting on or after April 1, 2014, that is from financial year starting January 1, 2015 for CRISIL)
- Details of CSR spend during the financial year:**
 - Total amount to be spent for the financial year: **Rs. 29,30,265**
 - Amount unspent, if any: **Refer Note 6**
 - Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes Direct expenditure on programmes or projects (Rs.)	Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)
1	Financial Literacy & Inclusion	Women Empowerment	State : Assam Districts : in Upper and Lower Assam	29,30,265	28,63,188	67,077	80,46,620 (This includes Rs. 24,82,369 towards financial literacy workshops in 2013 in Rajasthan through Educate Girls Globally)
							Implementing Agency : 17,11,140 Directly on project : 11,52,048 Overheads: 67,077

* Details of implementing agency: The implementing agency is Rashtriya Gramin Vikas Nidhi (RGVN). RGVN was founded in April 1990 as a development support organisation focusing on Livelihood generation, Micro Finance, Financial Literacy, Institution and Capacity Building of local NGOs. It is registered under the Society's Registration Act of 1860 in the State of Assam, with Head Quarters at Guwahati. It operates across 14 states mainly in North East and Eastern India. RGVN was sponsored by Industrial Financial Corporation of India (IFCI), Industrial Development Bank of India (IDBI), National Bank for Agriculture and Rural Development (NABARD), and Tata Social Welfare Trust (TSWT). It has employee strength of 106, including 34 permanent employees and 72 contractual staff.

- In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** Section 135 of the Companies Act, 2013 and rules thereunder are applicable from the financial year starting on or after April 1, 2014. This provision is not applicable to the Company as the financial year commenced on January 1, 2014. However, the Company has established "CRISIL Foundation" and have contributed towards CSR initiatives during the year under review in keeping with the spirit of the law.
- The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For **CRISIL Limited**

Roopa Kudva

Managing Director & Chief Executive Officer

For and on behalf of the

Corporate Social Responsibility Committee of CRISIL Limited

Nachiket Mor

Chairman of the Corporate Social Responsibility Committee

ANNEXURE IV TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended December 31, 2014

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

CRISIL Limited

CRISIL House, Central Avenue

Hiranandani Business Park

Powai, Mumbai 400 076

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CRISIL Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 December 2014 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December 2014 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company as on today).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



ANNEXURE IV TO THE DIRECTORS' REPORT

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for

seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Dr. K. R. Chandratre

Company Secretary in Practice

Place : Pune

Date : February 14, 2015

FCS No. 1370

C P No.: 5144

ANNEXURE V TO THE DIRECTORS' REPORT

EMPLOYEE STOCK OPTION SCHEMES

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	ESOS 2014
1	Pricing formula	100% of the closing market price immediately prior to the date of grant on the Stock Exchange which recorded highest trading volume		
2.	Options outstanding as on January 1, 2014	4,69,220*	7,60,465	Nil
3.	Options granted between January 1, 2014 and December 31, 2014	33,000	1,23,000	28,60,300
4.	Options vested during the year	3,81,200	2,98,220	Nil
5.	Options exercised during the year	4,22,607	3,11,038	Nil
6.	Total number of shares arising as a result of exercise of Options	4,06,607	2,97,558	Nil
7.	Options lapsed during the year	2,750	1,07,745	2,83,050
8.	Total number of options in force at the end of the year	76,863	4,64,682	25,77,250
9.	Money realised by the exercise of options (Rupees in crore)	23.58	31.54	Nil
10.	Grant to Senior Management	Details given below	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.)	26.06	26.06	26.06
12.	Weighted average exercise price (Rs.) of the options whose:			
	a. Exercise price equals market price	617.98	1,067.14	1,217.20
	b. Exercise price is greater than market price	Not Applicable	Not Applicable	Not Applicable
	c. Exercise price is less than market price	Not Applicable	Not Applicable	Not Applicable
13.	Weighted average fair value (Rs.) of the options whose :			
	a. Exercise price equals market price	195.31	320.09	469.48
	b. Exercise price is greater than market price	Not Applicable	Not Applicable	Not Applicable
	c. Exercise price is less than market price	Not Applicable	Not Applicable	Not Applicable
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.		

ANNEXURE V TO THE DIRECTORS' REPORT

Significant assumptions used for estimate of fair value

Variables	ESOS 2011	ESOS 2012	ESOS 2014
Stock Price (Rs.)	586.00	1,068.00	1,240.00
Volatility	34.77%	30.44%	26.81%
Risk free Rate	8.03%	8.40%	8.97%
Exercise Price (Rs.)	579.88	1,060.00	1,217.20
Time to Maturity (years)	3.68	3.69	5.41
Dividend yield	2.37%	2.23%	1.65%

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 granted to Senior Managerial Personnel up to December 31, 2014, are as follows:

Sr. No.	Name	ESOS-2011 (number of options granted)	ESOS-2012 (number of options granted)	ESOS-2014 (number of options granted)
1	Roopa Kudva	40,000	25,000	75,000
2	Raman Uberoi	30,000	15,000	45,000
3	Arun Panicker	30,000	15,000	38,000
4	Ravishankar G	22,000	8,000	54,000
5	Mukesh Agarwal	22,000	18,000	38,000
6	Ramraj M Pai	22,000	18,000	38,000
7	Ramnath Narayan Iyer	22,000	8,000	54,000
8	Gurpreet S. Chhatwal	22,000	10,000	45,000
9	Srinivasan V.	22,000	10,000	54,000
10	Subodh Kumar Rai	11,000	5,000	45,000
11	Suprabha A. D.	11,000	4,500	45,000
12	Stephane Besson	Nil	48,000	Nil
13	Pankaj Jain	Nil	Nil	45,000
14	Amish Mehta	33,000	Nil	Nil

The Company uses intrinsic value method to record compensation cost arising on account of grant made under ESOS 2011, ESOS 2012 and ESOS 2014. 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. 284,857,244 (P.Y. Rs. 162,773,724) and Earning Per Share (EPS) would have been as under :

Earnings Per Share : Nominal value of Re. 1 per share

Details	Consolidated		Standalone	
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
Basic (Rupees)	33.82	39.96	26.36	37.60
Diluted (Rupees)	33.44	39.84	26.06	37.49

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CRISIL business

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

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

CRISIL Ratings

The Indian economy and business environment remained largely subdued during 2014, especially in the first half, owing to slowing demand and expectations of GDP growing at 5.5% for 2014-15 with limited investment by Indian corporates. Credit growth of the Indian banking sector has been low and is projected to be less than 10% for the financial year 2014-15.

The bond market witnessed moderate growth on account of sizeable issuances by large corporates and financial institutions to refinance their high-cost debt. The securitisation market also witnessed a slowdown for the second year running with continued regulatory uncertainty. While the RBI has not lowered interest rates, bond market yields have come down due to abundant liquidity, and we expect the bond market to see increased issuances in 2015.

In 2014, CRISIL Bank Loan Ratings (BLR) witnessed a strong growth. This was despite a challenging business environment, due to weak credit off take and increased competitive pressure impacting realization adversely. Small & Medium Enterprises (SME) ratings showed healthy

volume growth in the backdrop of a challenging business environment and high interest rates. Enhanced awareness about the benefits of ratings, banks' growing acceptance of CRISIL's SME ratings, and CRISIL's intensive outreach initiatives and expansion into new markets are expected to drive demand in 2015.

GAC continues to work closely with Standard & Poor's Ratings Services, growing in new areas such as risk management, while increasing the level of integration with S&P teams across the corporate, infrastructure, financial services, public finance, and structured finance domains globally.

CRISIL Global Research & Analytics (CRISIL GR&A) (Includes Irevna, Pipal research and Coalition)

In 2014, the global economy witnessed another year of subdued growth. As a result, banks focused on re-assessing front, middle and back-office activities to provide differentiated services, achieve cost efficiency and increase productivity. This, coupled with increasing regulatory changes, opened up new opportunities for CRISIL GR&A, especially in the Risk & Analytics vertical. The Coalition Index that tracks the performance of the top 10 global investment banks is expected to be flat in 2014 after decreasing 4% in 2013. It is a telling barometer of the performance of the global investment banking industry.

In Financial Research, we have added clients on both the buy and sell sides. The Risk & Analytics vertical saw good demand as banks continued to face pressure from new regulations such as on fundamental review of trading book, data aggregation and reporting. In Corporate Research, an extensive market outreach plan coupled with focus on productisation provided growth momentum during the year.

Global investment banks are increasingly making strategic choices on their business. This is creating business opportunities for Coalition. In the current uncertain and

challenging environment, investment banks turn more than ever to Coalition to assess which product/region/client type to grow or exit and how to optimise scarce resources (capital and balance sheet).

CRISIL Research

The business environment remained subdued in the first half of 2014, but we have seen some green shoots emerging in the second half.

The Industry Research business grew at a steady pace despite significant profitability pressure on our banking-sector clients who constitute a major portion of our revenues. The Funds & Fixed Income business also continued to grow at a healthy rate due to increased sophistication and adoption of better practices like daily security-wise pricing for debt securities by market participants such as mutual funds and insurance companies.

Going forward, we believe that as the business environment improves, the profitability of the banking, financial services and insurance – or BFSI – segment will also improve, leading to greater demand for research and training support.

CRISIL Risk and Infrastructure Solutions Limited (CRIS)

Infrastructure Advisory

The business environment in India was extremely challenging during the first half of calendar 2014 due to the general elections and adverse investment climate. With a new stable government at the Centre, things have started improving from the second half. Outside India, the economic situation in Indonesia, one of our key markets, was impacted through the year due to the prolonged Presidential elections. Africa showed positive progress, although the pace of infrastructure development remains extremely slow.

Various policy initiatives identified by the new government in the infrastructure sector look promising. The positive impact of the initiatives is likely to translate into investments and an improvement in the overall economic climate by the second half of 2015.

Risk Solutions

The business environment for the risk solutions business in India improved from last year. Portfolio management was in sharp focus as the banking sector witnessed further deterioration in asset quality. Our credit rating and credit processing systems were sought in the Middle East and North Africa (MENA) region.

We expect to maintain growth momentum in 2015 and anticipate revenue to be driven by newer products. The business has been realigned to synchronise with changing product dynamics, and will continue to invest in new products.

Analysis of consolidated financial condition and result of operations

The financial statements of CRISIL 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 intragroup 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') read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements have been prepared under the historical cost convention on an accrual basis. The management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgment used therein.

The consolidated financial condition and result of operations are more relevant for understanding the performance of CRISIL.

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 704,165 equity shares of the company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011 and Employee Stock Option Scheme 2012. Consequently, the issued, subscribed and paidup capital of the Company increased from 70,652,890 equity shares of Re.1 each to 71,357,055 equity shares of Re.1 each.

2. Reserves and surplus

Reserves and surplus, as at December 31, 2014, stood at Rs. 841.21 crore, a growth of 26% over the corresponding previous period. The growth in reserves was achieved through strong profitability despite a challenging business environment. The growth in reserves is after recording an appropriation for dividend and dividend distribution tax of Rs. 169.69 crore.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

3. Trade payables

Trade payables as at December 31, 2014 was Rs.119.97 crore as against Rs. 110.87 crore in the previous year. Trade payables include amounts payable to vendors for supply of goods and services, rent deferment, employee payables like bonus, salary and other reimbursements.

4. Provisions

- Provision for employee benefits: The overall liability was Rs. 48.98 crore as at December 31, 2014, as against Rs. 42.98 crore in the previous year. The growth in the current year is in line with headcount and merit increase.
- 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 have not been rendered. Other liabilities was Rs. 154.15 crore as against Rs. 221.45 crore in the current year. Other liabilities were lower in the current year as final payout with respect to Coalition acquisition was completed in the current year.

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:

	As at December 31, 2014	As at December 31, 2013	Growth (%)
Gross Block	241.85	238.85	1%
Less : Accumulated depreciation	150.58	136.62	10%
Net Fixed Assets	91.27	102.23	(11%)
Depreciation as a % of total income	3%	3%	
Accumulated depreciation as % of gross block	62%	57%	

During the year, the Company's investment in fixed assets was Rs. 21.15 crore, whereas sale of assets realised Rs. 1.16 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 computers and furniture.

Depreciation as a percentage of total income remained constant at 3% 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.

7. Investments and treasury

The Company's treasury as at December 31, 2014, was Rs. 523.32 crore as against Rs. 434.53 crore in the previous year. Cash and cash equivalents constituted 41% of total assets as at December 31, 2014, as against 38% in the previous year.

The Balances of Company's investments as at December 31, 2014 were as follows:

Category	As at December 31, 2014	%	As at December 31, 2013	%	Growth (%)
Cash and Bank Balance	118.89	23%	151.48	35%	(22%)
Fixed Deposit	35.54	7%	44.33	10%	(20%)
Mutual Funds	368.89	70%	238.72	55%	55%
Total	523.32	100%	434.53	100%	20%

Treasury in the current year recorded a growth 20% over the previous year.

The Company actively monitors its treasury portfolio and has a policy in place for investing surplus funds. 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. 29.91 crore as at December 31, 2014 as against Rs. 22.86 crore as at December 31, 2013. Deferred tax assets are recognised only to the extent when 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, electricity and others. As at December 31, 2014, loans and advances were Rs. 80.13 crore as against Rs. 69.14 crore for the corresponding previous period ended December 31, 2013. The growth in

loans and advances was mainly on account of advance tax paid during the year and advance recoverable in cash or kind.

10. Other assets

Other assets, excluding bank balances, as at December 31, 2014, were Rs. 51.78 crore as against Rs. 42.96 crore for the corresponding previous period ended December 31, 2013. Other current assets mainly comprise unbilled revenue and Mark-to-Market (MTM) on outstanding forward contracts.

11. Trade receivables

Trade receivables at gross levels were Rs. 156.15 crore as at December 31, 2014, as against Rs. 132.00 crore for the corresponding previous period ended December 31, 2013. Trade receivables constituted 12% of operating revenue, (representing an outstanding of 45 days of operating revenue) as against 12% of operating revenue (representing an outstanding of 43 days of operating revenue) during the previous year.

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

Segment	As at		As at		Growth (%)
	December 31, 2014	%	December 31, 2013	%	
Rating	36.38	23%	43.19	33%	(16%)
Research	91.10	59%	69.44	52%	31%
Advisory	28.67	18%	19.37	15%	48%
Total	156.15	100%	132.00	100%	18%

Rupees in crore

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debts. Provision for doubtful debt balance as of December 31, 2014 was Rs. 15.29 crore as against Rs. 12.51 crore as at December 31, 2013. Provision for bad debts as a percentage to revenue for the year ended December 31, 2014, is 1.22% as against 1.13 % for the year ended December 31, 2013.

B. Results of operations

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

Particulars	Year ended		Year ended		Growth (%)
	December 31, 2014	%	December 31, 2013	%	
Income from operations	1253.38	98%	1110.64	97%	13%
Other income	23.69	2%	36.64	3%	(35%)
Total income	1277.07	100%	1147.28	100%	11%
Expenses					
Personnel expenses	592.94	46%	515.48	45%	15%
Establishment expenses	92.71	7%	86.14	8%	8%
Other expenses	179.24	14%	148.47	13%	21%
Depreciation	36.12	3%	37.92	3%	(5%)
Operating expenses	901.01	70%	788.01	69%	14%
Profit before exceptional item	376.06	30%	359.27	31%	5%
Exceptional item	-	0%	65.89	6%	(100%)
Profit before tax	376.06	30%	425.16	37%	(11%)
Tax expense	107.63	8%	127.33	11%	(15%)
Profit after tax	268.43	22%	297.83	26%	(10%)

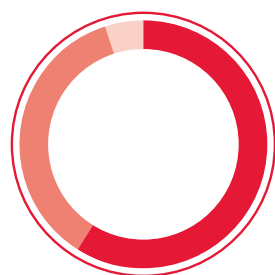
Rupees in crore

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Income from operations grew 13% in 2014 and was driven by growth in all the segments – Rating, Research and Advisory. Analysis of Income from operations.

Segmental revenue

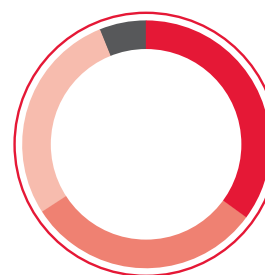
2014



- 59% Research Rs. 744.89 cr
- 36% Rating Rs. 445.04 cr
- 5% Advisory Rs. 63.45 cr

Revenue by region

2014



- 35% India Rs. 432.12 cr
- 31% Europe Rs. 385.32 cr
- 28% North America Rs. 355.69 cr
- 6% Rest of the world Rs. 80.25 cr

Rating revenue growth of 8% over the previous year was on account of growth in revenues across the segments – Large Corporates, BLR, and GAC. Research revenue growth was driven by CRISIL GR&A on account of addition of new clients in the Financial Research vertical. Increased regulatory changes opened new opportunities in the Risk & Analytical vertical. Coalition delivered a strong performance, driven by its core Competitor and Client Analytics and the recently-launched Cost / Operating Margins Analytics. The continuing slowdown in the economy and corporate investment cycle impacted India research business. Advisory segment comprising of infrastructure and risk solution business grew by 14% despite a challenging economic environment.

Segmental results

Segmental details	Rupees in crore		
	Year ended December 31, 2014	Year ended December 31, 2013	Growth (%)
Revenues :			
Rating	445.04	410.35	8%
Research	744.89	644.64	16%
Advisory	63.45	55.65	14%
Total	1253.38	1110.64	13%
Segmental profit :			
Rating	165.60	163.94	1%
Research	217.24	205.36	6%
Advisory	6.65	7.55	(12%)
Total	389.49	376.85	3%

Rating margins improved in a challenging environment due to continuous focus on productivity and efficiency. Research segment profitability grew 6% on account of improved performance by CRISIL GR&A. Advisory segment profitability was lower mainly on account of challenging business environment in the infrastructure advisory space and large.

Other income (net)

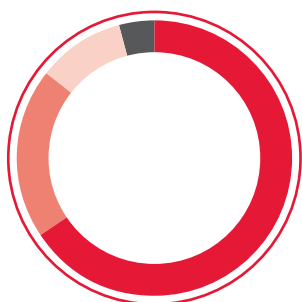
Other income for the year was Rs. 23.69 crore from Rs. 36.64 crore for the corresponding previous period ended December 31, 2013. Other income was lower mainly on account of lower foreign exchange income in the current year.

Expense analysis

Total Expense for the year was Rs. 901.01 crore as against Rs. 788.01 crore for the corresponding previous period. The composition and growth of expenses as a percentage to total income are given below:

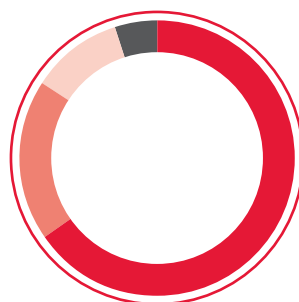
Total operating expenditure

Total Operating Expenses Rs. **901.01 cr (70.56%)**
2014



- 46.43%* Personnel Expenses Rs. 592.94 cr
- 14.04%* Other Expenses Rs. 179.24 cr
- 7.26%* Establishment Expenses Rs. 92.71 cr
- 2.83%* Depreciation Rs. 36.12 cr

Total Operating Expenses Rs. **788.01 cr (68.69%)**
2013



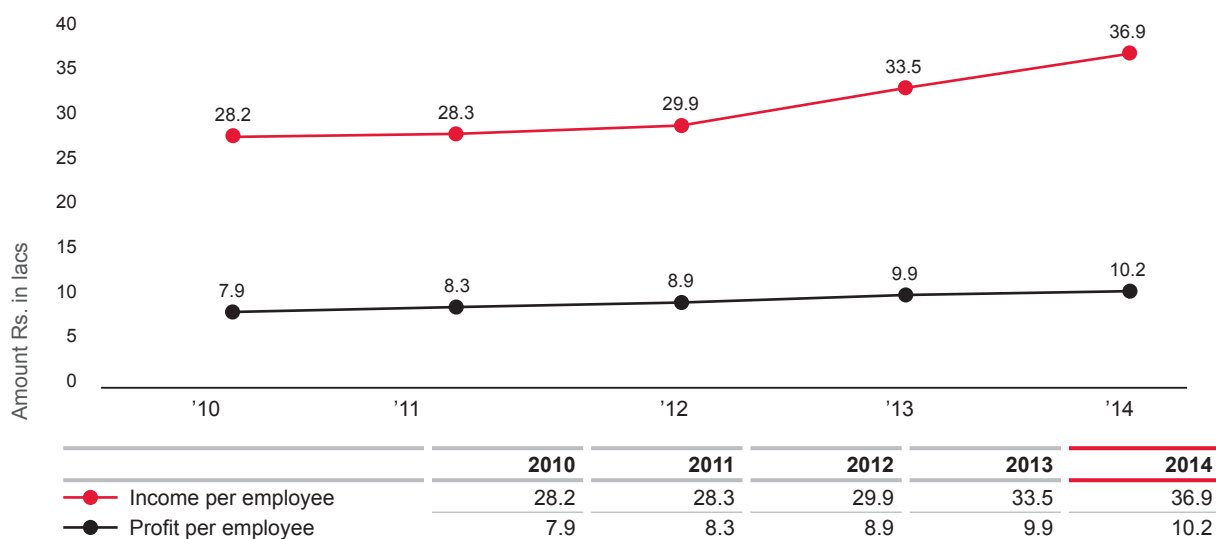
- 44.93%* Personnel Expenses Rs. 515.48 cr
- 12.94%* Other Expenses Rs. 148.47 cr
- 7.51%* Establishment Expenses Rs. 86.14 cr
- 3.31%* Depreciation Rs. 37.92 cr

*expenses as % to total income

Personnel expense growth of 15% was on account of merit and headcount increase in the current year. Increase in other expenses is on account of increase in professional and associate fee expenses which are linked to revenue growth.

Income and average profit per employee were Rs. 36.9 lakh (+10%) and Rs. 10.2 lakh (+3%), respectively.

Income and profit per employee for five years are as under:



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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Interest

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

Analysis of standalone financial condition and result of operations

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 704,165 equity shares of the company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011 and Employee Stock Option Scheme 2012. Consequently, the issued, subscribed and paid up capital of the Company increased from 70,652,890 equity shares of Re.1 each to 71,357,055 equity shares of Re.1 each.

2. Reserves and surplus

Reserves and surplus, as at December 31, 2014, stood at Rs. 720.25 crore, a growth of 20% over the corresponding previous period. The growth in reserves was achieved through strong profitability despite a challenging business environment. The growth in reserves is after recording an appropriation for dividend and dividend distribution tax of Rs. 169.69 crore.

3. Trade payables

Trade payables as at December 31, 2014 was Rs. 71.12 crore as against Rs. 62.31 crore in the previous year. Trade payables include amounts payable to vendors for supply of goods and services, rent deferment, employee payables like bonus, salary and other reimbursements.

4. Provisions

- Provision for employee benefits: The overall liability was Rs. 40.75 crore as at December 31, 2014, as against Rs. 34.75 crore in the previous year (+17%). The growth in the current year is in line with headcount and merit increase.
- 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 have 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:

Details	Rupees in crore		
	As at December 31, 2014	As at December 31, 2013	Growth (%)
Gross Block	201.26	204.52	(2%)
Less : Accumulated depreciation	130.43	120.88	8%
Net Fixed Assets	70.83	83.64	(15%)
Depreciation as a % of total income	3%	3%	
Accumulated depreciation as % of gross block	65%	59%	

During the year, the Company's investment in fixed assets was Rs. 11.96 crore, whereas sale of assets realised Rs. 1.07 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 computers and furniture.

Depreciation as a percentage of total income remained constant at 3% for the current year. The Company expects to fund its investments in fixed assets and infrastructure from its internal accruals and liquid assets.

7. Investments and treasury

The Balances of Company's investments were as follows:

Category	Rupees in crore		
	As at December 31, 2014	As at December 31, 2013	Growth (%)
Cash and Bank Balance	38.93	24.69	58%
Fixed Deposit	19.15	16.50	16%
Mutual Funds	355.52	221.56	60%
Total	413.60	262.75	57%

The Company's treasury as at December 31, 2014, was Rs. 413.60 crore as against Rs. 262.75 crore in the previous year. Cash and cash equivalents constituted 40% of total assets as at December 31, 2014, as against 29% in the previous year.

8. Deferred tax assets

We recorded net deferred tax assets of Rs. 21.66 crore as at December 31, 2014 as against Rs.16.15 crore as at December 31, 2013. Deferred tax assets are recognised only to the extent when 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, electricity and others.

As at December 31, 2014, loans and advances were Rs. 227.86 crore as against Rs. 214.54 crore for the corresponding previous period ended December 31, 2013.

10. Other assets

Other assets, excluding bank balances, as at December 31, 2014, were Rs.19.16 crore as against Rs. 18.44 crore for the

corresponding previous period ended December 31, 2013. Other current assets mainly comprise interest accrued and unbilled revenue.

11. Trade receivables

Trade receivables at gross levels were Rs. 138.11 crore as at December 31, 2014, as against Rs. 162.73 crore for the corresponding previous period ended, December 31, 2013. Trade receivables constituted 15% of operating revenue, (representing an outstanding of 56 days of operating revenue) as against 21% of operating revenue (representing an outstanding of 75 days of operating revenue) during the previous year. The improvement in operating cycle over the previous year was on account of focused collection efforts throughout the year.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debts. Provision for doubtful debt balance as of December 31, 2014 was Rs. 11.51 crore as against Rs. 9.72 crore as at December 31, 2013. Provision for bad debts as a percentage to revenue for the year ended December 31, 2014, is 1.27% as against 1.23 % for the year ended December 31, 2013.

B. Results of operations

The summary of standalone operating performance for the year is given below:-

	Rupees in crore				
Particulars	Year ended December 31, 2014	%	Year ended December 31, 2013	%	Growth (%)
Income from operations	903.36	97%	789.28	95%	14%
Other income	32.04	3%	42.89	5%	(25%)
Total income	935.40	100%	832.17	100%	12%
Expenses					
Personnel expenses	328.71	35%	294.04	35%	12%
Establishment expenses	68.47	7%	64.25	8%	7%
Other expenses	206.92	22%	161.32	19%	28%
Depreciation	23.92	3%	23.22	3%	3%
Operating expenses	628.02	67%	542.83	65%	16%

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Particulars	Year ended		Year ended		Growth (%)
	December 31, 2014	%	December 31, 2013	%	
Profit before exceptional item	307.38	33%	289.34	35%	6%
Exceptional item	-	0%	99.36	12%	(100%)
Profit before tax	307.38	33%	388.70	47%	(21%)
Tax expense	91.87	10%	107.52	13%	(15%)
Profit after tax	215.51	23%	281.18	34%	(23%)

Income from operations revenue grew 14% in 2014 and was driven by growth in the Research segment. Operating expenses grew 16% mainly on account of growth in personnel expenses due to merit and headcount increase.

Revenue analysis

Rating revenue growth of 8% over the previous year was on account of growth in revenues across all the segments – Large Corporates, BLR, and GAC. Research revenue growth was driven by CRISIL GR&A on account of addition of new clients in the Financial Research vertical. Increased regulatory changes opened new opportunities in the Risk & Analytical vertical. The continuing slowdown in the economy and corporate investment cycle impacted India research business.

Other income (net)

Other income for the year was Rs. 32.04 crore from Rs. 42.90 crore for the corresponding previous period ended December 31, 2013. Other income was lower mainly on account of lower foreign exchange income in the current year.

Expense analysis

Personnel expense growth of 12% was on account of merit and head count increase in the current year. Increase in other expenses is mainly on account of professional and associate fee expenses which are linked to revenue growth.

Revenue and average profit per employee were Rs. 25.73 lakh (+11%) and Rs. 8.13 lakh (+5%), respectively. CRISIL will continue with its initiatives to improve its revenue and profit per employee through business process re-engineering, making the processes more efficient and effective use of technology.

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 Risk Management Policy which determines the scope and process for risk management. The Company has a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Risk assessment reports are reviewed by the Audit Committee and Board of Directors.

Key business risks and mitigation strategy are highlighted below.

1. Business risks

To mitigate the risk arising from high dependence on 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 in the research segment, nevertheless, continues to contribute significantly to the Company's revenues.

The Company also carries reputation risk for services rendered, especially in the rating business. CRISIL's ratings process is designed to ensure that all ratings are based on the highest standards of independence and analytical rigour.

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 in place a well-defined hedge policy and processes designed to minimise the impact of volatility in foreign exchange fluctuations on the earnings. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedge instruments to mitigate risks arising out of movements in the rupee (INR). The hedge programme covers a large portion of projected future revenues over a 12 month period and is restricted to plain-vanilla forward contracts and options. Appropriate internal controls are in place for monitoring the hedge programme.

3. Policy risk

The Company derives a significant portion of its revenues from Rating services, which depend on several factors, including

regulatory policy. The Reserve Bank of India has mandated the use of ratings from approved rating agencies by Indian banks for calculating their capital requirements for credit risk under the standardised approach for Basel II. Currently ratings are mandatory for all public offerings of debentures. 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.

Reserve Bank of India has started giving approvals to a few large Indian banks to start parallel runs in adopting Internal Ratings Based (IRB) approaches for credit risk. Reserve Bank of India has also specified that after implementation of the IRB framework by a bank, there should be a transition period of a minimum of two years during which banks will have to calculate minimum capital requirement using the IRB Approach as well as the Standardised Approach of Basel II. The Company does not expect any bank to move to IRB over the next few years.

4. Human Resource attrition risk

CRISIL's 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 advise the Company on issues relating to compliance with law and to pre-empt 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 comprehensive policies and processes. These processes allow information access to personnel within the Company

based on identified roles. Audits are conducted regularly to ensure that implementation of policies and processes are satisfactory, and in line with internationally-accepted best practices; ISO certification of eight of our offices underscores 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 databasing 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 business continuity plans 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, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

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

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

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Mumbai, February 14, 2015

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, 2015

CERTIFICATE OF MANAGING DIRECTOR & CEO AND CFO

To The Board of Directors of CRISIL Limited

We, Roopa Kudva, Managing Director & Chief Executive Officer and Amish Mehta, Chief Financial Officer (CFO) of CRISIL Limited, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended December 31, 2014 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and there are no deficiencies in the design or operation of internal controls and if any deficiencies in the design or operation of internal controls will be detected in future, then the same will be disclosed to the auditors and the Audit Committee and we will ensure to rectify these deficiencies.
- (b) We confirm that:
 - (i) There are no significant changes in internal control over financial reporting for the year ended December 31, 2014.
 - (ii) There are no significant changes in accounting policies during the year, other than those discussed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- (e) We confirm that:
 - (i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
 - (ii) the Company has 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 as on December 31, 2014 and of the profit of the Company for the year ended on December 31, 2014.
 - (iii) the Company has 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 Company has prepared the accounts on a 'going concern' basis.

Roopa Kudva
Managing Director & Chief Executive Officer

Amish Mehta
Chief Financial Officer

Mumbai, February 14, 2015

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, 2014, 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.

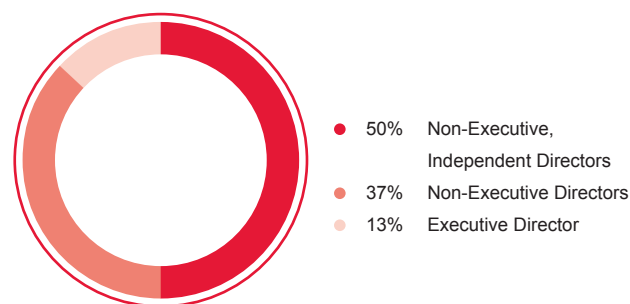
The composition of the Board of Directors of the Company as on December 31, 2014, was as follows:-

Category	Name of the Director
Non-Executive Chairman	Mr. Douglas L. Peterson (DIN: 05102955)
Independent, Non-Executive Directors	Mr. H. N. Sinor (DIN: 00074905)
	Dr. Nachiket Mor (DIN: 00043646)
	Mr. M. Damodaran (DIN: 02106990)
	Ms. Vinita Bali (DIN: 00032940)
Non-Executive Directors	Mr. Neeraj Sahai (DIN: 06978371)
	Mr. Yann Le Pallec (DIN: 05173118)
Managing Director & Chief Executive Officer	Ms. Roopa Kudva (DIN: 00001766)
Alternate Director (alternate to Mr. Douglas L. Peterson)	Mr. Ravinder Singhania (DIN: 00006921)

Notes :

1. Mr. David Pearce has resigned from the Directorship of the Company with effect from October 17, 2014.
2. The Board of Directors of the Company has appointed Mr. Neeraj Sahai as an Additional Director of the Company with effect from October 17, 2014 as a Non-Executive Director.
3. Mr. Ravinder Singhania ceased to be Alternate Director under Companies Act, 1956 to Mr. Douglas L. Peterson, Mr. Yann Le Pallec and Mr. David Pearce with effect from July 18, 2014. He was appointed as Alternate Director to Mr. Douglas L. Peterson under Companies Act, 2013 with effect from the same date.

Percentage of Board positions



Guidelines regarding appointment of Directors

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and the Listing Agreement. The said Policy outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of CRISIL and the matters related to remuneration of the Directors. The said Policy has been published as an Annexure to Director's Report elsewhere in this Annual Report.

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.

Succession policy

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute. Executive 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-Independent, Non-Executive Directors do not have any term, but retire by rotation as per the law.

The Board has adopted a retirement policy for its Executive Directors. The maximum age of retirement of Executive Directors is sixty years, provided that the term of the person holding this position may be extended beyond the age of sixty years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the

notice for such motion indicating the justification for extension of appointment beyond sixty years.

Memberships of other Boards

Independent Directors are expected not 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 Stakeholders' Relationship 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 directorships held by the Company's Directors in public limited companies as on December 31, 2014 are given below:

Name of the Director	Directorship [#]	Membership of Committees [*]	Chairmanship of Committees [*]
Mr. H. N. Sinor	6	3	3
Dr. Nachiket Mor	2	1	Nil
Mr. M. Damodaran	7	6	3
Ms. Vinita Bali	3	1	Nil
Mr. Douglas L. Peterson	1	Nil	Nil
Mr. Yann Le Pallec	2	Nil	Nil
Mr. Neeraj Sahai	1	1	Nil
Ms. Roopa Kudva	1	1	Nil
Mr. Ravinder Singhania	2	2	Nil

[#] Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

^{*} Memberships/Chairmanships in Audit Committee and Stakeholders' Relationship Committee, including those in CRISIL Limited.

Details of shareholdings of Directors as on December 31, 2014

The number of equity shares of face value Re. 1 each of the Company held by the Directors on December 31, 2014 is as under:

Name of the Director	No. of shares held
Mr. H. N. Sinor	Nil
Dr. Nachiket Mor	Nil
Mr. M. Damodaran	Nil
Ms. Vinita Bali	Nil
Mr. Douglas L. Peterson	Nil
Mr. Yann Le Pallec	Nil
Mr. Neeraj Sahai	Nil
Ms. Roopa Kudva	55,000
Mr. Ravinder Singhania	Nil

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 120 days. During the year ended December 31, 2014, the Board met four times - on February 14, April 17, 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.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

As on December 31, 2014, Mr. Ramraj Pai headed the CRISIL Ratings – Large Corporates business, Mr. V. Srinivasan headed CRISIL Ratings – SME business, Mr. Subodh Rai headed CRISIL Ratings – Mid Corporates business, Mr. Arun Panicker was the Chief Analytical Officer, Mr. Mukesh Agarwal headed the CRISIL Research business, and Mr. Raman Uberoi oversaw Corporate Affairs. In Global Research & Analytics (GR&A) business, Mr. Pankaj Jain was the Global head of GR&A Sales, Mr. Gurpreet Chhatwal headed the Risk & Analytics vertical, Ms. Suprabha A. D. headed the

Financial Research vertical and Mr. Ramnath Iyer headed the Corporate Research vertical. Mr. Stephane Besson was the Chief Executive Officer of Coalition, Mr. Amish Mehta was the Chief Financial Officer and Mr. G. Ravishankar headed Human Resources and Global Analytical Center. Mr. Sameer Bhatia headed Infrastructure Advisory and Mr. Manish Jaiswal headed Risk Solutions, both being the business divisions of the wholly owned subsidiary company, CRISIL Risk and Infrastructure Solutions Limited.

The attendance at the meetings of the Board of Directors is as below:

Name of the Directors	No. of Board meetings held	No. of Board meetings attended	Last Annual General Meeting attendance
Mr. H. N. Sinor	4	3	Yes
Dr. Nachiket Mor	4	4	Yes
Mr. M. Damodaran	4	4	Yes
Ms. Vinita Bali	4	3*	Yes
Mr. Douglas L. Peterson	4	2@	Yes
Mr. Yann Le Pallec	4	4	Yes
Mr. David Pearce	4	2#	Yes
Mr. Neeraj Sahai	4	1\$	Not Applicable
Ms. Roopa Kudva	4	4	Yes
Mr. Ravinder Singhania (Alternate Director)	4	Nil^	No

* Ms. Vinita Bali was appointed on February 14, 2014

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

Mr. David Pearce resigned with effect from October 17, 2014

\$ Mr. Neeraj Sahai was appointed on October 17, 2014

^ Mr. Ravinder Singhania did not attend the meetings since the original directors of whom he is / was alternate, attended the meetings.

Remuneration Policy

1) Remuneration to Non-Executive Directors

Non-Executive 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-Executive Director is limited to a fixed sum per year as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the prevailing norms. The shareholders of the Company at the meeting held on April 18, 2013 had authorised payment of commission to the Non-Executive Directors as a percentage of net profits of the Company determined in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956. The Company has received the approval of the Central Government to pay remuneration not exceeding

one per cent of the net profits to the Non-Executive Directors for a period of five years with effect from January 1, 2013.

2) Managing Director and other employees of the Company

The remuneration and reward structure for Managing Director and employees comprises two broad components- short-term remuneration and long-term rewards. The Nomination and Remuneration Committee, comprising three Non-Executive Directors, of which two are Independent, determines the remuneration of Managing Director and determines guidelines for remuneration payable to the employees. The detailed policy of the Company on the Nomination and Remuneration is annexed to the Directors' Report.

Sitting fees and commission paid to Non-Executive Directors

			Rupees
Name of Directors	Sitting Fees	Commission	Total
Mr. H. N. Sinor	2,00,000	21,50,000	23,50,000
Dr. Nachiket Mor	2,60,000	21,50,000	24,10,000
Mr. M. Damodaran	2,80,000	21,50,000	24,30,000
Ms. Vinita Bali	2,20,000	21,50,000	23,70,000
Mr. Douglas L. Peterson	80,000*	Nil**	80,000
Mr. Yann Le Pallec	1,60,000*	Nil**	1,60,000
Mr. David Pearce	80,000*	Nil**	80,000
Mr. Neeraj Sahai	20,000*	Nil**	20,000
Mr. Ravinder Singhania (Alternate Director)	Nil	Nil	Nil
Total	13,00,000	86,00,000	99,00,000

* Sitting Fees paid to Non-Executive Directors nominated by McGraw Hill Financial Inc. (MHFI) is paid to 'Standard & Poors' International LLC'

** Commission for the year 2014 has been waived by MHFI

Remuneration paid to Managing Director for the year ended December 31, 2014

Rs. lakh

Name	Roopa Kudva
Salary	275.71
Variable Pay	195.00
Provident Fund	9.13
Perquisites	9.30
Appointment valid till	July 26, 2017
Notice period	3 months

B. Board Committees

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

Pursuant to the application of Companies Act, 2013, the Company has either constituted new committees or, renamed and expanded the scope of some committees. As on December 31, 2014, the Company had the following committees :

Sr. No.	Committee under Companies Act, 1956 or erstwhile provisions of Listing Agreement as on December 31, 2013	Committee under Companies Act, 2013 and amended provisions of Listing Agreement as on December 31, 2014	Date of constitution / reconstitution / change in nomenclature / dissolution
1.	Audit Committee	No change	Not Applicable
2.	Investment Committee	No change	Not Applicable
3.	Allotment Committee	Dissolved	With effect from October 17, 2014
4.	Compensation Committee	Nomination and Remuneration Committee	February 14, 2014
5.	Shareholders' / Investors' Grievances Committee	Stakeholders' Relationship Committee	February 14, 2014
6.	---	Corporate Social Responsibility Committee	February 14, 2014

The Company Secretary acts as the Secretary to all the Committees. Each of the Committees has the authority to engage outside experts, advisors, and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before the Board Meeting for noting thereat.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with revised Clause 49 of the Listing Agreement. The Audit Committee comprises four Non-Executive Directors who are well-versed with financial matters and corporate laws. The Audit Committee met four times in 2014 — on February 14, April 17, July 18, and October 17. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on April 17, 2014. Pursuant to the changes in the composition of the Board of Directors of the Company in 2014, the Committee was reconstituted by the Board of Directors on February 14, 2014 and October 17, 2014. The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Mr. M. Damodaran	Independent, Non-Executive	Chairman*	4	3
Mr. H. N. Sinor	Independent, Non-Executive	Member@	4	2
Dr. Nachiket Mor	Independent, Non-Executive	Member	4	3
Mr. David Pearce	Non-Executive	Member#	4	2
Mr. Neeraj Sahai	Non-Executive	Member§	4	1

* Mr. M. Damodaran was appointed as a member of the Committee in the Board Meeting held on February 14, 2014 with effect from April 17, 2014. Only three meetings were held in his tenure. He was appointed as Chairman of the Committee with effect from July 18, 2014

@ Mr. H. N. Sinor was the Chairman of the Committee upto July 18, 2014

Mr. David Pearce resigned with effect from October 17, 2014

§ Mr. Neeraj Sahai was appointed on October 17, 2014

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 at its meetings.

The Committee adopted a revised charter, containing the terms of reference therein, on October 17, 2014 in accordance with Companies Act, 2013 and the revised Listing Agreement.

Role of the Audit Committee

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

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in Director's Responsibility Statement included in Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries based on exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

- 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency
- 7) Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- 8) Approval or any subsequent modification of transactions of the company with related parties
- 9) Scrutiny of inter-corporate loans and investments.
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- 14) Discussion with internal auditors of any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of CFO
- 20) To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

2. Investment Committee

Pursuant to the changes in the composition of the Board of Directors of the Company in 2014, the Committee was reconstituted by the Board of Directors on February 14, 2014 and October 17, 2014. 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, 2014. The necessary quorum was present for the meeting. The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Ms. Vinita Bali	Independent, Non-Executive	Chairperson	1	1
Mr. M. Damodaran	Independent, Non-Executive	Member	1	1
Ms. Roopa Kudva	Managing Director & CEO	Member	1	1
Mr. David Pearce	Non-Executive	Member [#]	1	Nil
Mr. Neeraj Sahai	Non-Executive	Member [§]	1	Not Applicable

[#] Mr. David Pearce resigned with effect from October 17, 2014

[§] Mr. Neeraj Sahai was appointed on October 17, 2014

3. Allotment Committee

The Allotment Committee has been formed to complete the formalities relating to allotment of shares and to authorise officials of the Company to file forms and returns with regulatory authorities. The Committee met twice during the year; on April 17 and October 17 to allot shares arising out of options exercised by employees under Employee Stock Option Schemes – 2011 and 2012. The necessary quorum was present for all the meetings.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Pursuant to the changes in the composition of the Board of Directors of the Company in 2014, the Committee was reconstituted by the Board of Directors on February 14, 2014. The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Dr. Nachiket Mor	Independent, Non-Executive	Chairman	2	2
Ms. Vinita Bali	Independent, Non-Executive	Member	2	2
Mr. M. Damodaran	Independent, Non-Executive	Member	2	2
Ms. Roopa Kudva	Managing Director & CEO	Member	2	2

The Committee, at its meeting held on April 17, 2014, recommended to the Board to consider dissolving the Allotment Committee from the next financial year since it is not a statutory committee under the provisions of the Companies Act, 2013 or under the Listing Agreement. The Board accepted the recommendation of the Committee and decided that the allotment of shares to employees pursuant to exercise of options granted under Employees Stock Option Schemes could be considered by the Board of Directors in their respective meetings in April and October every year or as may be decided by the Board. Accordingly, the Allotment Committee has been dissolved with effect from October 17, 2014.

4. Nomination and Remuneration Committee

Pursuant to the changes in the composition of the Board of Directors of the Company in 2014, the Committee was reconstituted by the Board of Directors on February 14, 2014. Also, pursuant to Section 178(1) of the Companies Act, 2013, the Committee was renamed by the Board of Directors on February 14, 2014 as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee met three times in 2014 — on February 14, April 17 and July 18. The necessary quorum was present for all the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 17, 2014. The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Mr. H. N. Sinor	Independent, Non-Executive	Chairman	3	3
Dr. Nachiket Mor	Independent, Non-Executive	Member [#]	3	1
Ms. Vinita Bali	Independent, Non-Executive	Member [§]	3	2
Mr. Douglas L. Peterson	Non-Executive	Member ^{&}	3	2

[#] Dr. Nachiket Mor was a member of the Committee up to February 14, 2014

[§] Ms. Vinita Bali was a member of the Committee with effect from April 17, 2014

[&] Mr. Douglas L. Peterson is the Chairman of the Company and has attended the remaining one meeting through tele-conference

The broad terms of reference of the Nomination and Remuneration Committee are :

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policies relating to the remuneration of the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of all the Directors on the Board;
- To devise a policy on Board diversity; and
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 has been published elsewhere in this Report as an Annexure to the Directors Report. Further, the details of remuneration paid to all the Directors and the other disclosures required to be made under revised clause 49 of the Listing Agreement have been published in the previous section of this Report titled "Board of Directors".

5. Stakeholders' Relationship Committee

Pursuant to the changes in the composition of the Board of Directors of the Company in 2014, the Committee was reconstituted by the Board of Directors on February 14, 2014. Also, pursuant to Section 178(5) of the Companies Act, 2013,

the Committee was renamed by the Board of Directors on February 14, 2014 as "Stakeholders' Relationship Committee".

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2014 - on February 14, April 17, July 18, and October 17. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on April 17, 2014.

The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Mr. M. Damodaran	Independent, Non-Executive	Chairman*	4	3
Mr. Yann Le Pallec	Non-Executive	Member#	4	4
Ms. Roopa Kudva	Managing Director & CEO	Member	4	4

* Mr. M. Damodaran was a member and Chairman of the Committee with effect from April 17, 2014

The meeting of February 14, 2014 was chaired by Mr. Yann Le Pallec

Mr. Neelabja Chakrabarty, Company Secretary, is the Compliance Officer. The details of shareholders' complaints received and redressed during the year are as under :

Type of Complaint	Number
Non-receipt of Dividend	41
Non-receipt of Annual Report	13
Non-receipt of Securities	4
Total	58

6. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" on February 14, 2014 comprising three Directors including two Independent, Non-Executive Directors - Dr. Nachiket Mor (Chairman) and Ms. Vinita Bali, and one Executive Director - Ms. Roopa Kudva.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are :

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR Policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Committee met twice in 2014 - on April 17 and on July 25. The necessary quorum was present for all the meetings. The composition of the Committee during 2014 and the details of meetings held and attended by the Directors are as under :

Name	Category	Position	Number of meetings during the year 2014	
			Held	Attended
Dr. Nachiket Mor	Independent, Non-Executive	Chairman	2	2
Ms. Vinita Bali	Independent, Non-Executive	Member	2	2
Ms. Roopa Kudva	Managing Director & CEO	Member	2	2

The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also been appended as an Annexure to the Directors Report.

The activities undertaken by the Company pursuant to the CSR Policy have been outlined in the Corporate Sustainability Initiatives Report published elsewhere in this Annual Report.

7. Meeting of Independent Directors

The Company's Independent Directors met on July 18, 2014 without the presence of the Managing Director & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

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 2014 has been emailed to the members whose email addresses are available with the depositories or are obtained directly from the members, as per section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. 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 Stakeholders' Relationship 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 practicing 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.

Pursuant to Clause 49 of the Listing Agreement, the CEO / CFO certificate is annexed with the Directors' Report.

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

Meeting	Date and Time	Venue	Special resolutions passed
Twenty Fifth Annual General Meeting	April 16, 2012 at 3.30 pm	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	None
Twenty Sixth Annual General Meeting	April 18, 2013 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	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, 2014, in such manner and up to such extent as Board and / or the Compensation Committee of the Board may, from time to time, determine.
Twenty Seventh Annual General Meeting	April 17, 2014 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None

Postal ballot

During the financial year 2014, the Company has passed the following resolutions by postal ballot :

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 3, 2014	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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999	5,13,89,099	94.23	31,47,529	5.77
2	April 3, 2014	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 Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999	5,13,84,114	94.23	31,49,302	5.77
3	December 15, 2014	Special Resolution for adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013	6,33,05,585	99.59	2,60,930	0.41
4	December 15, 2014	Special Resolution for approval for Related Party Transactions*	1,56,75,120	99.98	3,086	0.02
5	December 15, 2014	Appointment of Mr. H. N. Sinor as an Independent Director of the Company	6,35,65,065	100.00	1,405	0.00
6	December 15, 2014	Appointment of Dr. Nachiket Mor as an Independent Director of the Company	6,35,64,729	100.00	1,741	0.00
7	December 15, 2014	Appointment of Mr. M. Damodaran as an Independent Director of the Company	6,35,67,428	100.00	42	0.00
8	December 15, 2014	Appointment of Ms. Vinita Bali as an Independent Director of the Company	6,35,66,117	100.00	58	0.00

* Promoter and Promoter Group and other related parties have abstained from voting on this resolution pursuant to Section 188 of the Companies Act, 2013 and revised clause 49 of the Listing Agreement.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

In the Postal Ballot conducted for matters mentioned in serial numbers 3 to 8 above, pursuant to clause 35B of the Listing Agreement, the Company had also offered e-voting facility, through Karvy Computershare Private Limited, as an alternate, to enable the shareholders to cast their votes electronically instead of dispatching Postal Ballot Form.

The Company had appointed Dr. K. R. Chandratre, Practising Company Secretary, as Scrutiniser to conduct the Postal Ballot processes in a fair and transparent manner.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

Disclosures

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. All 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 Exchanges or Securities and Exchange Board of India (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 following non-mandatory requirements :

- i. **Shareholder rights:** The Company publishes and sends half-yearly results, including summary of the significant events in last six months, to the shareholders
- ii. **Audit qualifications:** Company's financial statements are unqualified
- iii. **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate
- iv. **Reporting of Internal Auditor:** The Internal Auditors of the Company directly report to the Audit Committee

CRISIL Code of Conduct for Directors and Senior Management

The Board of Directors of CRISIL has adopted the Code of Conduct for Directors and Senior Management, which is available on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

www.crisil.com/investors/corporate-governance.html. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

Prohibition of insider trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Personal Trading Policy for Prohibition of Insider Trading for Directors and specified employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons.

Vigil Mechanism and Whistle-Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

Policy for determining 'material' subsidiaries

As required under clause 49(V) of the revised Listing Agreement, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

Policy against Sexual and Workplace Harassment

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on redressal of Sexual Harassment' and a 'Policy on redressal of Workplace

Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year.

Related Party Transactions Policy

As required under clause 49(VIII) of the revised Listing Agreement, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

Appointment of Independent Directors

Pursuant to the provisions of section 149 of the Companies Act, 2013, that came in to effect from April 1, 2014, every

listed public company is required to have at least one-third of the total number of Directors as independent Directors. Such Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Accordingly, the Company had sought approval of the shareholders for appointment of Mr. H. N. Sinor, Dr. Nachiket Mor, Mr. M. Damodaran and Ms. Vinita Bali as Non-Executive, Independent Directors of the Company by way of Postal Ballot, result of which was announced on December 15, 2014. Consequent upon receipt of shareholders' approval, the said Directors of the Company have been appointed for the terms mentioned below :

Sr. No.	Name of the Independent Director	Tenure of appointment	
		From	To
1.	Mr. H. N. Sinor	December 1, 2014	October 25, 2017
2.	Dr. Nachiket Mor	December 1, 2014	July 23, 2018
3.	Mr. M. Damodaran	December 1, 2014	November 30, 2019
4.	Ms. Vinita Bali	December 1, 2014	November 30, 2019

The Company has issued a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the revised clause 49 of the Listing Agreement. The terms and conditions of appointment have also been disclosed on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

Familiarisation program for Independent Directors

The Company has conducted the Familiarisation program for Independent Directors appointed during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatise them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at <http://www.crisil.com/investors/corporate-governance.html>.

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, the Company has opened a demat account in the name and style "CRISIL Limited - Unclaimed Shares Suspense Account". At the beginning of the year, 45,000 equity shares belonging to 32 shareholders were lying in the account. During the year, one shareholder claimed 1,000 equity shares from the account, which were transferred to such shareholder after adequate verification. At the end of the year, i.e. as at December 31, 2014, 44,000 equity shares belonging to 31 shareholders, were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2014 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

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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 two investor complaints through SCORES, all of which were responded to within 15 days of their receipt.

D. General shareholders information :

1. Annual General Meeting (AGM)

Date and Time	: April 17, 2015 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, 2015	Friday, April 17, 2015
Second Quarter ending June 30, 2015	Friday, July 17, 2015
Third Quarter ending September 30, 2015	Friday, October 16, 2015
Year ending December 31, 2015	In February, 2016
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 and special dividend

: Rs. 6 per share as Final Dividend and Rs. 4 per share as Special Dividend (thus totalling Rs. 10 per share) on equity share of face value of Re. 1 each.

4. Dates of book closure

: Thursday, March 12, 2015 to Friday, March 13, 2015 (both days inclusive)

5. Dividend payment date

: May 5, 2015 (if dividend payment is approved at the AGM)

6. Listing details

: The shares of the Company are listed on:
National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

BSE Ltd. (BSE)

P. J. 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

: NSE – CRISIL
BSE – 500092
ISIN: INE007A01025
CIN : L67120MH1987PLC042363

8. Registrars and share transfer agents

: **Karvy Computershare Private Limited**
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 400 076
Phone: 022-33423701
Fax: 022-33423810
- 10. Depository system** : Currently, 99.77% 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 the 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.

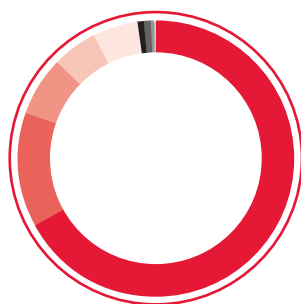
For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
- 14. Investor Complaints to be addressed to** : Registrars and Share Transfer Agents or to the Company Secretary, at the above mentioned addresses.
- 15. Email id of grievance redressal division** : investors@crisil.com

16. Category-wise shareholding pattern as on December 31, 2014

Sr. No.	Category	No. of shares	% holding
1	Group holding of The McGraw Financial, Inc: - S & P India LLC - Standard & Poor's International LLC - McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	4,78,32,539	67.03
2	Individuals	94,82,794	13.29
3	FIs / QFIs / FPIs	49,42,108	6.93
4	Insurance Companies	35,97,160	5.04
5	Mutual Funds / UTI	39,36,876	5.51
6	Financial Institutions / Banks	6,20,518	0.87
7	Bodies Corporate	7,11,203	1.00
8	NRIs	1,70,692	0.24
9	Directors	55,000	0.08
10	Clearing Members	8,165	0.01
	Total	7,13,57,055	100.00

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Category-wise shareholding pattern



67.03%	Mc-Graw Hill Financial
13.29%	Individuals
6.93%	FIs / QFIs / FPIs
5.51%	Mutual Funds/UTI
5.04%	Insurance Companies
1.00%	Bodies Corporate
0.87%	Financial Institutions/Banks
0.24%	NRIs
0.01%	Clearing Members
0.08%	Directors

17. Distribution of shareholding as on December 31, 2014

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	16,540	98.51	29,28,909	4.10
5,001 – 10,000	83	0.49	6,01,078	0.84
10,001 – 20,000	48	0.29	6,87,983	0.96
20,001 – 30,000	23	0.14	5,78,438	0.81
30,001 – 40,000	10	0.06	3,33,258	0.47
40,001 – 50,000	16	0.09	7,32,481	1.03
50,001 – 1,00,000	30	0.18	22,31,717	3.13
1,00,000 and above	41	0.24	6,32,63,191	88.66
Total	16,791	100.00	7,13,57,055	100.00

18. Members holding more than 1% of the paid-up share capital as on December 31, 2014

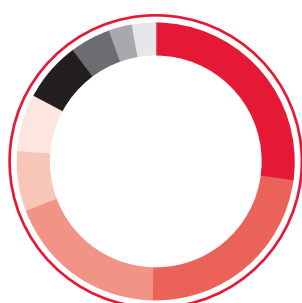
Sr. No.	Name of the shareholder	No. of shares	% holding
1	Group holding of The McGraw Financial, Inc. : - S & P India LLC - Standard & Poor's International LLC - McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	4,78,32,539	67.03
2	Jhunjhunwala Rakesh & Rekha	40,00,000	5.61
3	General Insurance Corporation of India	28,19,996	3.95
4	Unit Trust of India	16,83,631	2.36
5	Matthews India Fund / Matthews Asia Small Companies Fund / Matthews Asia Funds - India Fund / Matthews Asia Funds Asia Small Companies Fund	10,18,199	1.43
6	IDFC Premier Equity Fund	9,13,000	1.28
7	Mondrian Emerging Market / Investments	9,09,962	1.28
8	Life Insurance Corporation of India	7,65,735	1.07

19. Status report on number of shareholder requests / complaints received and resolved by the Company during the year ended December 31, 2014 :

Nature of Correspondence	No. of cases received and resolved
Non-receipt of dividend	41
Non-receipt of shares	4
Non-receipt of Annual Report	13
ECS facility / Change in bank mandates	10
Issue of duplicate drafts / revalidation of warrants	35
Dematerialisation / Rematerialisation	10
Incorporation of change of address	7
Transfer / Transposition / Transmission	4
Other requests / queries	29
Total	153

Analysis of investor correspondence in 2014

Nos.



- 41 Non-receipt of dividend
- 35 Issue of duplicate drafts / revalidation of warrants
- 29 Other requests/Queries
- 13 Non-receipt of Annual Report
- 10 ECS facility / change in bank mandates
- 10 Dematerialisation / Rematerialisation
- 7 Incorporation of change of address
- 4 Non-receipt of shares
- 4 Transfer/Transposition/Transmission

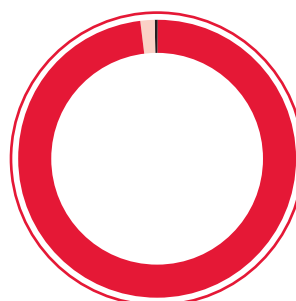
Numbers represent category-wise total Investor Correspondence

The Company redressed 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. Shares held in physical and dematerialised form as on December 31, 2014

During the year, in the month of October, the Company sent a communication to all those shareholders who held shares in physical form, explaining the benefits of dematerialisation of shares and the process to be followed therefor. The break-up of physical and dematerialised shareholding as on December 31, 2014 is explained graphically below.

Distribution of holdings - demat and physical



- 98.28% NSDL
- 1.49% CDSL
- 0.23% Physical

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

21. 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
18.04.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 2,70,730	7,05,06,470
18.10.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 1,46,420	7,06,52,890
17.04.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,09,140	7,09,62,030
17.10.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,95,025	7,13,57,055

22. Dividend

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.

Modes of payment of dividend : The Dividend is paid under two modes viz.,

- Credit to the Bank account via Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) / SWIFT Transfer and;
- Dispatch of Physical dividend warrant

Electronic Clearing Service (ECS/NECS) : The Company has extended the ECS/NECS 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. Investors may obtain the ECS/NECS mandate form from the Downloads link on Investors section of the Company's website, www.crisil.co.in.

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.

Unclaimed dividend : Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after such transfer. The details of unclaimed dividend as on December 31, 2014 are as follows:

Sr. No.	Dividend name	Dividend per share (Rs.)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF*
1	Unclaimed Final Dividend 2007	25.00	250%	23-Apr-2008	25-May-2015
2	Unclaimed 1st Interim Dividend 2008	10.00	100%	24-Jul-2008	25-Aug-2015
3	Unclaimed 2nd Interim Dividend 2008	25.00	250%	24-Oct-2008	25-Nov-2015
4	Unclaimed Final Dividend 2008	35.00	350%	28-Apr-2009	29-May-2016
5	Unclaimed 1st Interim Dividend 2009	25.00	250%	28-Apr-2009	29-May-2016
6	Unclaimed 2nd Interim Dividend 2009	25.00	250%	24-Jul-2009	24-Aug-2016
7	Unclaimed 3rd Interim Dividend 2009	25.00	250%	29-Oct-2009	29-Nov-2016
8	Unclaimed Final Dividend 2009	25.00	250%	16-Apr-2010	17-May-2017
9	Unclaimed Special Dividend 2010 and 1st Interim Dividend 2010	125.00	1250%	16-Apr-2010	17-May-2017
10	Unclaimed 2nd Interim Dividend 2010	25.00	250%	22-Jul-2010	22-Aug-2017
11	Unclaimed 3rd Interim Dividend 2010	25.00	250%	18-Oct-2010	18-Nov-2017
12	Unclaimed Final Dividend 2010	25.00	250%	15-Apr-2011	16-May-2018
13	Unclaimed 1st Interim Dividend 2011	27.50	275%	15-Apr-2011	16-May-2018
14	Unclaimed 2nd Interim Dividend 2011	27.50	275%	20-Jul-2011	20-Aug-2018
15	Unclaimed 3rd Interim Dividend 2011	2.75	275%	18-Oct-2011	18-Nov-2018
16	Unclaimed Final Dividend 2011	2.75	275%	16-Apr-2012	18-May-2019
17	Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012	6.00	600%	16-Apr-2012	18-May-2019
18	Unclaimed 2nd Interim Dividend 2012	3.00	300%	18-Jul-2012	19-Aug-2019
19	Unclaimed 3rd Interim Dividend 2012	3.00	300%	17-Oct-2012	18-Nov-2019
20	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
21	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020
22	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
23	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020
24	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-2014	18-May-2021
25	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-2014	18-May-2021
26	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
27	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021

Notes :

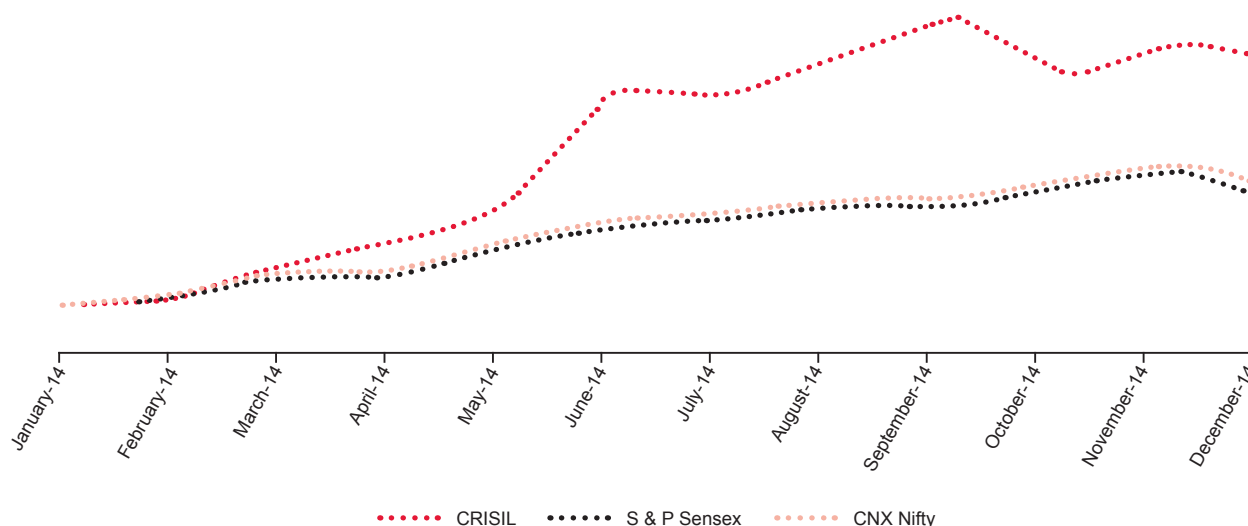
- Investors are requested to send in their claim at least 15 days prior to due date for transfer to IEPF for ensuring payment of their dividend.
- The stock was split from Face Value Rs. 10 to Face Value Re 1 with effect from October 1, 2011. Hence, dividend declared after that date is on share of face value Re 1 each.

23. Stock price and movement of the Company's shares on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the period from January 2014 to December 2014 :

NSE			BSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
January	1,198.80	1,073.00	January	1,197.00	1,073.50
February	1,185.00	1,050.05	February	1,180.00	1,056.10
March	1,247.95	1,117.95	March	1,240.00	1,118.00
April	1,309.95	1,200.00	April	1,309.00	1,200.00
May	1,434.00	1,247.40	May	1,437.80	1,252.30
June	1,840.00	1,375.00	June	1,847.00	1,380.00
July	2,099.90	1,720.00	July	2,100.00	1,720.00
August	2,000.00	1,730.00	August	1,995.00	1,734.00
September	2,258.00	1,839.95	September	2,258.00	1,855.10
October	2,033.85	1,755.05	October	2,044.95	1,760.20
November	1,985.90	1,806.00	November	1,990.00	1,805.00
December	1,984.70	1,791.60	December	1,989.75	1,793.90

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Price movement of CRISIL shares in 2014 on NSE vis-a-vis movement of CNX Nifty and S&P Sensex



24. Shareholders rights :

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

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time, once approved in General Meetings 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, <http://www.crisil.com/investors/investor-downloads.html>.

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.



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NAME

SANJUKTA KASHYAP

ORGANISATION

RGVN

ROLE

**PROJECT EXECUTIVE AND
ꣳ (MEIN) PRAGATI TRAINER**





EMPOWERING RURAL WOMEN

BY STRENGTHENING THEIR
**FINANCIAL
CAPABILITIES**

Sanjukta travels to remote villages across Assam to help villagers clear their doubts about leveraging the organised banking and financial sector.

Every worthy initiative needs to be driven on the frontline by individuals with an unflagging spirit and the willingness to dedicate one's own self to the cause. Sanjukta Kashyap is one such individual.

Associated with **ॐ Pragati** since its inception in 2012, Sanjukta has been a trainer for two years. She travels to remote villages across Assam to understand the concerns of the villagers and help them tide over their misgivings about leveraging the organised banking and financial sector. Additionally, she handles the overall functioning of the project and has been working closely with the CRISIL team to organise over 42 workshops till date.

**CRISIL KE SAATH
SEEKHOON PAISON KI BAAT**



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CRISIL Limited

We have audited the accompanying consolidated financial statements of Crisil Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at December 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at December 31, 2014;
- (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.

Other Matter

We did not audit total assets of Rs. 231.93 Crores as at December 31, 2014, total revenues of Rs. 572.17 Crores and net cash outflows amounting to Rs. 48.47 Crores for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**
Partner
Membership Number: 037924

Place : Mumbai
Date : February 14, 2015

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2014

Particulars	Notes	Rupees	
		As at December 31, 2014	As at December 31, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	71,357,055	70,652,890
Reserve and surplus	4	8,412,093,836	6,674,326,113
Non-current Liabilities			
Trade payables	5	98,299,296	-
Other liabilities	6	153,118,869	163,117,716
Provisions	7	99,703,942	78,393,300
Current Liabilities			
Trade payables	8	1,101,399,512	1,108,676,148
Other liabilities	9	1,388,371,958	2,051,359,776
Provisions	10	1,321,738,900	1,302,397,795
Total		12,646,083,368	11,448,923,738
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	912,718,348	1,022,309,006
Intangible assets	11	256,043,061	319,902,216
Goodwill on consolidation		3,150,313,229	3,150,313,229
Investments	12	56,252,031	56,252,031
Deferred tax assets (Net)	13	299,142,806	228,603,664
Loans and advances	14	497,512,623	480,647,106
Other assets	15	8,622,664	72,772,175
Current Assets			
Investments	12	3,688,886,970	2,387,199,083
Trade receivables	16	1,408,594,415	1,194,891,060
Cash and bank balances	17	1,546,569,463	1,899,492,870
Loans and advances	18	303,817,386	210,799,149
Other assets	19	517,610,372	425,742,149
Total		12,646,083,368	11,448,923,738
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. LLP**
ICAI Firm Registration No.: 301003E
Chartered Accountants

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

H.N. Sinor
Director

Neeraj Sahai
Director

Roopa Kudva
Managing Director &
Chief Executive Officer

Nachiket Mor
Director

Amish Mehta
Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2014

			Rupees
Particulars	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
Income			
Income from operations	20	12,533,821,804	11,106,421,999
Other income	21	236,906,614	366,421,869
Total		12,770,728,418	11,472,843,868
Expenses			
Personnel expenses	22	5,929,432,721	5,154,779,202
Establishment expenses	23	927,143,652	861,362,335
Other expenses	24	1,792,374,224	1,484,689,251
Depreciation/ Amortisation	11	361,230,283	379,228,672
Total		9,010,180,880	7,880,059,460
Profit before exceptional item		3,760,547,538	3,592,784,408
Exceptional items	28	-	658,860,566
Profit before tax		3,760,547,538	4,251,644,974
Tax expense			
Current tax		1,144,887,120	1,316,034,176
Deferred tax		(68,637,969)	(42,764,418)
Total tax expense		1,076,249,151	1,273,269,758
Profit after tax		2,684,298,387	2,978,375,216
Earnings per share : Nominal value of Re.1 per share :			
Basic		37.83	42.27
Diluted (On account of ESOS, refer note 33)		37.41	42.15
Number of Shares used in computing earnings per share			
Basic		70,952,575	70,456,790
Diluted (On account of ESOS, refer note 33)		71,760,677	70,668,105
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. LLP**
ICAI Firm Registration No.: 301003E
Chartered Accountants

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

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Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	Year Ended December 31, 2014	Year Ended December 31, 2013
A. Cash flow from operating activities		
Profit before tax	3,760,547,538	4,251,644,974
Adjustments for :		
Depreciation	361,230,283	379,228,672
Currency fluctuation reserve	34,911,365	(299,817,012)
Foreign currency translation reserve	(56,100,473)	163,704,389
Unrealised foreign exchange gain	(16,241,581)	3,191,994
(Profit)/ Loss on sale of fixed assets	950,945	(9,205,771)
(Profit)/ Loss on sale of investments / Exceptional item (Refer note 28)	-	(711,187,866)
(Profit)/ Loss on sale of current investments	(110,845,131)	-
Provision for bad debts	145,625,240	121,740,318
Interest income	(31,862,915)	(36,388,909)
Dividend on current investments	(54,373,486)	(65,549,779)
Dividend on non-current investments	(2,812,570)	(4,616,403)
Operating profit before working capital changes	4,031,029,215	3,792,744,607
Movements in working capital		
- (Increase)/decrease in trade receivables	(349,564,559)	(147,783,953)
- (Increase)/decrease in sundry deposits	5,901,267	12,317,194
- (Increase)/decrease in loans	12,843,783	(14,793,831)
- (Increase)/decrease in deferred grant revenue	16,468,395	61,476,222
- (Increase)/decrease in advances	(75,222,203)	(14,511,422)
- (Increase)/decrease in accrued revenue	3,432,231	(124,142,030)
- Increase/(decrease) in trade payables	89,427,228	(11,001,689)
- Increase/(decrease) in unearned revenue and fees received in advance	151,909,993	49,788,916
- Increase/(decrease) in other payables	(1,343,190)	37,077,180
- Increase/(decrease) in provision for leave benefits	37,115,345	37,401,144
- Increase/(decrease) in provision for gratuity	22,869,197	2,602,465
- Increase/(decrease) in statutory liabilities	(51,362,474)	44,208,897
Cash generated from operations	3,893,504,228	3,725,383,700
- Taxes paid	(1,247,008,435)	(1,187,151,453)
Net cash generated from operating activities - (A)	2,646,495,793	2,538,232,247
B. Cash flow from investing activities		
Purchase of fixed assets	(211,520,476)	(177,560,091)
Proceeds from sale of fixed assets	11,638,817	20,392,922
Investments in mutual funds	(3,688,886,970)	(2,387,199,083)
Sale proceeds from investments in mutual funds/fixed maturity plan	2,498,044,214	887,440,039
Sale proceeds from divestiture in India Index Services and Products Limited (Refer note 28)	-	1,000,000,000
Investment in Credit Analysis and Research Limited	-	(812)

	Rupees	
	Year Ended December 31, 2014	Year Ended December 31, 2013
Payment made for acquisition of Coalition group	(650,855,274)	(672,000,000)
(Investment)/Proceeds in/from fixed deposits	98,863,935	(257,590,053)
Interest income	34,007,278	32,485,713
Dividend on current investments	54,373,486	65,549,779
Dividend on non-current investments	2,812,570	4,616,403
Net cash generated from/(used in) investing activities - (B)	(1,851,522,420)	(1,483,865,183)
C. Cash flow from financing activities		
Proceeds from issuance of share capital on exercise of stock options	551,194,748	249,132,360
Dividend and dividend tax paid	(1,666,842,509)	(1,072,564,628)
Net cash generated from/(used in) financing activities - (C)	(1,115,647,761)	(823,432,268)
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D)	6,124,612	1,364,213
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	(314,549,776)	232,299,009
Add / (Less) : Adjustment towards acquisition / (divestiture)	-	(82,846,420)
Net Increase/(decrease) in cash and cash equivalents after acquisition/divestiture adjustment	(314,549,776)	149,452,589
Cash and cash equivalents - Opening balance	1,530,418,118	1,380,965,529
Cash and cash equivalents - Closing balance	1,215,868,342	1,530,418,118
Net Increase/(decrease) in cash and cash equivalents	(314,549,776)	149,452,589
Components of cash and cash equivalents as at		
Cash on hand and with banks on current account	1,188,883,630	1,514,849,645
Deposits with original maturity of less than three months	16,251,692	5,228,194
Unpaid dividend account (Earmarked for unpaid dividend)	10,733,020	10,340,279
	1,215,868,342	1,530,418,118

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

As per our report of even date

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

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

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Chairman

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Director

Date : February 14, 2015
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Amish Mehta
Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

1.1 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') read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. 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.

2. Summary of significant accounting policies

Principal 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') read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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.

2.5 Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition.

2.6 The Consolidated Financial Statements represent consolidation of accounts of the Company, its subsidiaries and joint venture as detailed below :

Name of the company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
		December 31, 2014	December 31, 2013
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna USA LLC	United States	100%	100%
India Index Services and Products Limited (Joint Venture)**	India	-	-*
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%	100%
Coalition Development Systems (India) Private Limited**	India	100%	100%
Mercator Info-Services India Private Limited**	India	100%	100%
Coalition Development Singapore Pte Limited	Singapore	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%

* CRISIL sold its entire equity stake in India Index Services & Products Limited, a joint venture with National Stock Exchange of India Limited (NSE).

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

2.7 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.

2.8 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.

2.9 Depreciation

Depreciation is provided using the Straight Line Method (except in case of India Index Services and Proudct 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 amortized over the lease term or useful life of the asset, whichever is lower.

2.10 Impairment

The carrying amounts of assets (including goodwill on consolidation) are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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.

2.11 Intangibles

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

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

2.12 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 recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.13 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 non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current 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.

2.14 Revenue recognition

Revenue is recognized 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

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

(IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred 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 IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out or milestones achieved. Revenue from infrastructure advisory services are recognized 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 reasonable certainty of collection.

Grants and subsidies are recognized 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 recognized 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.

2.15 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.

The Company provides gratuity a defined benefit plan to the eligible employees. 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.

2.16 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 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.

2.17 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 currency fluctuation 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.

2.18 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

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

timing differences of earlier years. With respect to foreign subsidiaries tax expense is recorded and recognised as per local statute.

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

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

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

2.19 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 organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical locations of customers.

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

2.20 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.

2.21 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.

2.22 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.

2.23 Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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 amortized over the vesting period of the option on a straight line basis wherever grant price is lower than the market price.

	Rupees	
	As at December 31, 2014	As at December 31, 2013
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:		
71,357,055 Equity Shares of Re. 1 each fully paid up (P.Y. 70,652,890 of Re.1 each)	71,357,055	70,652,890
Total	71,357,055	70,652,890

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

Particulars	As at December 31, 2014	
	Rupees	Nos.
Equity shares		
At the beginning of the year (face value of Re. 1 per share)	70,652,890	70,652,890
Add - Issued during the year- Under employee stock option scheme (ESOS) (Refer note 33)	704,165	704,165
Outstanding at the end of the year	71,357,055	71,357,055
Particulars	As at December 31, 2013	
	Rupees	Nos.
Equity shares		
At the beginning of the year (face value of Re. 1 per share)	70,235,740	70,235,740
Add - Issued during the year- Under employee stock option scheme (ESOS) (Refer note 33)	417,150	417,150
Outstanding at the end of the year	70,652,890	70,652,890

(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.

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(c) Shares held by holding/ultimate 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:

Particulars	Rupees	
	As at December 31, 2014	As at December 31, 2013
Group Holding of the McGraw Hill Financial, Inc.		
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
10,623,059 equity shares of Re.1 each fully paid held by McGraw-Hill Asian Holdings (Singapore) Pte. Ltd. (P.Y. 10,612,709 * of Re. 1 each)	10,623,059	10,612,709
* 10,350 Equity Shares pending registration for transfer as on 31 December 2013.		
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

(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

Particulars	Nos.
Equity shares bought back by the company	
In 2010	1,281,560
In 2011	910,000
In 2012	Nil
In 2013	Nil
In 2014	Nil
Total	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.

(e) Details of shareholders holding more than 5% shares in the company.

Name of the shareholder	As at December 31, 2014	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw Hill Financial, Inc.		
a) S&P India, LLC	43.74%	31,209,480
b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	14.89%	10,623,059
c) Standard & Poor's International LLC, USA	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000

Name of the shareholder	As at December 31, 2013	
	% holding in the class	Nos.
Equity shares of Re. 1 each fully paid		
1. Group Holding of the McGraw Hill Financial, Inc.		
a) S&P India, LLC	44.17%	31,209,480
b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	15.02%	10,612,709
c) Standard & Poor's International LLC, USA	8.49%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.66%	4,000,000

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. (Refer note 33)

	Rupees	
	As at December 31, 2014	As at December 31, 2013
4. Reserves and surplus		
Securities premium account		
Opening balance	351,350,634	102,635,424
Add:- Amount received on exercise of employee stock option scheme (Refer note 33)	550,490,583	248,715,210
	901,841,217	351,350,634
Capital reserve	122,232,111	122,232,111
Capital redemption reserve	2,191,560	2,191,560
General reserve		
Opening Balance	918,151,816	636,969,222
Add : Transfer from the Statement of Profit and Loss	215,513,283	281,182,594
	1,133,665,099	918,151,816
Foreign currency monetary item translation account		
Opening Balance	242,635,064	79,422,051
(Add)/Less : Movement during the year	(56,100,473)	163,213,013
	186,534,591	242,635,064
Currency fluctuation translation reserve		
Opening Balance	(299,817,012)	(46,134,122)
(Add)/Less : Movement during the year	23,761,122	(253,682,890)
	(276,055,890)	(299,817,012)
Hedging reserve account		
Opening Balance	(138,422,289)	(29,611,842)
Deductions during the year	138,422,289	29,611,842
Additions during the year	93,770,263	(138,422,289)
	93,770,263	(138,422,289)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	5,476,004,229	4,351,799,764
Profit for the year	2,684,298,387	2,978,375,216
Less: Appropriation		
Proposed final equity dividend (amount per share Rs. 10 (P.Y. Rs. 10) of Re. 1 each)	(713,570,550)	(706,528,900)
Interim dividend (amount per share Rs. 10 (P.Y. Rs. 9) of Re. 1 each)	(711,200,400)	(634,997,464)
Corporate dividend tax	(272,103,498)	(231,461,793)
Transfer to general reserve	(215,513,283)	(281,182,594)
Total appropriations	(1,912,387,731)	(1,854,170,751)
Net surplus in the statement of profit and loss	6,247,914,885	5,476,004,229
Total	8,412,093,836	6,674,326,113

	Rupees	
	As at December 31, 2014	As at December 31, 2013
5. Trade payables		
Non current		
Trade payables	98,299,296	-
Total	98,299,296	-

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

		Rupees
	As at December 31, 2014	As at December 31, 2013
6. Other liabilities		
Non current		
Statutory liabilities	-	5,851,308
Others	152,318,399	157,266,408
Unearned revenue and fees received in advance	800,470	-
Total	153,118,869	163,117,716
		Rupees
	As at December 31, 2014	As at December 31, 2013
7. Provisions		
Non current		
For employee benefits		
For gratuity (Refer note 30)	99,703,942	78,393,300
Total	99,703,942	78,393,300
		Rupees
	As at December 31, 2014	As at December 31, 2013
8. Trade payables		
Current		
Trade payables	1,101,399,512	1,108,676,148
Total	1,101,399,512	1,108,676,148
		Rupees
	As at December 31, 2014	As at December 31, 2013
9. Other liabilities		
Current		
Statutory liabilities	282,897,478	328,408,644
Unearned revenue and fees received in advance	942,846,710	791,511,754
Grant liability	60,044,442	43,576,047
Forward contract payable	-	138,422,289
Others	91,850,308	739,100,763
Unclaimed dividend (Investor education and protection fund will be credited as and when due)	10,733,020	10,340,279
Total	1,388,371,958	2,051,359,776
		Rupees
	As at December 31, 2014	As at December 31, 2013
10. Provisions		
Current		
Proposed dividend	713,570,550	706,528,900
Corporate dividend tax thereon	142,672,135	120,074,587
Provision for tax	75,370,119	124,342,112
For employee benefits		
For leave benefit	388,567,541	351,452,196
For gratuity (Refer note 30)	1,558,555	-
Total	1,321,738,900	1,302,397,795

11. Fixed assets

	Gross Block at Cost					Accumulated Depreciation/Amortization					Net Block	
	As at January 1, 2014	Additions	Deductions	Currency Translation Reserve	As at December 31, 2014	As at January 1, 2014	For the year	Deletion On Account of Assets sold	Currency Translation Reserve	Adjustments	As at December 31, 2014	As at December 31, 2014
Intangibles												
Customer relationship	290,062,527	-	-	(7,451,481)	282,611,046	130,945,139	40,285,776	-	(4,106,768)	-	167,124,147	115,486,899
Brand	36,615,993	-	-	(940,637)	35,675,356	36,615,993	-	-	(940,637)	-	35,675,356	-
Non compete	46,588,535	-	-	(1,196,823)	45,391,712	46,588,535	-	-	(1,196,823)	-	45,391,712	-
Goodwill	225,418,327	-	-	416,186	225,834,513	64,633,499	21,513,425	-	(868,573)	-	85,278,351	140,556,162
Sub Total intangible assets	598,685,382	-	-	(9,172,755)	589,512,627	278,783,166	61,799,201	-	(7,112,801)	-	333,469,566	256,043,061
Tangibles												
Buildings	157,352,097	-	-	-	157,352,097	110,020,998	7,693,310	-	-	-	117,714,309	39,637,788
Furniture and fixtures	256,555,545	10,086,851	47,954,425	(13,114,551)	205,573,420	137,952,649	19,573,684	43,649,338	(9,511,350)	-	104,365,645	101,207,775
Office equipments	364,563,206	29,129,232	26,686,886	9,990,895	376,996,447	173,285,340	40,861,135	23,655,399	7,026,369	-	197,517,445	179,479,002
Computers	737,176,570	119,628,062	66,896,274	(4,283,187)	785,625,171	573,583,475	119,397,118	65,823,609	(2,903,603)	-	624,253,381	161,371,790
Vehicles	67,915,021	17,184,163	22,950,875	(343,533)	61,804,776	43,065,067	14,738,170	19,796,787	(143,696)	-	37,862,754	23,942,022
Leasehold improvements	804,909,958	35,492,168	2,205,212	(7,063,249)	831,133,665	328,255,862	97,167,665	1,178,777	(191,056)	-	424,053,694	407,079,971
Sub Total tangible assets	2,388,473,397	211,520,476	166,693,672	(14,813,625)	2,418,485,576	1,366,163,391	299,431,082	154,103,910	(5,723,336)	-	1,505,767,228	912,718,348
Total	2,987,157,779	211,520,476	166,693,672	(23,986,380)	3,007,999,203	1,644,946,557	361,230,283	154,103,910	(12,836,137)	-	1,839,236,794	1,168,761,409
Net Block												
Intangibles												
Customer relationship	255,311,624	-	-	34,750,903	290,062,527	77,923,303	38,212,524	-	14,809,312	-	130,945,139	159,117,388
Brand	32,229,218	-	-	4,386,775	36,615,993	9,574,162	24,832,170	-	2,209,661	-	36,615,993	-
Non compete	41,007,002	-	-	5,581,533	46,588,535	28,424,031	12,762,678	-	5,401,826	-	46,588,535	-
Goodwill	204,095,049	-	-	21,320,278	225,418,327	41,646,517	19,885,385	-	3,101,597	-	64,633,499	160,784,828
Sub Total intangible assets	532,645,893	-	-	66,039,489	598,685,382	157,568,013	95,692,757	-	25,522,396	-	278,783,166	319,902,216
Tangibles												
Buildings	157,352,097	-	-	-	157,352,097	102,237,887	7,783,111	-	-	-	110,020,998	47,331,099
Furniture and fixtures	256,140,730	8,461,084	8,580,974	534,705	255,555,545	121,424,570	19,221,884	6,655,280	3,961,475	-	137,952,649	118,602,896
Office equipments	384,201,977	46,069,143	44,823,526	(20,884,388)	364,563,206	163,302,151	41,373,664	41,685,937	10,295,462	-	173,285,340	191,277,866
Computers	680,445,758	99,984,200	40,980,349	(2,273,039)	737,176,570	507,121,123	108,262,995	39,793,362	(2,007,281)	-	573,583,475	163,593,095
Vehicles	68,120,933	14,233,526	14,201,941	(237,497)	67,915,021	35,535,298	18,029,020	10,418,115	(81,136)	-	43,065,067	24,849,954
Leasehold improvements	766,350,707	8,812,138	3,547,495	33,294,608	804,909,958	240,539,495	88,865,241	2,586,008	1,437,134	-	328,255,862	476,654,096
Sub Total tangible assets	2,312,612,202	177,560,091	112,134,285	10,434,389	2,388,473,397	1,170,160,524	283,535,915	101,138,702	13,605,654	-	1,366,163,391	1,022,309,006
Total	2,845,258,095	177,560,091	112,134,285	76,473,878	2,987,157,779	1,327,728,537	379,228,672	101,138,702	39,128,050	-	1,644,946,557	1,342,211,222

Intangibles												
Customer relationship	255,311,624	-	-	34,750,903	290,062,527	77,923,303	38,212,524	-	14,809,312	-	130,945,139	159,117,388
Brand	32,229,218	-	-	4,386,775	36,615,993	9,574,162	24,832,170	-	2,209,661	-	36,615,993	-
Non compete	41,007,002	-	-	5,581,533	46,588,535	28,424,031	12,762,678	-	5,401,826	-	46,588,535	-
Goodwill	204,095,049	-	-	21,320,278	225,418,327	41,646,517	19,885,385	-	3,101,597	-	64,633,499	160,784,828
Sub Total intangible assets	532,645,893	-	-	66,039,489	598,685,382	157,568,013	95,692,757	-	25,522,396	-	278,783,166	319,902,216
Tangibles												
Buildings	157,352,097	-	-	-	157,352,097	102,237,887	7,783,111	-	-	-	110,020,998	47,331,099
Furniture and fixtures	256,140,730	8,461,084	8,580,974	534,705	255,555,545	121,424,570	19,221,884	6,655,280	3,961,475	-	137,952,649	118,602,896
Office equipments	384,201,977	46,069,143	44,823,526	(20,884,388)	364,563,206	163,302,151	41,373,664	41,685,937	10,295,462	-	173,285,340	191,277,866
Computers	680,445,758	99,984,200	40,980,349	(2,273,039)	737,176,570	507,121,123	108,262,995	39,793,362	(2,007,281)	-	573,583,475	163,593,095
Vehicles	68,120,933	14,233,526	14,201,941	(237,497)	67,915,021	35,535,298	18,029,020	10,418,115	(81,136)	-	43,065,067	24,849,954
Leasehold improvements	766,350,707	8,812,138	3,547,495	33,294,608	804,909,958	240,539,495	88,865,241	2,586,008	1,437,134	-	328,255,862	476,654,096
Sub Total tangible assets	2,312,612,202	177,560,091	112,134,285	10,434,389	2,388,473,397	1,170,160,524	283,535,915	101,138,702	13,605,654	-	1,366,163,391	1,022,309,006
Total	2,845,258,095	177,560,091	112,134,285	76,473,878	2,987,157,779	1,327,728,537	379,228,672	101,138,702	39,128,050	-	1,644,946,557	1,342,211,222

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	Rupees	
	As at December 31, 2014	As at December 31, 2013
12. Investments		
A. Non-current investments		
<i>Trade investment (valued at cost unless stated otherwise)</i>		
Unquoted equity investments		
<i>Other investments</i>		
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		
<i>Other investments</i>		
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10 each, fully paid up	1,218	1,218
1 (P.Y. 1) Equity Share of Credit Analysis and Research Limited of Rs.10 each, fully paid up	812	812
Total Long Term (At Cost) - {A}*	56,252,031	56,252,031
B. Current Investments		
<i>Non-trade investments (valued at lower of cost or market value)</i>		
Unquoted mutual funds		
<i>Investments in Mutual Funds (unquoted)</i>		
1,566,114.55 (P.Y. Nil) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth	310,774,915	-
169,082.61 (P.Y. Nil) units of face value Rs.1000.00 each Axis Liquid Fund - Direct Growth	251,265,782	-
256,923.92 (P.Y. Nil) units of face value Rs.1000.00 each DSP BlackRock Liquidity Fund - Direct Plan - Growth	500,000,000	-
8,964,773.28 (P.Y. Nil) units of face value Rs.10.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	251,015,445	-
9,836,719.23 (P.Y. Nil) units of face value Rs.10.00 each HDFC Liquid Fund - Direct Plan - Growth	260,303,198	-
1,456,480.82 (P.Y. Nil) units of face value Rs.100.00 each ICICI Prudential Money Market Fund - Direct Plan - Growth	270,042,384	-
154,071.66 (P.Y. Nil) units of face value Rs.1000.00 each IDFC Cash Fund - Growth - Direct Plan	251,025,599	-
14,426,257.23 (P.Y. Nil) units of face value Rs.10.00 each JP Morgan India Liquid Fund - Direct Plan - Growth	251,025,532	-
65,969.00 (P.Y. Nil) units of face value Rs.1000.00 each Kotak Floater Short Term - Direct Plan - Growth	145,003,632	-
135,903.20 (P.Y. Nil) units of face value Rs.1000.00 each L&T Liquid Fund Direct Plan - Growth	250,073,322	-
85,848.66 (P.Y. Nil) units of face value Rs.10.00 each SBI Magnum Insta Cash Fund - Direct Plan - Growth	254,659,754	-
209,204.06 (P.Y. Nil) units of face value Rs.10.00 each SBI Premier Liquid Fund - Direct Plan - Growth	443,697,407	-
100,669.82 (P.Y. Nil) units of face value Rs.1000.00 each TATA Liquid Fund - Direct Plan - Growth	250,000,000	-
Nil (P.Y. 85,357.00) units of face value Rs.1000.00 each Axis Liquid Fund - Direct Plan - Daily Dividend (CFDRR) (Sold 85,357 units during current year)	-	85,367,060
Nil (P.Y. 80,832.68) units of face value Rs 1000.00 each LIC NOMURA MF Liquid Fund - DIRECT - Dividend Plan-LF-D1 (Sold 80,832.68 units during current year)	-	88,754,284
Nil (P.Y. 251,837.61) units of face value Rs 1000.00 each SBI PLF - Direct Plan - Daily Dividend (Sold 251,837.61 units during current year)	-	252,656,083

	Rupees	
	As at December 31, 2014	As at December 31, 2013
Nil (P.Y. 254,424.06) units of face value Rs 1000.00 each IDFC Cash Fund - Direct Plan - Daily Dividend (Sold 254,424.06 units during current year)	-	254,510,561
Nil (P.Y. 247,695.21) units of face value Rs.1000.00 each UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend Reinvestment (Sold 247,695.21 units during current year)	-	252,511,814
Nil (P.Y. 2,972,261.37) units of face value Rs 10.00 each Sundaram Money Fund - Direct Plan - Daily Dividend (Sold 2,972,261.37 units during current year)	-	30,027,270
Nil (P.Y. 24,691,025.15) units of face value Rs.10.00 each HDFC Liquid Fund-Direct Plan - Daily Dividend Reinvestment (Sold 24,691,025.15 units during current year)	-	251,804,013
Nil (P.Y. 25,000,000) units of face value Rs.10.00 each HDFC FMP 370D August 2013 (4) Fixed Monthly Plan, NFO (Sold 25,000,000 units during current year)	-	250,000,000
Nil (P.Y. 25,000,000) units of face value Rs.10.00 each UTI FMP Collection Fund - Fixed Monthly Plan, NFO (Sold 25,000,000 units during current year)	-	250,000,000
Nil (P.Y. 15,000,000) units of face value Rs 10.00 each IDFC FTP Series 31 - Fixed Monthly Plan, NFO (Sold 15,000,000 units during current year)	-	150,000,000
Nil (P.Y. 10,000,000) units of face value Rs. 10.00 each ICICI Prudential Fixed Maturity Plan - Series 69 - 369 Days - Plan J - Fixed Monthly Plan, NFO (Sold 10,000,000 units during current year)	-	100,000,000
Nil (P.Y. 25,000,000) units of face value Rs 10.00 each Deutsche Mutual Fund - FMP Series 34 - Direct - Growth (Sold 25,000,000 units during current year)	-	250,000,000
Nil (P.Y. 447,326.91) units of face value Rs.100.00 each ICICI Prudential Liquid - Regular Plan - Daily Dividend (Sold 447,326.91 units during current year)	-	44,756,936
Nil (P.Y. 20,691.15) units of face value Rs.1000.00 each Axis Liquid - Direct Plan - Daily Dividend (Sold 20,691.15 units during current year)	-	20,693,590
Nil (P.Y. 18,333.47) units of face value Rs 1000.00 each UTI Liquid Cash Plan Institutional - Daily Plan- Daily Dividend (Sold 18,333.47 units during current year)	-	18,689,976
Nil (P.Y. 21,462.56) units of face value Rs 1000.00 each UTI Liquid Cash Plan Institutional - Daily Dividend (Sold 21,462.56 units during current year)	-	21,879,917
Nil (P.Y. 50,367.52) units of face value Rs 1000.00 each SBI PLF - Direct Plan - Daily Dividend Plan (Sold 50,367.52 units during current year)	-	50,531,215
Nil (P.Y. 15,011.26) units of face value Rs 1000.00 each IDFC Cash Fund - Daily Dividend - Direct Plan (Sold 15,011.26 units during current year)	-	15,016,364
Total investments in Mutual Funds {B} **	3,688,886,970	2,387,199,083
Total investments {A}+{B}	3,745,139,001	2,443,451,114
* Aggregate market value of Company's investment in Quoted equity instruments	4,678	2,354
** Aggregate Net Asset Value (NAV) of Company's investment in unquoted Mutual Funds	3,757,815,469	2,431,818,084

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	As at December 31, 2014	As at December 31, 2013
13. Deferred tax asset		
Deferred tax liability		
On fixed assets	38,613,219	69,673,489
On provision for gratuity	-	333,104
Gross deferred tax liability	38,613,219	70,006,593
Deferred tax asset		
On lease rent amortisation	57,013,910	56,631,652
On provision for leave encashment	112,804,588	97,991,075
On provision for bonus and commission	50,251,215	36,188,357
On provision for gratuity	27,680,157	19,307,949
On provision for bad debt	46,037,547	41,217,496
On initial rating fees deferred	7,340,450	6,156,018
On fixed assets	10,544,825	12,952,100
On carry forward losses*	17,138,424	21,337,199
On disallowance under section 40(a)	8,944,909	6,828,411
Gross deferred tax asset	337,756,025	298,610,257
Net deferred tax asset	299,142,806	228,603,664

* The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income based on firm contract commitment.

	Rupees	
	As at December 31, 2014	As at December 31, 2013
14. Loans and advances		
Non current		
<i>(Unsecured, considered good)</i>		
Sundry deposits	367,156,426	405,156,561
Other loan and advances		
Advance taxes paid	120,839,426	67,690,104
Cenvat credit receivable	24,116	3,050,153
Prepaid expense	9,492,655	4,750,288
Total	497,512,623	480,647,106

	Rupees	
	As at December 31, 2014	As at December 31, 2013
15. Other assets		
Non current		
Interest accrued on fixed deposit	155,050	3,814,257
Other bank balances		
-Deposits with original maturity for more than 12 months	8,467,614	68,957,918
(Deposit includes fixed deposits with bank Rs. 7,229,463 (P.Y. Rs. 22,324,030) marked as lien for guarantees issued by banks on behalf of the Group (Refer note 25))		
Total	8,622,664	72,772,175

	Rupees	
	As at December 31, 2014	As at December 31, 2013
16. Trade receivable		
Unsecured, considered good unless stated otherwise		
<i>Outstanding for a period exceeding six months from the date they are due for payment</i>		
Unsecured, considered good	58,907,607	28,875,264
Unsecured, considered doubtful	152,931,533	125,135,788
Other receivables		
Unsecured, considered good	1,349,686,808	1,166,015,796
Less : Provision for doubtful receivables	(152,931,533)	(125,135,788)
Total	1,408,594,415	1,194,891,060

	Rupees	
	As at December 31, 2014	As at December 31, 2013
17. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	224,924	191,501
<i>Balances with banks :</i>		
On current accounts	1,188,658,706	1,514,658,144
Deposits with original maturity of less than three months	16,251,692	5,228,194
On unpaid dividend accounts	10,733,020	10,340,279
	1,215,868,342	1,530,418,118
<i>Other bank balances</i>		
- Deposit with original maturity within 12 months (Deposit includes fixed deposits with banks Rs. 54,319,243 (P.Y. Rs. 8,514,520) marked as lien for guarantees issued by banks on behalf of the group. (Refer note 25))	330,701,121	369,074,752
Total	1,546,569,463	1,899,492,870

	Rupees	
	As at December 31, 2014	As at December 31, 2013
18. Loans and advances		
Current		
<i>(Unsecured, considered good)</i>		
Sundry deposits	46,118,661	13,887,986
Advance recoverable in cash or kind	105,095,633	60,420,204
Other loan and advances		
Loans to employees	25,990,819	38,834,602
Cenvat credit receivable	71,938,716	55,446,629
Capital advance	1,091,065	-
Prepaid expense	53,582,492	42,209,728
Total	303,817,386	210,799,149

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	As at December 31, 2014	As at December 31, 2013
19. Other assets		
Current		
Interest accrued on fixed deposit	5,377,243	3,862,399
Accrued revenue	418,792,330	421,879,750
Forward contract receivable	93,440,799	-
Total	517,610,372	425,742,149

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
20. Income from operations		
Ratings services	4,450,382,210	4,103,493,234
Research services (Refer note 28)	7,448,905,863	6,446,392,298
Advisory services	634,533,731	556,536,467
Total	12,533,821,804	11,106,421,999

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
21. Other income		
Interest on bank deposits	19,918,412	27,147,593
Other interest income	11,944,503	9,241,316
Profit on sale of fixed assets (Net)	-	9,205,771
Dividend on current investments	54,373,486	65,549,779
Dividend on non-current investments	2,812,570	4,616,403
Foreign exchange gain (Net)	22,595,702	230,976,272
Profit on sale of current investments (Net)	110,845,131	2,701,242
Miscellaneous income	14,416,810	16,983,493
Total	236,906,614	366,421,869

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
22. Personnel expenses		
Salaries, wages and bonus	5,457,177,169	4,779,517,274
Contribution to provident and other funds	238,050,906	206,237,453
Contribution to gratuity fund (Refer note 30)	67,256,527	31,739,287
Staff training and welfare expenses	166,948,119	137,285,188
Total	5,929,432,721	5,154,779,202

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
23. Establishment expenses		
Repairs and maintenance - Buildings	148,403,432	108,028,964
Repairs and maintenance - Others	100,606,106	91,101,181
Electricity	85,571,656	82,289,491
Communication expenses	107,981,406	107,184,811
Insurance	1,635,477	2,153,643
Rent (Refer note 29)	477,303,347	464,236,673
Rates and taxes	5,642,228	6,367,572
Total	927,143,652	861,362,335

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
24. Other expenses		
Printing and stationery	38,650,551	36,737,723
Conveyance and travelling	400,221,852	323,538,543
Books and periodicals	79,330,049	77,220,879
Vehicle expenses	600,147	781,175
Remuneration to non-whole time directors	10,461,183	14,422,511
Business promotion and advertisement	33,412,604	19,224,431
Professional fees	541,411,026	450,349,114
Associate service fee	359,192,522	295,384,465
Software purchase and maintenance expenses	42,001,066	42,315,972
Provision for bad debts (Including bad debt)	145,625,240	121,740,318
Loss on sale of fixed assets	950,945	-
Auditors' remuneration	10,426,321	9,961,818
Recruitment expenses	80,285,668	37,630,744
Miscellaneous expenses	44,522,164	50,007,035
Sales commission	5,282,886	5,374,523
Total	1,792,374,224	1,484,689,251

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
25. Details of contingent liabilities and capital commitments are as under :		
1. Bank guarantee in the normal course of business	183,348,706	72,438,550
2. Disputed income tax and sales tax demand:		
(i) Pending before appellate authorities in respect of which the group is in appeal	257,854,515	163,227,241
(ii) Decided in group's favour by appellate authorities and department is in further appeal	41,198,779	23,506,360
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for 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.	18,486,169	21,460,987
	500,888,169	280,633,138

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

26. Segment reporting

Business segments

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

- Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.
- Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.
- The Advisory segment comprise infrastructure advisory and risk management practice.

Segment reporting for the year ended December 31, 2014

Particulars	Business segments			Rupees
	Ratings	Research	Advisory	Total
Operating revenue (Refer note 20)	4,450,382,210	7,448,905,863	634,533,731	12,533,821,804
Segment results	1,656,015,639	2,172,412,240	66,503,384	3,894,931,263
Add / (Less) Unallocables:				
1. Unallocable income				
Interest income				19,918,412
Profit on sale of fixed asset				-
Profit on sale of investments				110,845,131
Others				117,045,932
2. Unallocable expenditure				(20,962,917)
3. Depreciation				(361,230,283)
Profit before exceptional item				3,760,547,538
Exceptional item				-
Profit before tax				3,760,547,538
Tax expense				(1,076,249,151)
Profit after tax				2,684,298,387
Non-cash expenses other than depreciation and amortisation	139,076,141	53,894,085	9,512,658	202,482,884
Segment assets	405,545,294	1,281,973,385	292,799,477	1,980,318,156
Unallocable assets*				10,665,765,212
Segment liabilities	560,975,806	364,822,450	17,848,924	943,647,180
Unallocable liabilities*				3,218,985,297

Revenue by geographic segments

Geography	Rupees
India	4,321,254,630
Europe	3,853,202,289
North America	3,556,860,781
Rest of the world	802,504,104
Total	12,533,821,804

26. Segment reporting (contd.)

Segment reporting for the year ended December 31, 2013

Particulars	Business segments			Rupees
	Ratings	Research	Advisory	Total
Operating revenue (refer note 20)	4,103,493,234	6,446,392,298	556,536,467	11,106,421,999
Segment results	1,639,439,148	2,053,550,435	75,468,555	3,768,458,138
Add / (Less) Unallocables :				
1. Unallocable income				
Interest income				36,388,909
Profit on sale of fixed asset				9,205,771
Profit on sale of current investments				2,701,242
Others				169,335,674
2. Unallocable expenditure				(14,076,654)
3. Depreciation				(379,228,672)
Profit before exceptional item				3,592,784,408
Exceptional item (refer note 28)				658,860,566
Profit before tax				4,251,644,974
Tax expense				(1,273,269,758)
Profit after tax				2,978,375,216
Non-cash expenses other than depreciation and amortisation	121,241,113	396,829,414	33,515,287	551,585,814
Segment assets	501,373,011	1,012,118,546	228,415,041	1,741,906,598
Unallocable assets*				9,707,017,140
Segment liabilities	480,580,702	291,980,357	18,950,695	791,511,754
Unallocable liabilities*				3,912,432,981

Revenue by geographic segments

Geography	Rupees
India	3,902,799,532
Europe	3,372,231,174
North America	3,149,485,891
Rest of the world	681,905,402
Total	11,106,421,999

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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

27. List of related parties (as per Accounting Standard 18)

Parties	Relationship
Related parties where control exists	
McGraw-Hill Financial, 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 Asian Holdings (Singapore) Pte. Ltd.	Fellow Subsidiary
McGraw-Hill Companies Canada Corp.	Fellow Subsidiary
McGraw Hill Asia Holding	Fellow Subsidiary
McGraw-Hill Financial Equity Research	Fellow Subsidiary
McGraw-Hill International (UK) Ltd	Fellow Subsidiary
S&P Credit Market Services Europe Ltd.	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
S&P Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
India Index Services and Products Limited	Joint Venture (Refer Note 28)
Capital IQ, Inc	Fellow Subsidiary
Standard & Poors Ratings Services	Fellow Subsidiary
McGraw-Hill Education India Private Limited	Fellow Subsidiary
Ravinder Singhania	Alternate Director
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

Related party disclosure

Name of the related party	Nature of transaction	Rupees	
		Year ended December 31, 2014	Year ended December 31, 2013
Standard & Poor's LLC	Professional services rendered	9,828,414	12,404,360
	Amount receivable	2,246,741	3,983,452
McGraw-Hill Companies Canada Corp.	Professional services rendered	6,853,078	5,158,241
	Amount receivable	-	466,425
S&P Credit Market Services Europe Ltd.	Professional services rendered	351,152,366	330,389,545
	Amount receivable	51,038,898	44,111,842
Standard & Poor's Financial Services, LLC	Professional services rendered	898,388,567	895,081,536
	Amount receivable	1,707,683	79,952,695
	Subscription fees paid	1,030,594	1,527,569
S&P Singapore Pte. Ltd.	Professional services rendered	38,692,309	30,083,523
	Amount receivable	3,339,594	2,689,320
Standard & Poor's Hong Kong Limited	Professional services rendered	16,535,009	9,693,662
	Amount receivable	1,394,481	2,479,032
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	25,736,359	21,564,186
	Reimbursement of expenses	-	7,392,499
	Amount receivable	2,177,169	3,866,784
Capital IQ, Inc	Amount receivable	7,754,655	10,913,563
	Professional services rendered	8,001,923	17,224,713
	Reimbursement of expenses received	1,120,628	459,332
	Subscription fees paid	3,109,582	859,462

27. List of related parties (as per Accounting Standard 18) (contd.)
Related party disclosure

		Rupees	
Name of the related party	Nature of transaction	Year ended December 31, 2014	Year ended December 31, 2013
S&P India, LLC	Dividend	624,189,600	592,980,120
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	500,000	-
	Reimbursement of expenses received	9,509,709	10,335,078
	Amount receivable	1,775,227	1,957,337
Standard & Poors Ratings Services	Reimbursement of expenses received	14,980	-
	Amount receivable (net)	16,832	-
Standard & Poor's International LLC, USA	Dividend	120,000,000	114,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees and commission paid to nominee directors	340,000	3,960,000
	Amount receivable	4,865,869	-
	Professional Services Rendered	5,005,147	-
McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	Dividend	212,461,180	137,965,217
	Share capital outstanding	10,623,059	10,612,709
McGraw Hill Financial, Inc.	Amount receivable (net)	6,918,482	130,018
	Reimbursement of expenses received	6,952,551	25,000
	Reimbursement of expenses paid	33,362	-
McGraw Hill Asia Holding	Reimbursement of expenses received	-	4,475,617
	Amount receivable	-	5,028,803
McGraw-Hill Financial Equity Research	Professional services rendered	17,411,440	17,934,061
	Amount receivable (net)	769,511	1,585,834
McGraw-Hill International (UK) Ltd	Advance received	2,818,690	2,893,009
	Amount receivable	3,035,880	-
	Professional fees paid	6,529,188	-
	Professional services rendered	4,893,143	-
Roopa Kudva*	Remuneration paid	48,914,800	33,603,537
	Dividend	914,000	936,000
	Option granted	75,000	-

*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.

- 28.** The Company had 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, 2014	Year ended December 31, 2013
Income		-	105,718,364
Expenses		-	20,296,948
Tax expense		-	26,485,595

Note: On August 27, 2013, CRISIL sold its entire equity stake in India Index Services & Products Limited (IISL), a joint venture with National Stock Exchange of India Limited (NSE), for a total consideration of Rs 100 crore. The stake represented 49% of the equity share capital of IISL. The income, expense and tax expense for the previous year are for the period January 01, 2013 to August 27, 2013.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

29. 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 :

Particulars	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
Lease Payment recognised in the statement of profit and loss	477,303,347	464,236,673
Future minimum lease payments :		
Not later than one year	477,868,656	473,810,315
Later than one year and not later than five years	1,243,217,606	1,559,154,487
Later than five years	119,008,976	146,106,169
	1,840,095,238	2,179,070,971

30. 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 personal expenses)

Particulars	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
Current service cost	40,671,493	41,734,522
Interest cost on defined benefit obligation	17,558,431	14,965,206
Expected return on plan assets	(10,757,744)	(9,875,118)
Net actuarial (gain)/ loss recognised in the year	19,784,347	(15,085,323)
Net gratuity benefit expense	67,256,527	31,739,287

Balance Sheet:

Details of provision for gratuity benefit

Particulars	Rupees				
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Present value of funded obligations	233,620,953	190,390,636	176,731,353	137,139,263	122,357,703
Fair value of plan assets	(132,358,456)	(111,997,336)	(100,940,518)	(87,139,192)	(54,956,729)
Net liability	101,262,497	78,393,300	75,790,835	50,000,071	67,400,974

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

Particulars	Rupees				
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Opening defined benefit obligation	190,390,636	176,731,353	137,139,263	122,357,703	59,956,957
Current service cost	40,671,493	41,734,522	33,083,842	29,464,802	16,653,548
Interest cost	17,558,431	14,965,206	11,250,633	9,589,537	4,774,974
Plan amendments	-	-	-	(26,151,020)	4,105,740
Actuarial (gain)/loss	18,321,385	(13,552,903)	4,214,639	12,286,802	42,889,085
Liabilities assumed on acquisition/ (Settled on divestiture)	-	(4,472,050)	1,577,122	-	5,212,394
Benefits paid	(33,320,992)	(25,015,492)	(10,534,146)	(10,408,561)	(11,234,995)
Closing defined benefit obligation	233,620,953	190,390,636	176,731,353	137,139,263	122,357,703

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

Particulars	Rupees				
	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Experience adjustment on plan assets	(1,462,952)	1,700,065	(1,620,049)	1,220,306	3,581,797
Experience adjustment on plan liabilities	11,459,626	(2,061,058)	(1,594,692)	(47,016,952)	(40,991,052)

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, 2014	Year ended December 31, 2013
Investment with insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2014/2013)	8.75%	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, 2014	Year ended December 31, 2013
Discount rate	8.10%	9.40%
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	36,051,668	32,774,240

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

Broad category of plan assets as per percentage of total plan assets of the gratuity

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Government securities	45.49%	40.00%
Fixed deposit, debentures and bond	49.06%	53.52%
Others	5.45%	6.48%
Total	100.00%	100.00%

Based on information declared by the insurer as at 31st March 2014/2013

- 31.** The Company has a revenue hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles of AS 30 "Financial Instruments: Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedge reserve account. Details of currency hedge and forward contract value are as under :

Particulars	Year ended December 31, 2014		Year ended December 31, 2013	
	Amount	Amount in INR	Amount	Amount in INR
Hedged Currency				
USD	31,658,000	2,079,242,287	31,891,000	2,015,710,355
GBP	10,211,160	1,097,814,237	10,447,000	1,041,206,340
EUR	4,233,880	368,419,357	4,399,000	370,752,170

32. Details of unhedged foreign exposure

Currency	Year ended December 31, 2014		Year ended December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
USD	286,944,723	51,751,722	611,915,465	10,259,502
GBP	28,974,218	628,524	15,543,604	593,304
EUR	197,041,177	1,122,582	148,394,689	2,738,691
Others	26,311,383	56,084,917	20,619,010	7,303,628
Total	539,271,501	109,587,745	796,472,768	20,895,125

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

33. 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 granted are as under :

Details	ESOP 2014	ESOP 2012 (1)	ESOP 2012 (2)	ESOP 2012 (3)	ESOP 2011 (1)	ESOP 2011 (2)	ESOP 2011 (3)
Date of grant	17-Apr-14 *	16-Apr-12	16-Apr-12	14-Feb-14	14-Feb-11	14-Feb-11	3-Oct-14
No. of options granted	2,860,300	903,150	5,125	123,000	1,161,000	23,750	33,000
Exercise price (Rs.)	1,217.20	1,060.00	1,060.00	1,119.85	579.88	579.88	1,985.95
Graded vesting period :							
1st Year	953,433	180,630	5,125	24,600	232,200	23,750	6,600
2nd Year	953,433	361,260	-	49,200	464,400	-	13,200
3rd Year	953,434	361,260	-	49,200	464,400	-	13,200
Weighted average price of options as per Black -Scholes Option Pricing model at the grant date (Rs)	469.48	320.59	230.97	334.2	185.21	149.41	583.69

* 1st year starting from 2017

A summary of status of Company's employee stock option scheme is as given below:

(Nos.)

Particulars	As at December 31, 2014	As at December 31, 2013
Outstanding at the beginning of the year	1,229,685	1,822,200
Add: granted during the year	3,016,300	-
Less: Forfeited/lapsed during the year	393,545	175,665
Exercised during the year	733,645	416,850
Outstanding at the end of the year	3,118,795	1,229,685

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	As at December 31, 2014		As at December 31, 2013	
	(Nos)	Amount	(Nos)	Amount
Exercised during the year	733,645	551,194,748	416,850	249,132,360
Weighted average share price at the date of exercise	-	1,625.24	-	1,007.42

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	As at December 31, 2014		As at December 31, 2013	
	(Nos)	Amount	(Nos)	Amount
Not later than Two Year	496,345	526,272,806	1,229,685	1,078,184,194
Later than Two Year & not later than Five Years	2,622,450	3,199,078,440	-	-
Total	3,118,795	3,725,351,246	1,229,685	1,078,184,194

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 100% of the closing market price immediately prior to the date of grant on the stock exchange which recorded highest trading volume.

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. 284,857,244 (P.Y. Rs. 162,773,724) and EPS would have been as under :

Earnings per share : Nominal value of Re.1 per share :	Year ended December 31, 2014	Year ended December 31, 2013
Basic (Rupees)	33.82	39.96
Diluted (Rupees)	33.44	39.84

Key Assumptions :	2014	2012	2011
Variables:			
Expected volatility	26.81%	30.44%	34.77%
Time to maturity	5.41 years	3.69 Years	3.68 Years
Expected dividend	1.65%	2.23%	2.37%
Risk free rate of interest	8.97%	8.40%	8.03%

34. Previous year comparatives

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

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

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

Roopa Kudva
Managing Director &
Chief Executive Officer

M. Damodaran
Director

H.N. Sinor
Director

Nachiket Mor
Director

Vinita Bali
Director

Neeraj Sahai
Director

Amish Mehta
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
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 UK Limited	CRISIL Irevna USA LLC	Pipal Research Analytics and Information Services (I) Pvt. Ltd.	CRISIL Irevna 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	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	5,514,100 Equity Shares of £ 1 each, fully paid up	1 Equity Share of US\$ 200 each, fully paid up	10,000 Equity Shares of Rs.10 each, fully paid up	100% Investment in the capital	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	475,038,261	56,239,958	709,154,861	9,807,517	92,249,261	30,876,552	111,676,699	70,962,449	50,388,849	54,660,823
4	Total Assets	696,740,552	120,287,707	3,549,715,698	724,930,704	141,362,690	68,721,828	455,780,749	84,421,540	82,354,156	97,232,731
5	Total Liabilities	696,740,552	120,287,707	3,549,715,698	724,930,704	141,362,690	68,721,828	455,780,749	84,421,540	82,354,156	97,232,731
6	Investments	-	-	2,666,225,790	552,732	-	-	44	-	-	-
7	Turnover	635,284,729	363,844,933	2,242,130,200	2,521,695,743	282,449,508	173,250,501	1,557,407,368	72,417,863	219,405,929	315,016,378
8	Profit/(Loss) Before Taxation	65,246,901	30,137,615	603,931,304	36,840,980	36,888,373	18,622,652	479,333,250	13,554,696	33,126,358	21,126,961
9	Tax Expense	18,348,990	10,773,510	(10,932,461)	13,473,553	12,380,846	3,617,228	95,174,203	3,842,454	6,071,172	1,659,336
10	Profit After Taxation	46,897,911	19,364,105	614,863,766	23,367,427	24,507,527	15,005,425	384,159,047	9,712,242	27,055,186	19,467,625
11	Dividend Paid	-	-	-	-	-	-	645,254,866	-	-	-

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

Douglas L. Peterson Chairman	Roopa Kudva Managing Director & Chief Executive Officer	M. Damodaran Director
H.N. Sinor Director	Nachiket Mor Director	Vinita Bali Director
Neeraj Sahai Director	Amish Mehta Chief Financial Officer	Neelabja Chakrabarty Company Secretary

Date : February 14, 2015
Place : Mumbai



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INDEPENDENT AUDITOR'S REPORT

To the Members of CRISIL Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at December 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well

as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") 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, 2014;
- (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.

5. Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified

under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs; and

2013, corresponding to clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (e) On the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of sub-section (2) of section 164, The Companies Act,

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**
Partner
Membership Number: 037924

Place : Mumbai
Date : February 14, 2015

ANNEXURE

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: CRISIL Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part 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 4(iii) (a) to (g) 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 4(v)(b) of the Order are not applicable to the Company and hence not commented upon. In evaluating the parties to be covered under Section 301, only contracts or arrangements up to March 31, 2014 (being the last day up to which this section was applicable to the Company) have been considered.
- (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 of the Company and nature of its business.

ANNEXURE

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the period upto March 31, 2014 (the Companies Act, 1956 and relevant section has been replaced by the Companies Act, 2013 effective April 1, 2014), for the services of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to custom 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, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, and service tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5,000,000	A.Y. 2000-01	High Court
		3,875,417	A.Y. 2001-02	High Court
		4,600,929	A.Y. 2002-03	High Court
		3,638,158	A.Y. 2003-04	High Court
		3,196,382	A.Y. 2004-05	High Court
		2,876,744	A.Y. 2005-06	High Court
		24,64,296	A.Y. 2006-07	Commissioner of Income Tax (Appeals)
		23,16,119	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
		30,723,070	A.Y. 2008-09	Income Tax Appellate Tribunal
		39,642,753	A.Y. 2009-10	Income Tax Appellate Tribunal
Sales Tax Act, 1956	Sales Tax	1,927,861	FY 2003-04	Asst. Comm. Of Sales Tax (Appeals)
		3,445,717	FY 2004-05	Asst. Comm. Of Sales Tax (Appeals)
Finance Act	Service Tax	15,042,302	F.Y. 1999-2000 to 2001-2002	Customs Excise & Service Tax Appellate Tribunal

- (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 4(xiii) of the said Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company has not raised any funds during the year. Accordingly, clause xvii of the Order is not applicable and hence not commented upon.

(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 for the period upto March 31, 2014 (the Companies Act, 1956 and relevant section has been replaced by the Companies Act, 2013 effective April 1, 2014).

(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. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place : Mumbai

Date : February 14, 2015

BALANCE SHEET

AS AT DECEMBER 31, 2014

Particulars	Notes	Rupees	
		As at December 31, 2014	As at December 31, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	71,357,055	70,652,890
Reserves and surplus	4	7,202,538,471	6,017,697,424
Non-current liabilities			
Other liabilities	5	122,640,581	139,034,012
Provisions	6	102,650,000	75,020,727
Current liabilities			
Trade payables	7	711,211,009	623,064,505
Other liabilities	8	950,183,630	925,661,533
Provisions	9	1,161,090,059	1,150,349,818
Total		10,321,670,805	9,001,480,909
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	708,335,123	836,377,517
Investments	11	1,513,860,586	1,505,799,530
Deferred tax assets (Net)	12	216,573,204	161,498,270
Loans and advances	13	1,850,163,980	1,806,614,268
Other assets	14	5,317,738	6,958,357
Current assets			
Investments	11	3,555,208,006	2,215,631,084
Trade receivables	15	1,265,934,322	1,530,101,977
Cash and bank balances	16	586,324,269	418,921,895
Loans and advances	17	428,461,888	338,833,710
Other assets	18	191,491,689	180,744,301
Total		10,321,670,805	9,001,480,909
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. LLP**
ICAI Firm Registration No.: 301003E
Chartered Accountants

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

Roopa Kudva
Managing Director &
Chief Executive Officer

M. Damodaran
Director

H.N. Sinor
Director

Nachiket Mor
Director

Vinita Bali
Director

Neeraj Sahai
Director

Amish Mehta
Chief Financial Officer

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
Place : Mumbai

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 2014

			Rupees
Particulars	Notes	Year Ended December 31, 2014	Year Ended December 31, 2013
Income			
Income from operations	19	9,033,665,896	7,892,798,559
Other income	20	320,444,919	428,993,661
Total		9,354,110,815	8,321,792,220
Expenses			
Personnel expenses	21	3,287,104,212	2,940,427,867
Establishment expenses	22	684,722,627	642,529,470
Other expenses	23	2,069,180,866	1,613,171,250
Depreciation / Amortization	10	239,209,866	232,241,739
Total		6,280,217,571	5,428,370,326
Profit before exceptional item		3,073,893,244	2,893,421,894
Exceptional items	32	-	993,630,030
Profit before tax		3,073,893,244	3,887,051,924
Tax expense			
Current tax	25	973,835,349	1,112,239,742
Deferred tax		(55,074,938)	(37,013,754)
Total tax expense		918,760,411	1,075,225,988
Profit after tax		2,155,132,833	2,811,825,936
Earnings per share : Nominal value of Re.1			
Basic		30.37	39.91
Diluted (On account of ESOS, refer note 37)		30.03	39.79
Number of Shares used in Computing earnings per share			
Basic		70,952,575	70,456,790
Diluted (On account of ESOS, refer note 37)		71,760,677	70,668,105
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. LLP**
ICAI Firm Registration No.: 301003E
Chartered Accountants

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

H.N. Sinor
Director

Neeraj Sahai
Director

Roopa Kudva
Managing Director &
Chief Executive Officer

Nachiket Mor
Director

Amish Mehta
Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
Place : Mumbai

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	Year Ended December 31, 2014	Year Ended December 31, 2013
A. Cash flow from operating activities :		
Profit before tax	3,073,893,244	3,887,051,924
Adjustments for :		
Depreciation / Amortization	239,209,866	232,241,739
Profit on sale of current investments	(110,545,061)	-
Unrealised foreign exchange (gain)/loss	(6,981,715)	22,081,382
Profit on sale of fixed assets	(2,236,218)	(8,067,594)
Exceptional item - Profit on sale of investments (Refer note 32)	-	(993,630,030)
Provision for bad debts	124,678,644	108,054,193
Interest income	(20,188,099)	(22,381,856)
Interest on loan to subsidiary	(82,266,631)	(71,237,887)
Dividend on current investments	(47,254,663)	(56,364,243)
Dividend on non-current investments	(2,812,571)	(10,456,500)
Operating profit before working capital changes	3,165,496,796	3,087,291,128
Movements in working capital		
- (Increase)/decrease in trade receivables	144,984,369	(560,204,452)
- (Increase)/decrease in sundry deposits	9,497,836	7,162,284
- (Increase)/decrease in loans to employees	11,177,472	845,064
- (Increase)/decrease in advances	(47,202,549)	(4,571,551)
- (Increase)/decrease in accrued revenue	85,698,038	(58,927,433)
- Increase/(decrease) in trade payables	86,717,882	(43,642,470)
- Increase/(decrease) in unearned revenue and fees received in advance	102,773,464	27,156,811
- Increase/(decrease) in provision for leave benefits	32,410,053	24,932,720
- Increase/(decrease) in provision for gratuity	27,629,273	2,840,148
- Increase/(decrease) in other liabilities	43,777,491	4,939,795
Cash generated from operations	3,662,960,125	2,487,822,044
- Taxes paid	(1,051,242,228)	(1,024,131,367)
Net cash generated from operating activities - (A)	2,611,717,897	1,463,690,677
B. Cash flow from investing activities :		
Purchase of fixed assets	(119,593,207)	(108,729,217)
Proceeds from sale of fixed assets	10,661,953	14,988,029
Interest on loan to subsidiary	81,638,590	66,003,765
Loan given to subsidiary	(214,519,169)	(455,224,348)
Loan repaid by subsidiary	78,403,000	213,044,300
Investments in mutual funds	(3,555,208,006)	(2,215,631,084)
Sale proceeds from investments in mutual funds	2,326,176,145	809,582,041
Investment in fixed deposits (net)	(25,951,415)	(144,320,322)
Sale proceeds from divestiture in India Index Services and Products Limited (Refer note 32)	-	1,000,000,000
Investment in Credit Analysis and Research Limited	-	(812)

	Rupees	
	Year Ended December 31, 2014	Year Ended December 31, 2013
Interest income	21,498,652	19,443,710
Investment in CRISIL Irevna Information Technology (Hangzhou) Co. Limited	(8,061,056)	(4,926,537)
Dividend on current investments	47,254,663	56,364,243
Dividend on non-current investments	2,812,571	10,456,500
Net cash generated (used) in investing activities - (B)	(1,354,887,279)	(738,949,732)
C. Cash flow from financing activities :		
Proceeds from issuance of share capital on exercise of stock options (Refer note 37)	551,194,748	249,132,360
Dividend and dividend tax paid	(1,666,842,509)	(1,071,265,556)
Net cash used in financing activities - (C)	(1,115,647,761)	(822,133,196)
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents - (D)	2,225,926	317,138
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	143,408,783	(97,075,113)
Cash and cash equivalents - Opening balance	262,424,267	359,499,380
Cash and cash equivalents - Closing balance	405,833,050	262,424,267
Net Increase/(decrease) in cash and cash equivalents	143,408,783	(97,075,113)
Components of cash and cash equivalents as at		
With banks on current account	389,265,367	246,855,794
Deposits with original maturity of less than three months	5,834,663	5,228,194
Unpaid dividend account (Earmarked for unpaid dividend)	10,733,020	10,340,279
	405,833,050	262,424,267

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

As per our report of even date

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

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

H.N. Sinor
Director

Neeraj Sahai
Director

Date : February 14, 2015
Place : Mumbai

Roopa Kudva
Managing Director &
Chief Executive Officer

Nachiket Mor
Director

Amish Mehta
Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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. 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 notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Summary of significant accounting policies

2.1 Use of estimates

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

2.2 Fixed assets

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.

2.3 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 and 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 amortized over the lease term or useful life of the asset, whichever is lower.

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

2.4 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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.

2.5 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 recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.6 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 non-current investments. Current

investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current 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.

2.7 Revenue recognition

Revenue is recognized 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 on the date the rating is awarded and a portion of it is deferred 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 IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out or milestones achieved. Fees with respect to certain categories of clients are recognised only when there is 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 recognised in the Statement of Profit and Loss.

2.8 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.

The Company provides gratuity a defined benefit plan to the eligible employees. 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.

2.9 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 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.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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.

2.10 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 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.

2.11 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 organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical locations of customers.

Inter segment transfers

The Company generally accounts for inter segment 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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 amortized over the vesting period of the option on a straight line basis wherever grant price is lower than the market price.

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TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	As at December 31, 2014	As at December 31, 2013
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:		
71,357,055 Equity Shares of Re. 1 each fully paid up (P.Y. 70,652,890 of Re. 1 each)	71,357,055	70,652,890
Total	71,357,055	70,652,890

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

Particulars	As at December 31, 2014	
	Rupees	Nos.
Equity shares		
At the beginning of the year (face value of Re. 1/- per share)	70,652,890	70,652,890
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer Note 37)	704,165	704,165
Outstanding at the end of the year	71,357,055	71,357,055
	As at December 31, 2013	
	Rupees	Nos.
At the beginning of the year (face value of Re. 1/- per share)	70,235,740	70,235,740
Add - Issued during the year – Under employee stock option scheme (ESOS) (Refer Note 37)	417,150	417,150
Outstanding at the end of the year	70,652,890	70,652,890

(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 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	As at December 31, 2014	As at December 31, 2013
Group Holding of the McGraw Hill Financial, Inc.		
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
10,623,059 Equity Shares of Re.1 each fully paid held by McGraw-Hill Asian Holdings (Singapore) Pte Limited, LLC, Fellow Subsidiary (P.Y. 10,612,709* of Re. 1 each)	10,623,059	10,612,709
* 10,350 Equity Shares pending registration for transfer as on 31 December 2013.		
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
	47,832,539	47,822,189

(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

	Nos.
<i>Equity shares bought back by the company</i>	
In 2010	1,281,560
In 2011	910,000
In 2012	Nil
In 2013	Nil
In 2014	Nil
	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.

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

Name of the shareholder	As at December 31, 2014	
	% holding in the class	Nos.
<i>Equity shares of Re. 1 each fully paid</i>		
1. Group Holding of the McGraw Hill Financial, Inc.		
a) S&P India, LLC	43.74%	31,209,480
b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	14.89%	10,623,059
c) Standard & Poor's International LLC, USA	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000

Name of the shareholder	As at December 31, 2013	
	% holding in the class	Nos.
<i>Equity shares of Re. 1 each fully paid</i>		
1. Group Holding of the McGraw Hill Financial, Inc.		
a) S&P India, LLC	44.17%	31,209,480
b) McGraw-Hill Asian Holdings (Singapore) Pte. Ltd.	15.02%	10,612,709
c) Standard & Poor's International LLC, USA	8.49%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.66%	4,000,000

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) plan of the Company, please refer note 37.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	As at December 31, 2014	As at December 31, 2013
4. Reserves and surplus		
Securities premium account		
Opening balance	351,350,634	102,635,424
Add :- Amount received on exercise of employee stock option scheme (Refer note 37)	550,490,583	248,715,210
	901,841,217	351,350,634
Capital reserve	122,232,111	122,232,111
Capital redemption reserve	2,191,560	2,191,560
General reserve		
Opening balance	918,151,816	636,969,222
Add : Transferred from the Statement of Profit and Loss	215,513,283	281,182,594
	1,133,665,099	918,151,816
Hedging reserve account		
Opening balance	(138,422,289)	(29,611,842)
Deductions during the year	138,422,289	29,611,842
Additions during the year	93,770,263	(138,422,289)
	93,770,263	(138,422,289)
Foreign currency monetary item translation account		
Opening balance	242,635,064	79,422,051
Add :- Movement during the year	(56,100,473)	163,213,013
	186,534,591	242,635,064
Surplus in the statement of profit and loss		
Opening balance	4,519,558,528	3,560,604,271
Add : Profit after tax for the year	2,155,132,833	2,811,825,936
Less: Appropriations		
Proposed final equity dividend (amount per share Rs. 10 (P.Y. Rs. 10) of Re. 1 each)	(713,570,550)	(706,528,900)
Interim dividend (amount per share Rs. 10 (P.Y. Rs. 9) of Re. 1 each)	(711,200,400)	(634,997,490)
Corporate dividend tax	(272,103,498)	(230,162,695)
Transfer to general reserve	(215,513,283)	(281,182,594)
Total appropriations	(1,912,387,731)	(1,852,871,679)
Net surplus in the statement of profit and loss	4,762,303,630	4,519,558,528
Total	7,202,538,471	6,017,697,424

	Rupees	
	As at December 31, 2014	As at December 31, 2013
5. Other liabilities		
Non-current		
Unearned revenue and fees received in advance	800,470	24,325
Others	121,840,111	139,009,687
Total	122,640,581	139,034,012

	As at December 31, 2014	Rupees As at December 31, 2013
6. Provisions		
Non-current		
<i>For employee benefits</i>		
For Gratuity (Refer note 34)	102,650,000	75,020,727
Total	102,650,000	75,020,727

	As at December 31, 2014	Rupees As at December 31, 2013
7. Trade payables		
Current		
Trade payables (Refer note 26)	711,211,009	623,064,505
Total	711,211,009	623,064,505

	As at December 31, 2014	Rupees As at December 31, 2013
8. Other liabilities		
Current		
Statutory liabilities	113,057,468	65,899,993
Unearned revenue and fees received in advance	799,475,286	697,477,967
Forward contract liability	-	138,422,289
Others	26,917,856	13,521,005
Unclaimed dividend (Investor Education and Protection Fund will be credited as and when due)	10,733,020	10,340,279
Total	950,183,630	925,661,533

	As at December 31, 2014	Rupees As at December 31, 2013
9. Provisions		
Current		
<i>For employee benefits</i>		
For leave benefits	304,847,374	272,437,321
<i>Other provisions</i>		
Proposed equity dividend	713,570,550	706,528,900
Corporate dividend tax thereon	142,672,135	120,074,587
For tax (net of advance tax)	-	51,309,010
Total	1,161,090,059	1,150,349,818

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

10. Fixed assets

10. Fixed assets									
	Gross Block at Cost			Accumulated Depreciation/Amortization				Rupees Net Block	
	As at January 1, 2014	Additions	Deductions / Adjustments	As at December 31, 2014	Up to January 1, 2014	For the Year	Deductions / Adjustments	Up to December 31, 2014	As at December 31, 2014
Tangible assets									
Buildings	157,352,097	-	-	157,352,097	110,020,998	7,693,310	-	117,714,308	39,637,789
Furniture and Fkture	215,657,421	2,006,072	46,336,606	171,326,887	119,362,816	16,464,219	43,646,937	92,180,098	79,146,789
Office Equipments	320,561,222	6,406,739	25,603,454	301,364,507	154,581,332	29,435,601	23,172,346	160,844,587	140,519,920
Computers	596,797,566	92,769,111	58,576,168	630,990,509	475,401,724	92,595,315	58,425,298	509,571,741	121,418,768
Vehicles	56,800,932	16,233,613	21,645,656	51,388,889	35,840,688	12,710,677	18,491,568	30,059,797	21,329,092
Leasehold Improvements	698,003,998	2,177,672	-	700,181,670	313,588,161	80,310,744	-	393,898,905	306,282,765
Total	2,045,173,236	119,593,207	152,161,884	2,012,604,559	1,208,795,719	239,209,866	143,736,149	1,304,269,436	708,335,123
	Gross Block at Cost			Accumulated Depreciation/Amortization				Net Block	
	As at January 1, 2013	Additions	Deductions / Adjustments	As at December 31, 2013	Up to January 1, 2013	For the Year	Deductions / Adjustments	Up to December 31, 2013	As at December 31, 2013
Tangible assets									
Buildings	157,352,097	-	-	157,352,097	102,237,888	7,783,110	-	110,020,998	47,331,099
Furniture and Fkture	219,483,736	2,639,535	6,465,850	215,657,421	108,667,405	16,809,043	6,113,632	119,362,816	96,294,605
Office Equipments	337,391,869	8,719,330	25,549,977	320,561,222	148,360,989	29,679,158	23,458,815	154,581,332	165,979,890
Computers	556,227,762	77,713,961	37,144,157	596,797,566	427,575,059	83,886,876	36,060,211	475,401,724	121,395,842
Vehicles	55,788,073	14,233,526	13,220,667	56,800,932	31,084,660	14,583,586	9,827,558	35,840,688	20,960,244
Leasehold Improvements	692,347,645	5,656,353	-	698,003,998	234,088,195	79,499,966	-	313,588,161	384,415,837
Total	2,018,591,182	108,962,705	82,380,651	2,045,173,236	1,052,014,196	232,241,739	75,460,216	1,208,795,719	836,377,517

	Rupees	
	As at December 31, 2014	As at December 31, 2013
11. Investments		
A. 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. 5,514,100) Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up	1,139,027,822	1,139,027,822
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 (P.Y. 10,000) Equity Shares 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	22,544,743	14,483,687
100,000 (P.Y. 100,000) Equity Shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up	37,108,494	37,108,494
50,000 (P.Y. 50,000) Equity Shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up	87,133,877	87,133,877
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)	(13,642,499)
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
Quoted equity instruments		
Other investments		
1 (P.Y. 1) Equity Share of Credit Analysis and Research Limited of Rs.10 each, fully paid up	812	812
1 (P.Y. 1) Equity Share of ICRA Limited of Rs.10 each, fully paid up	1,218	1,218
Total Long Term (At Cost) - {A} *	1,513,860,586	1,505,799,530
B. Current investments		
Non-trade investments (valued at lower of cost or market value)		
Unquoted mutual funds		
Investments in Mutual Funds (unquoted)		
1,289,680.54 (P.Y. Nil) units of face value Rs.100.00 each ICICI Prudential Liquid - Direct Plan - Growth	255,920,205	-
169,082.61 (P.Y. Nil) units of face value Rs.1000.00 each Axis Liquid Fund - Direct Growth	251,265,782	-
256,923.92 (P.Y. Nil) units of face value Rs.1000.00 each DSP BlackRock Liquidity Fund - Direct Plan - Growth	500,000,000	-
8,964,773.28 (P.Y. Nil) units of face value Rs.10.00 each HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth	251,015,445	-
9,651,662.30 (P.Y. Nil) units of face value Rs.10.00 each HDFC Liquid Fund - Direct Plan - Growth	255,406,148	-
1,359,377.89 (P.Y. Nil) units of face value Rs.100.00 each ICICI Prudential Money Market Fund - Direct Plan - Growth	252,027,981	-
154,071.66 (P.Y. Nil) units of face value Rs.1000.00 each IDFC Cash Fund - Growth - Direct Plan	251,025,599	-
14,426,257.23 (P.Y. Nil) units of face value Rs.10.00 each JP Morgan India Liquid Fund - Direct Plan - Growth	251,025,532	-
65,969.00 (P.Y. Nil) units of face value Rs.1000.00 each Kotak Floater Short Term - Direct Plan - Growth	145,003,632	-

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TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. Investments (contd.)

	Rupees	
	As at December 31, 2014	As at December 31, 2013
135,903.20 (P.Y. Nil) units of face value Rs.1000.00 each L&T Liquid Fund Direct Plan - Growth	250,073,322	-
85,848.66 (P.Y. Nil) units of face value Rs.10.00 each SBI Magnum Insta Cash Fund - Direct Plan - Growth	254,659,754	-
182,674.11 (P.Y. Nil) units of face value Rs.10.00 each SBI Premier Liquid Fund - Direct Plan - Growth	387,784,606	-
100,669.82 (P.Y. Nil) units of face value Rs.1000.00 each TATA Liquid Fund - Direct Plan - Growth	250,000,000	-
Nil (P.Y. 85,357.00) units of face value Rs.1000.00 each Axis Liquid Fund - Direct Plan - Daily Dividend (CFDRR) (Sold 85,357.00 units during current year)	-	85,367,060
Nil (P.Y. 80,832.68) units of face value Rs 1000.00 each LIC NOMURA MF Liquid Fund - DIRECT - Dividend Plan-LF-D1 (Sold 80,832.68 units during current year)	-	88,754,283
Nil (P.Y. 251,837.61) units of face value Rs 1000.00 each SBI PLF - Direct Plan - Daily Dividend (Sold 251,837.61 units during current year)	-	252,656,083
Nil (P.Y. 254,424.06) units of face value Rs 1000.00 each IDFC Cash Fund - Direct Plan - Daily Dividend (Sold 254,424.06 units during current year)	-	254,510,561
Nil (P.Y. 247,695.21) units of face value Rs.1000.00 each UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend Reinvestment (Sold 247,695.21 units during current year)	-	252,511,814
Nil (P.Y. 2,972,261.37) units of face value Rs 10.00 each Sundaram Money Fund - Direct Plan - Daily Dividend (Sold 2,972,261.37 units during current year)	-	30,027,270
Nil (P.Y. 24,691,025.15) units of face value Rs.10.00 each HDFC Liquid Fund-Direct Plan - Daily Dividend Reinvestment (Sold 24,691,025.15 units during current year)	-	251,804,013
Nil (P.Y. 25,000,000) units of face value Rs.10.00 each HDFC FMP 370D August 2013 (4) Fixed Monthly Plan, NFO (Sold 25,000,000 units during current year)	-	250,000,000
Nil (P.Y. 25,000,000) units of face value Rs.10.00 each UTI FMP Collection Fund - Fixed Monthly Plan, NFO (Sold 25,000,000 units during current year)	-	250,000,000
Nil (P.Y. 15,000,000) units of face value Rs 10.00 each IDFC FTP Series 31 - Fixed Monthly Plan, NFO (Sold 15,000,000 units during current year)	-	150,000,000
Nil (P.Y. 10,000,000) units of face value Rs. 10.00 each ICICI Prudential Fixed Maturity Plan - Series 69 - 369 Days - Plan J - Fixed Monthly Plan, NFO (Sold 10,000,000 units during current year)	-	100,000,000
Nil (P.Y. 25,000,000) units of face value Rs 10.00 each Deutsche Mutual Fund - FMP Series 34 - Direct - Growth (Sold 25,000,000 units during current year)	-	250,000,000
	3,555,208,006	2,215,631,084
Total investments in Mutual Funds {B} **	3,555,208,006	2,215,631,084
Total investments {A}+{B}	5,069,068,592	3,721,430,614
*Aggregate market value of Company's investment in Quoted equity instruments	4,678	2,354
**Aggregate Net Asset Value (NAV) of Company's investment in Unquoted Mutual Funds	3,621,242,166	2,260,250,085

	Rupees	
	As at December 31, 2014	As at December 31, 2013
12. Deferred tax asset		
Deferred tax liability		
On fixed assets	35,540,104	65,514,871
Gross deferred tax liability	35,540,104	65,514,871
On lease rent amortisation	50,562,833	51,845,182
On provision for leave encashment	97,594,508	84,839,013
On provision for bonus and commission	26,703,949	29,782,784
On provision for gratuity	26,753,002	18,230,461
On provision for bad debts	39,136,611	33,040,783
On initial rating fees deferred	7,340,450	6,156,020
On disallowance under section 40(a)	4,021,955	3,118,898
Gross deferred tax asset	252,113,308	227,013,141
Net deferred tax asset	216,573,204	161,498,270

	Rupees	
	As at December 31, 2014	As at December 31, 2013
13. Loans and advances		
Non-current		
<i>Unsecured, considered good</i>		
Sundry deposits	358,480,510	392,464,184
Loan to subsidiary	1,457,660,780	1,410,753,186
<i>Other loans and advances;</i>		
Advance income-tax (net of provision for taxation)	26,097,869	-
Prepaid expenses	7,924,821	3,396,898
Total	1,850,163,980	1,806,614,268

	Rupees	
	As at December 31, 2014	As at December 31, 2013
14. Others assets		
Non-current		
Interest accrued on fixed deposits	106,823	3,705,266
<i>Other bank balances</i>		
– Deposits with original maturity for more than 12 months	5,210,915	3,253,091
(Deposit includes fixed deposits with banks Rs.5,149,975 (P.Y. Rs.3,168,815) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24})		
Total	5,317,738	6,958,357

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TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	As at December 31, 2014	As at December 31, 2013
15. Trade receivables		
Current		
<i>Unsecured, considered good unless stated otherwise</i>		
<i>Outstanding for a period exceeding six months from the date they are due for payment</i>		
Unsecured, considered good	33,333,108	29,284,365
Unsecured, considered doubtful	115,141,543	97,207,364
Other receivables		
Unsecured, considered good	1,232,601,214	1,500,817,612
Less : Provision for doubtful receivables	(115,141,543)	(97,207,364)
Total	1,265,934,322	1,530,101,977

	Rupees	
	As at December 31, 2014	As at December 31, 2013
16. Cash and bank balances		
Cash and cash equivalents		
<i>Balances with banks:</i>		
– On current accounts	389,265,367	246,855,794
– Deposits with original maturity of less than three months	5,834,663	5,228,194
– On unpaid dividend account	10,733,020	10,340,279
	405,833,050	262,424,267
Other bank balances		
– Deposits with original maturity within 12 months	180,491,219	156,497,628
(Deposit includes fixed deposits with Banks Rs.5,635,325 (P.Y. Rs. 5,095,870) marked as lien for guarantees issued by banks on behalf of the Company {Refer note 24})		
Total	586,324,269	418,921,895

	Rupees	
	As at December 31, 2014	As at December 31, 2013
17. Loans and advances		
Current		
<i>Unsecured, considered good</i>		
Sundry deposits	27,391,391	2,905,553
Loan to subsidiary	235,818,544	202,710,442
Advances recoverable in cash or kind	79,455,343	40,553,638
<i>Other loans and advances;</i>		
Cenvat credit receivable	31,136,673	27,747,124
Prepaid expenses	32,051,811	31,131,355
Loans to employees	22,608,126	33,785,598
Total	428,461,888	338,833,710

	Rupees	
	As at December 31, 2014	As at December 31, 2013
18. Others assets		
Current		
Interest accrued on fixed deposits	2,503,818	215,928
Forward contract receivable	93,440,799	-
Accrued revenue	78,079,690	163,593,959
Interest accrued on loan to subsidiary	17,467,382	16,934,414
	191,491,689	180,744,301

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
19. Income from operations		
Income from rating services	4,450,382,210	4,103,493,234
Income from research services	4,583,283,686	3,789,305,325
Total	9,033,665,896	7,892,798,559

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
20. Other income		
Interest on bank deposits	17,579,100	20,962,355
Interest on loan to subsidiary	82,266,631	71,237,887
Other interest income	2,608,999	1,419,501
Dividend on current investments	47,254,663	56,364,243
Dividend on non-current investments	2,812,571	10,456,500
Profit on sale of current investments (Net)	110,545,061	-
Foreign exchange gain (Net)	30,367,141	233,924,425
Miscellaneous income	24,774,535	26,561,156
Profit on sale of fixed assets (Net)	2,236,218	8,067,594
Total	320,444,919	428,993,661

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
21. Personnel expenses		
Salaries, wages and bonus	3,104,570,653	2,807,020,336
Contribution to provident and other funds	95,046,126	83,378,202
Contribution to gratuity fund (Refer note 34)	59,657,273	25,807,140
Staff training and welfare expenses	81,714,864	67,768,743
Less : Recoveries from subsidiaries towards overheads allocated	(53,884,704)	(43,546,554)
Total	3,287,104,212	2,940,427,867

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TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
22. Establishment expenses		
Repairs and maintenance - Buildings	125,309,705	89,389,221
Repairs and maintenance - Others	65,657,226	64,924,508
Electricity	76,089,895	71,553,918
Communication expenses	69,076,444	68,894,998
Insurance	1,242,772	1,422,175
Rent (Refer note 33)	355,154,400	351,762,155
Rates and taxes	1,487,966	1,718,757
Less : Recoveries from subsidiaries towards overheads allocated	(9,295,781)	(7,136,262)
Total	684,722,627	642,529,470

	Rupees	
	Year ended December 31, 2014	Year ended December 31, 2013
23. Other expenses		
Printing and stationery	30,584,384	25,680,812
Conveyance and travelling	238,863,780	191,596,932
Data subscription	34,413,596	32,153,350
Vehicle expenses	707,743	729,592
Remuneration to non-whole time directors	9,900,000	13,760,000
Business promotion and advertisement	15,915,889	10,119,757
Professional fees	1,197,768,471	905,563,483
Associate service fee	352,498,932	285,506,889
Software purchase expense	22,282,836	25,366,518
Provision for bad debts (Including bad debt)	124,678,644	108,054,193
Software maintenance expenses	10,309,242	7,822,468
Auditors' remuneration (Refer note 28)	3,679,783	3,222,603
Recruitment expenses	34,570,504	5,318,556
Miscellaneous expenses	14,843,607	15,069,182
Less : Recoveries from subsidiaries towards overheads allocated	(21,836,545)	(16,793,085)
Total	2,069,180,866	1,613,171,250

	Rupees	
Particulars	Year ended December 31, 2014	Year ended December 31, 2013
24. Details of contingent liabilities are as under :		
1. Bank Guarantee in the normal course of business	132,585,300	8,264,685
2. Disputed Income, Service & Sales Tax Demand:		
(i) Pending before Appellate authorities in respect of which the Company is in appeal	83,570,108	69,882,397
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	35,179,640	23,506,360
3. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for 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.	10,497,267	21,119,281
Total	261,832,315	122,772,723

25. The tax year of the Company being the year ending March 31, 2015, the provision for tax for the year is the aggregate of the provision made for the three months ended March 31, 2014 and the provision for the nine months upto December 31, 2014. The tax provision for nine months has been arrived at using the effective tax rate for the period April 1, 2014 to March 31, 2015.

26. The Company has a 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 any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.

27. Payment and earnings in foreign currency

a) Value of imports calculated on C.I.F basis for capital goods is Rs. Nil (P.Y. Nil)

b) Expenditure in foreign currency

	Rupees	
Particulars	Year Ended December 31, 2014	Year Ended December 31, 2013
Foreign travel	40,423,893	36,258,356
Professional fees	733,512,705	612,779,975
Other expenses	14,025,439	14,832,949
Total	787,962,037	663,871,280

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

Particulars	Year Ended December 31, 2014	Year Ended December 31, 2013
Number of shareholders	3	3
Number of equity shares of Re 1 each held by them on which dividend was paid	47,832,539	47,822,189
Period to which dividend relates	2013 and 2014	2012 and 2013
Amount remitted (Rupees)	956,650,780	515,561,367

d) Earnings in foreign currency

Particulars	Year Ended December 31, 2014	Year Ended December 31, 2013
Exports of services	5,091,731,806	4,402,981,752

	Rupees	
Particulars	Year ended December 31, 2014	Year ended December 31, 2013

28. Auditors' remuneration includes

Audit fees	3,200,000	2,789,000
In any other matter:		
Certification work	330,000	319,000
Out of pocket expenses	149,783	114,603
Total	3,679,783	3,222,603

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

29. 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, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services
- Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Segment reporting for the year ended December 31, 2014

Particulars	Business segments		Rupees
	Ratings	Research	Total
Operating revenue	4,450,382,210	4,583,283,686	9,033,665,896
Segment results	1,656,015,639	1,336,084,869	2,992,100,508
Add / (Less) Unallocables:			
1. Unallocable Income			
Interest income			102,454,730
Profit on sale of investments			110,545,061
Profit on sale of fixed assets			2,236,218
Others			125,486,771
2. Unallocable expenditure			(19,720,178)
3. Depreciation			(239,209,866)
Profit before exceptional item			3,073,893,244
Exceptional item			-
Profit before tax			3,073,893,244
Tax expense			(918,760,411)
Profit after tax			2,155,132,833
Non-cash expenses other than depreciation and amortisation	139,076,141	41,112,992	180,189,133
Segment Assets	405,545,294	2,461,218,916	2,866,764,210
Unallocable Assets*			7,454,906,595
Segment Liabilities	560,975,806	239,299,950	800,275,756
Unallocable Liabilities*			2,247,499,523

Revenue by geographic segments

Geography	Rupees
India	3,941,934,090
Europe	2,414,393,185
North America	2,302,833,785
Rest of the world	374,504,836
Total	9,033,665,896

29. Segment reporting (contd.)

Segment reporting for the year ended December 31, 2013

Particulars	Business segments		Rupees
	Ratings	Research	Total
Operating revenue	4,103,493,234	3,789,305,325	7,892,798,559
Segment results	1,639,439,148	1,202,051,506	2,841,490,654
Add / (Less) Unallocables :			
1. Unallocable income			
Interest income			93,619,743
Profit on sale of fixed assets			8,067,594
Others			196,251,938
2. Unallocable expenditure			(13,766,296)
3. Depreciation			(232,241,739)
Profit before exceptional item			2,893,421,894
Exceptional item (Refer note 32)			993,630,030
Profit before tax			3,887,051,924
Tax expense			(1,075,225,988)
Profit after tax			2,811,825,936
Non-cash expenses other than depreciation and amortisation	121,241,113	12,097,544	133,338,657
Segment Assets	501,373,010	2,689,077,889	3,190,450,899
Unallocable Assets*			5,811,030,010
Segment Liabilities	480,580,702	216,921,589	697,502,291
Unallocable Liabilities*			2,215,628,304

Revenue by geographic segments

Geography	Rupees
India	3,489,816,807
Europe	1,988,605,068
North America	2,151,715,790
Rest of the world	262,660,894
Total	7,892,798,559

Notes to Segmental Results :

*Assets and liabilities used interchangeably between segments has been classified as unallocable. The Company believes that it is currently not practicable to allocate all 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.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

30. List of related parties (as per Accounting Standard 18)

Parties	Relationship
Related parties where control exists	
McGraw Hill Financial, 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. z o.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	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 Asian Holdings (Singapore) Pte. Ltd.	Fellow Subsidiary
McGraw-Hill Companies Canada Corp.	Fellow Subsidiary
McGraw Hill Asia Holding	Fellow Subsidiary
S&P Credit Market Services Europe Ltd.	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
S&P Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poors Ratings Services	Fellow Subsidiary
India Index Services and Products Limited	Joint Venture (Refer note 32)
Capital IQ, Inc	Fellow Subsidiary
Ravinder Singhania	Alternate Director
Key Management Personnel	
Roopa Kudva	Managing Director & Chief Executive Officer

31. Related party disclosure

Name of the related party	Nature of transaction	Rupees	
		Year ended December 31, 2014	Year ended December 31, 2013
Standard & Poor's LLC	Professional services rendered	9,828,414	12,404,360
	Amount receivable	2,246,741	3,983,452
McGraw-Hill Companies Canada Corp.	Professional services rendered	6,853,078	5,158,241
	Amount receivable	-	466,425
S&P Credit Market Services Europe Ltd.	Professional services rendered	351,152,366	330,389,545
	Amount receivable	51,038,898	44,111,842
Standard & Poor's Financial Services, LLC	Professional services rendered	891,785,399	883,938,006
	Amount receivable	-	73,567,961
	Subscription fees paid	470,017	-
S&P Singapore Pte. Ltd.	Professional services rendered	38,692,309	30,083,523
	Amount receivable	3,339,594	2,689,320

31. Related party disclosure (contd.)

		Rupees	
Name of the related party	Nature of transaction	Year ended December 31, 2014	Year ended December 31, 2013
Standard & Poor's Hong Kong Limited	Professional services rendered	16,535,009	9,693,662
	Amount receivable	1,394,481	2,479,032
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	25,736,359	21,564,186
	Reimbursement of expenses	-	7,392,499
	Amount receivable	2,177,169	3,866,784
Standard & Poor's South Asia Services Private Limited	Professional Services Rendered	500,000	-
	Reimbursement of expenses received	9,509,709	10,335,078
	Amount receivable	1,775,227	1,957,337
Standard & Poors Ratings Services	Reimbursement of expenses received	14,980	-
	Amount receivable (net)	16,832	-
S&P India, LLC	Dividend	624,189,600	592,980,120
	Share capital outstanding	31,209,480	31,209,480
Standard & Poor's International LLC, USA	Dividend	120,000,000	114,000,000
	Share capital outstanding	6,000,000	6,000,000
	Sitting fees and commission paid to nominee directors	340,000	3,960,000
McGraw-Hill Asian Holdings (Singapore) Pte. Ltd	Dividend	212,461,180	137,965,217
	Share capital outstanding	10,623,059	10,612,709
McGraw Hill Financial, Inc.	Reimbursement of expenses received	6,952,551	25,000
	Reimbursement of expenses paid	33,362	-
	Amount receivable (net)	6,918,482	130,018
McGraw Hill Asia Holding	Reimbursement of expenses received	-	4,475,617
	Amount receivable	-	5,028,803
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	1,185,999	1,276,000
	Professional fees paid	10,804,832	-
	Expenses recovered	43,472,460	33,902,835
	Share of overhead expenses received	44,151,957	38,234,822
	Amount receivable (net)	9,718,236	7,954,926
	Investment outstanding	49,999,900	49,999,900
CRISIL Irevna UK Limited	Professional services rendered	1,602,255,629	1,210,064,475
	Reimbursement of expenses received	5,247,238	2,144,297
	Amount receivable (net)	353,388,813	557,113,487
	Investment outstanding	1,139,027,822	1,139,027,822
	Loan outstanding	1,693,479,324	1,613,463,628
	Loan given	214,519,169	455,224,348
	Loan repaid	78,403,000	213,044,300
	Interest income	82,266,631	71,237,887
CRISIL Irevna US LLC	Interest amount receivable	17,467,382	16,934,414
	Professional services rendered	1,253,612,865	1,016,922,029
	Amount receivable (net)	426,978,674	433,976,732
CRISIL Irevna Argentina, S.A.	Investment outstanding	10,501,668	10,501,668
	Professional fees paid	362,958,097	323,512,800
	Amount payable (net)	36,684,799	32,656,980
CRISIL Irevna Poland Sp.zo.o	Professional fees paid	113,735,152	121,092,526
	Reimbursement of expenses received	539,377	-
	Amount payable	10,071,721	11,877,267

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TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

31. Related party disclosure (contd.)

Name of the related party	Nature of transaction	Rupees	
		Year ended December 31, 2014	Year ended December 31, 2013
India Index Services and Products Limited	Dividend received	-	7,644,000
Pipal Research Analytics and Information Services India Private Limited	Investment outstanding	111,292,051	111,292,051
	Professional fees paid	282,439,508	128,258,522
	Reimbursement of expenses received	107,677	-
	Reimbursement of expenses paid	105,216	157,824
	Share of overhead expenses received	40,865,079	29,241,079
	Rent recovered	15,918,707	15,998,868
	Guarantee provide to bankers	121,800,000	-
	Amount receivable (net)	-	6,799,102
	Amount payable (net)	17,404,668	-
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Investment outstanding	22,544,743	14,483,687
	Investment made during the year	8,061,056	4,926,537
	Amount payable (net)	14,746,951	13,462,657
	Professional fees paid	173,250,501	108,688,918
	Reimbursement of expenses received	1,186,181	-
	Advance recoverable	1,204,404	-
Coalition Development Systems (India) Private Limited	Investment outstanding	87,133,877	87,133,877
	Reimbursement of expenses received	172,026	-
Mercator Info-Services India Private Limited	Investment outstanding	37,108,494	37,108,494
	Reimbursement of expenses received	297,789	-
Coalition Development Singapore Pte Limited	Professional services paid	3,138,680	657,702
	Amount payable	260,156	648,082
Roopa Kudva*	Remuneration paid	48,914,800	33,603,537
	Dividend	914,000	936,000
	Options granted	75,000	-

*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.

- 32.** The Company had 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 :

Particulars	Rupees	
	Unaudited Year ended December 31, 2014	Year ended December 31, 2013
Income	-	105,718,364
Expenses	-	20,296,948
Tax expense	-	26,485,595

Note: On August 27, 2013, CRISIL sold its entire equity stake in India Index Services & Products Limited (IISL), a joint venture with National Stock Exchange of India Limited (NSE), for a total consideration of Rs 100 crore. The stake represented 49% of the equity share capital of IISL. The income, expense and tax expense for the previous year are for the period January 01, 2013 to August 27, 2013.

33. 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 :

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Lease Payment recognised in the Statement of Profit and Loss	355,154,400	351,762,155
Future Minimum Lease Payments :		
Not later than One Year	393,980,173	377,355,226
Later than One Year and not later than Five Years	1,072,686,111	1,398,087,621
Later than Five Years	95,205,654	146,106,169
Total	1,561,871,938	1,921,549,016

34. 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)

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Current Service cost	35,481,580	34,505,570
Interest cost on defined benefit obligation	15,264,180	12,996,350
Expected return on plan assets	(8,802,317)	(7,410,950)
Net actuarial (gain)/ loss recognised in the year	17,713,830	(14,283,830)
Net gratuity benefit expense	59,657,273	25,807,140

Balance Sheet:

Details of provision for gratuity benefit

Particulars	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Present value of funded obligations	201,897,000	162,622,860	150,986,640	118,386,100	108,091,000
Less: Fair value of plan assets	(99,247,000)	(87,602,133)	(78,806,061)	(72,584,782)	(51,130,570)
Net liability	102,650,000	75,020,727	72,180,579	45,801,318	56,960,430

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

Particulars	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Opening Defined Benefit Obligation	162,622,860	150,986,640	118,386,100	108,091,000	53,926,870
Current Service Cost	35,481,580	34,505,570	28,630,960	26,330,470	14,275,170
Interest Cost	15,264,180	12,996,350	9,679,000	8,494,560	4,093,320
Plan Amendment Cost	-	-	-	(26,151,020)	-
Acquisition Cost/(Credit)	-	(271,450)	-	-	-
Actuarial (gain)/loss	16,186,560	(13,242,500)	3,316,830	10,618,610	43,812,226
Benefits paid	(27,658,180)	(22,351,750)	(9,026,250)	(8,997,520)	(8,016,586)
Closing defined benefit obligation	201,897,000	162,622,860	150,986,640	118,386,100	108,091,000

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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

	Rupees				
Particulars	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Opening fair value of plan assets	87,602,133	78,806,061	72,584,782	51,130,570	46,883,930
Expected return on plan assets	8,802,317	7,410,950	6,017,529	5,183,522	3,434,500
Actuarial gain/ (loss)	(1,527,260)	1,041,302	(1,107,950)	1,057,080	2,992,816
Contribution by employer	32,027,990	22,979,840	10,337,950	24,211,130	5,835,910
Asset acquired on acquisition	-	(284,270)	-	-	-
Benefits paid	(27,658,180)	(22,351,750)	(9,026,250)	(8,997,520)	(8,016,586)
Closing fair value of plan assets	99,247,000	87,602,133	78,806,061	72,584,782	51,130,570

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

	Rupees				
Particulars	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011	Year ended December 31, 2010
Experience adjustment on plan assets (Rs)	(1,527,260)	1,041,302	(1,107,950)	1,056,890	2,992,816
Experience adjustment on plan liabilities (Rs)	9,780,440	(1,566,020)	(396,720)	(15,410,000)	(41,461,230)

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, 2014	Year ended December 31, 2013
Investment with Insurer	100%	100%
Actual return on plan assets (Based on interest rate declared by the insurer as at 31st March 2014/2013)	8.75%	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, 2014	Year ended December 31, 2013
Discount Rate	8.10%	9.40%
Estimated rate of return on plan assets	8.50%	8.50%
Expected Employee Turnover		
Age : 20-44 Years	6.50%	6.50%
Age : 45-58 Years	6.00%	6.00%
Expected employer's contribution next year (Rupees)	35,000,000	26,400,000

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.

Broad category of plan assets as per percentage of total plan assets of the gratuity

Particulars	Year ended December 31, 2014	Year ended December 31, 2013
Government securities	45.49%	40.00%
Fixed deposit, debentures and bond	49.06%	53.52%
Others	5.45%	6.48%
Total	100.00%	100.00%

Based on information declared by the insurer as at 31st March 2014/2013

35. Details of unhedged foreign exposure

Particulars Currency	Year ended December 31, 2014		Year ended December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
USD	546,629,077	25,957,654	648,197,959	10,322,465
GBP	3,224,852,711	-	3,446,723,531	593,304
EUR	90,810,576	36,866	115,000,009	626,886
Others	11,525,429	69,053,328	12,103,635	33,600,896
Total	3,873,817,793	95,047,848	4,222,025,134	45,143,551

36. The Company has a hedge programme in place to mitigate foreign exchange (forex) related risk. Accounting for revenue hedge is done as per principles of AS 30 "Financial Instruments: Recognition and Measurement wherein mark to market on forward contracts entered to hedge highly probable future transactions are routed through hedge reserve account. Details of currency hedge and forward contract value are as under :

Particulars Hedged Currency	Year ended December 31, 2014		Year ended December 31, 2013	
	Amount	Amount in INR	Amount	Amount in INR
USD	31,658,000	2,079,242,287	31,891,000	2,015,710,355
GBP	10,211,160	1,097,814,237	10,447,000	1,041,206,340
EUR	4,233,880	368,419,357	4,399,000	370,752,170

37. 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 granted are as under :

Details	ESOP 2014	ESOP 2012	ESOP 2012	ESOP 2012	ESOP 2011	ESOP 2011	ESOP 2011
		(1)	(2)	(3)	(1)	(2)	(3)
Date of grant	17-Apr-14 *	16-Apr-12	16-Apr-12	14-Feb-14	14-Feb-11	14-Feb-11	3-Oct-14
No. of options granted	2,860,300	903,150	5,125	123,000	1,161,000	23,750	33,000
Exercise price (Rs.)	1,217.20	1,060.00	1,060.00	1,119.85	579.88	579.88	1,985.95
Graded vesting period :							
1st Year	953,433	180,630	5,125	24,600	232,200	23,750	6,600
2nd Year	953,433	361,260	-	49,200	464,400	-	13,200
3rd Year	953,434	361,260	-	49,200	464,400	-	13,200
Weighted average price of options as per Black -Scholes Option Pricing model at the grant date (Rs)	469.48	320.59	230.97	334.2	185.21	149.41	583.69

* 1st year starting from 2017

A summary of status of Company's employee stock option scheme is as given below:

Particulars	As at December 31, 2014	As at December 31, 2013
Outstanding at the beginning of the year	1,229,685	1,822,200
Add: granted during the year	3,016,300	-
Less: Forfeited/lapsed during the year	393,545	175,665
Exercised during the year	733,645	416,850
Outstanding at the end of the year	3,118,795	1,229,685

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	As at December 31, 2014		As at December 31, 2013	
	(Nos)	Amount	(Nos)	Amount
Exercised during the year	733,645	551,194,748	416,850	249,132,360
Weighted average share price at the date of exercise	-	1,625.24	-	1,007.42

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	As at December 31, 2014		As at December 31, 2013	
	(Nos)	Amount	(Nos)	Amount
Not later than Two Year	496,345	526,272,806	1,229,685	1,078,184,194
Later than Two Year & not later than Five Years	2,622,450	3,199,078,440	-	-
Total	3,118,795	3,725,351,246	1,229,685	1,078,184,194

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 100% of the closing market price immediately prior to the date of grant on the stock exchange which recorded highest trading volume.

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. 284,857,244 (P.Y. Rs. 162,773,724) and EPS would have been as under :

Earnings per share : Nominal value of Re.1 per share :	Year ended December 31, 2014	Year ended December 31, 2013
Basic (Rupees)	26.36	37.60
Diluted (Rupees)	26.06	37.49

Key Assumptions :	2014	2012	2011
Variables:			
Expected volatility	26.81%	30.44%	34.77%
Time to maturity	5.41 years	3.69 Years	3.68 Years
Expected dividend	1.65%	2.23%	2.37%
Risk free rate of interest	8.97%	8.40%	8.03%

38. Previous year comparatives

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

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

per **Jayesh Gandhi**
Partner
Membership No.: 037924

Date : February 14, 2015
Place : Mumbai

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

Douglas L. Peterson
Chairman

H.N. Sinor
Director

Neeraj Sahai
Director

Roopa Kudva
Managing Director &
Chief Executive Officer

Nachiket Mor
Director

Amish Mehta
Chief Financial Officer

M. Damodaran
Director

Vinita Bali
Director

Neelabja Chakrabarty
Company Secretary

Date : February 14, 2015
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. z o.o.	CRISIL Irevna UK Limited	CRISIL Irevna US LLC	Pipal Research Analytics and Information Services (I) Pvt. Ltd.	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, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014
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	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%	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, 2014 of the subsidiary (Rupees)	46,897,911	19,364,105	2,929,391	614,863,766	23,367,427	24,507,527	15,005,425	384,159,047	9,712,242	27,055,186	19,467,625
	(b) Profits / (losses) for the previous financial year of the subsidiary, since it became the subsidiary of CRISIL Limited (Rupees)	54,263,876	23,323,742	(1,335,761)	33,413,328	13,631,916	29,860,906	7,436,296	342,833,285	11,880,574	17,833,424	12,866,902
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, 2014 (Rupees)	-	-	-	-	-	-	-	-	-	-	-
	(b) For the previous year since it became a subsidiary of CRISIL Limited (Rupees)	-	-	-	-	-	-	-	-	-	-	-

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

Douglas L. Peterson Chairman	Roopa Kudva Managing Director & Chief Executive Officer	M. Damodaran Director
H.N. Sinor Director	Nachiket Mor Director	Vinita Bali Director
Neeraj Sahai Director	Amish Mehta Chief Financial Officer	Neelabja Chakrabarty Company Secretary

 Date : February 14, 2015
 Place : Mumbai

NOTICE

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Friday, April 17, 2015 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 financial statement of the Company for the financial year ended December 31, 2014 together with the Report of the Board of Directors and the Auditors thereon and the consolidated audited financial statement of the Company for the financial year ended December 31, 2014.

2. Declaration of dividend

To declare final and special dividend on Equity Shares for the year ended December 31, 2014 and confirm the declaration and payment of three interim dividends aggregating Rs. 10 per equity share during financial year 2014.

3. Re-appointment of Mr. Douglas L. Peterson

To appoint a Director in place of Mr. Douglas L. Peterson (DIN 05102955), who retires by rotation and being eligible, seeks re-appointment.

4. Appointment of auditors

To appoint S. R. Batliboi & Co. LLP, (Firm Reg. No. 301003E), Chartered Accountants, the retiring Auditors as Statutory Auditors of the Company for a term of 2 (two) consecutive years from the conclusion of this Twenty Eighth Annual General Meeting upto the conclusion of Thirtieth Annual General Meeting of the Company in the calendar year 2017, subject to ratification of their appointment in the intermittent Annual General Meeting to be held in calendar year 2016, and to authorise the Board of Directors to fix their remuneration as may be mutually agreed with the Auditors, in addition to reimbursement of Service Tax and all out of pocket expenses incurred in connection with the audit of accounts of the Company, and for the purpose, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, S. R. Batliboi & Co. LLP, (Firm Reg. No. 301003E), Chartered Accountants, the retiring Auditors, be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Thirtieth Annual General Meeting of the Company to be held in the calendar year 2017 and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."

Special business

5. Appointment of Mr. Neeraj Sahai as a Non-Executive Director, liable to retire by rotation

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

"RESOLVED THAT Mr. Neeraj Sahai (DIN 06978371), who was appointed as an Additional Director of the Company with effect from October 17, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board
For CRISIL Limited

Neelabja Chakrabarty
Company Secretary

Mumbai, February 14, 2015

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. 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.
3. The Statement setting out details relating to the Special Business to be transacted at the Annual General Meeting, pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, March 12, 2015 to Friday, March 13, 2015 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Annual General Meeting.
5. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on May 5, 2015:
 - (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 11, 2015; 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 11, 2015.

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. Members 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 Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or un-encashed dividends for financial years upto 2006 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 and is also published in this Annual Report under the section titled, 'Report on Corporate Governance'. Further, pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on April 17, 2014, i.e. date of last Annual General Meeting, in respect of dividends declared from financial year 2007 up to financial year 2013, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on October 31, 2014 in respect of dividends declared in the financial year 2014, on the website of the Company.

8. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2011, Employee Stock Option

NOTICE

Scheme – 2012 and Employee Stock Option Scheme – 2014 are being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
10. The Annual Report of the Company for the financial year 2014 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.
Members who have not registered their email addresses so far are requested to register them for receiving all communication including Annual Report and other Notices from the Company electronically.
11. Brief resume of all Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is appended. The Company is in receipt of relevant disclosures / consents from the Directors pertaining to their appointment / re-appointment.
12. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

13. 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.
14. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is pleased to provide e-Voting facility to the Members of the Company so as to facilitate them to cast their vote on all resolutions set forth in this Notice electronically, through e-voting services provided by Karvy Computershare Private Limited.

The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP ID - Client ID will be your User-ID.

User – ID For Members holding shares in Demat Form:-

a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

b) For CDSL :- 16 digits beneficiary ID

For Members holding shares in Physical Form:-

- Event no. followed by Folio Number registered with the company

Password Your Unique password is printed on the Form / forwarded via email through the electronic notice

Captcha Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Members can cast their vote online from Saturday, April 11, 2015 from 9:00 a.m. to Monday, April 13, 2015 till 5:30 p.m.
 - iv) After entering these details appropriately, click on "LOGIN".
 - v) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi) You need to login again with the new credentials.
 - vii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
 - viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login id and password are to be used.
 - ix) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
 - x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xii) Corporate / Institutional Members (Corporate/ Fls / FIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to krchandratreoffice@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no.".
 - xiii) If you are already registered with Karvy Computershare Private Limited (KCPL) for e-voting then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - xiv) Please contact KCPL's toll free No. 1-800-34-54-001 for any further clarifications.
16. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on February 27, 2015 ("Cut-Off Date").
 17. Dr. K. R. Chandratre, Practicing Company Secretary has been appointed as Scrutiniser for scrutinising the e-voting process in a fair and transparent manner. The Scrutiniser shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 18. The Results shall be declared at or after the Annual General Meeting of the Company. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website www.crisil.com and on the website of Karvy within two working days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the shares of the Company are listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.
 19. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman may offer an opportunity to such members to vote at the Meeting for all business specified in the accompanying notice. Please note that the Members who have exercised their right to vote by electronic

NOTICE

means shall not vote at the Meeting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.

20. The Results of e-voting and voting at the meeting, if any, on resolutions shall be aggregated and declared on or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

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

1. Mr. Douglas L. Peterson :

Mr. Douglas L. Peterson, retires by rotation and being eligible, seeks re-appointment. He is the President and Chief Executive Officer of McGraw Hill Financial, a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Mr. Peterson, 56, was elected President and Chief Executive Officer of McGraw Hill Financial, effective November 2013. He joined the Company in September 2011 and served as President of Standard & Poor's Ratings Services.

Previously, Mr. Peterson was the Chief Operating Officer of Citibank, N.A., Citigroup's principal banking entity that operates in more than 100 countries. Mr. Peterson was with Citigroup for 26 years, during which time he transformed businesses and drove performance in investment and corporate banking, brokerage, asset management, private equity, and retail banking. His prior roles include CEO of Citigroup Japan, Country Manager for Costa Rica and Uruguay, and Chief Auditor of Citigroup.

Mr. Peterson is Co-Chairman of the World Economic Forum's Global Strategic Infrastructure Initiative. He serves on the Board of Directors of McGraw Hill Financial, the Federal Deposit Insurance Corporation's Systemic Resolution Advisory Committee, the Institute of International Finance's Market Monitoring Group, the Boards of Advisors of Wharton Financial Institutions Center and the Kravis Leadership Institute, and the Boards of Trustees of Claremont McKenna College and the Paul Taylor Dance Company.

Mr. Peterson received an MBA from the Wharton School at the University of Pennsylvania and an undergraduate degree in mathematics and history at Claremont McKenna College.

Mr. Peterson is not a director of any other public limited company in India. He is the member of the Nomination and Remuneration Committee of CRISIL. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

The Board considers it in the interest of the Company to re-appoint Mr. Douglas L. Peterson as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Douglas L. Peterson, is in any way, interested or concerned in this Resolution.

2. Mr. Neeraj Sahai :

Mr. Neeraj Sahai joined McGraw Hill Financial (MHFI) as the President of Standard & Poor's Ratings Services (S&P) in January 2014. In this role, Mr. Sahai leads S&P, a leading provider of independent credit ratings and analysis one of the business of MHFI, a high-growth, high-margin benchmarks and analytics company serving the capital and commodity markets. He also serves as a member of the MHFI Executive Committee and is the head of the S&P Ratings Services Executive Committee.

Mr. Neeraj Sahai has significant experience serving global capital markets, and his insights, leadership and background will be enormously valuable to CRISIL. He has had a long and distinguished global career at Citi before joining MHFI. From 2005, until joining S&P Mr. Sahai led Citi's Securities & Fund Services business, which offers securities services to investors, issuers and intermediaries, in more than 90 countries. Earlier, he held a range of Citi positions of increasing responsibility in both the U.S. and India, including CFO of their Global Transaction Services group and head of audit and risk review for the Capital Markets and Banking businesses.

Mr. Neeraj Sahai holds a bachelor's degree in economics with honours and a master's degree in economics from the University of Delhi, an M.B.A. from Clarkson University and completed the Wharton Advanced Management Program at the University of Pennsylvania.

Explanatory statement under Section 102 of the Companies Act, 2013

Item No. 5 :

Mr. Neeraj Sahai who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective October 17, 2014 holds office up to the date of this Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying her intention to propose the candidature of Mr. Neeraj Sahai for the office of Director.

A brief profile of Mr. Neeraj Sahai, as required to be given pursuant to clause 49 (G) of the Listing Agreement, has been given elsewhere in this Notice.

Mr. Neeraj Sahai is not a Director of any other public limited company in India. He is a member of the Audit Committee and the Investment Committee of CRISIL. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

The Board of Directors considers it in the interest of the Company to appoint Mr. Neeraj Sahai as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Neeraj Sahai, is in any way, interested or concerned in this resolution.

By order of the Board
For CRISIL Limited

Mumbai, February 14, 2015

Neelabja Chakrabarty
Company Secretary



NAME
BOKUL MEDHI

LOCATION
MORIGAON DISTRICT, ASSAM

ROLE
ꠤꠞꠟꠤ (MEIN) PRAGATI ENABLER





EMPOWERING RURAL WOMEN

BY STRENGTHENING THEIR
**FINANCIAL
CAPABILITIES**

Bokul is part of an army of BCs helping facilitate financial inclusion of people residing in North-East India.

As a Business Correspondent (BC), Bokul Medhi is responsible for taking banking services to the 'last mile'. Hailing from Morigaon district, Bokul is part of an army of BCs helping facilitate financial inclusion of people residing in North-East India, one of the most financially excluded regions in the country. Thus, he assumes a very key role in supporting the beneficiaries under the **₹** Pragati initiative.

From helping them fill out the relevant bank forms to ensuring validation and submission of the correct documents and addressing any questions they have. Bokul has been making banking easy and possible for these beneficiaries, many of whom have never visited a bank in their entire lives.

**CRISIL KE SAATH
SEEKHOON PAISON KI BAAT**



CRISIL LOCATIONS

REGISTERED OFFICE

CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076, India
Phone : +91 22 3342 3000
Fax : +91 22 3342 3001

ASIA PACIFIC

INDIA

Ahmedabad

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Venus Atlantis, Nr. Reliance Petrol Pump,
Pralhadnagar, Ahmedabad – 380 015
Phone : +91 79 4024 4500
Fax : +91 79 4024 4520

Gurgaon

Plot No. 46, Sector 44,
Opp PF Office,
Gurgaon – 122 003 Haryana,
Phone : +91 0124 672 2000

Hyderabad

Uma Chambers, 3rd Floor,
Plot No. 9&10, Nagarjuna Hills,
Near Punjagutta Cross Road
Hyderabad – 500 082
Phone : +91 40 2335 8103 - 05
Fax : +91 40 2335 7507

Mumbai

Coalition Development Systems (I)
Private Limited
Unit 2, 5th Floor, Building 5 and 6,
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Airoli, Navi Mumbai – 400 708
Phone : +91 22 3911 6400
Fax : +91 22 6673 3721

Mercator Info-Services India Private
Limited

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Fax : +91 22 4047 2045

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

Chennai

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Montieth Road, Egmore,
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Fax : +91 44 2854 7531/ 6656 3160

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Fax : +91 44 4226 3520

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Saltlake City,
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NTPL SEZ
Survey No. 154/6,
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Fax : +91 20 4200 8010

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Coalition Development Singapore Pte. Ltd.

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Phone : +65 6227 6123 / 6227 7180
Fax : +65 6227 5010 / 6227 2061

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Coalition Development Limited

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Fax : +44 020 7309 3801

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CRISIL Irevna Poland Sp z o.o.

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Fax : +48 71 323 2677

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Fax : +1 646 292 3521

SAN MATEO

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California 94404
United States of America
Phone : +1 650 378 1490

SOUTH AMERICA

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Provincia de Buenos Aires, Argentina,
Phone : +54 11 4718 5100

CRISIL Limited

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076
Corporate Identification Number (CIN): L67120MH1987PLC042363
Tel.: 022-33423000 Fax: 022-33423810
website: www.crisil.com; e-mail: investors@crisil.com

FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

FORM OF PROXY

Name of Member(s) _____
Registered address _____
Email ID _____
Folio No. _____ DP Id _____ Client Id _____

I / We, being the Member(s) holding _____ shares of CRISIL Limited, hereby appoint :

1. Name _____
Address _____
Email ID _____
Signature _____, or failing him/ her
2. Name _____
Address _____
Email ID _____
Signature _____, or failing him/ her
3. Name _____
Address _____
Email ID _____
Signature _____,

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Friday, April 17, 2015 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary business:

1. Adoption of Accounts
2. Declaration of Dividend
3. Re-appointment of Mr. Douglas Peterson
4. Appointment of Auditors

Special business:

5. Appointment of Mr. Neeraj Sahai as a Non-Executive Director, liable to retire by rotation

Signed this _____ day of _____ 2015
Signature of Shareholder : _____
Signature of Proxy holder(s) : _____

Affix Re. 1
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

[illegible]

[illegible]

[illegible]

[illegible]



NOTES

[illegible]



CRISIL IN SOCIAL MEDIA



@BoombergTVInd

Food Corporation of India is the biggest hoarder in the country; needs overhaul, has not served purpose of intervention - DK Joshi, CRISIL

15 2

@EconomicTimes

Falling crude, LNG, coal prices huge positive for India: ow.ly/AzxYI - The Economic Times

18 9 1

@shefalianand

Diesel cars no longer a great deal in India, says @CRISILLimited
<http://on.wsj.com/1t3g1EC>

6 1

@i_sidh

#StopGasPriceHike For every \$1 increase in gas, subsidy on urea will increase by Rs 2,000 to Rs 2500 crore, CRISIL
<http://www.dnaindia.com/money/report-urea-subsidy-likely-to-rise-due-to-gas-price-hike-says-crisil-1854558> ...

11 2

@FinancialXpress

Will a rate cut spur investments? Not really: CRISIL <http://fexp.in/hPM122215>
<http://ow.ly/i/7tb35>

5 3

@bsindia

CRISIL & CARE report that the credit quality of corporate debt is showing signs of recovery <http://goo.gl/LIU0MO>

7 1

@Infra_VinayakCh

Sobering CRISIL Report : Return to 9% growth in 2014-19 period may be difficult & 6.5% is more likely - and even that with strong leadership

10 4 20

@EconomicTimes

Repo rate cut unlikely to boost investments: CRISIL - The Economic Times
<http://ow.ly/DQPlx>

11 5 1

CRISIL ICONS



Ratings



India Research



Global Research
& Analytics



Crisil Infrastructure
Advisory



Crisil Risk Solutions



Thought Leadership



Internal Event



Award



Publication



Innovation



Recruitment



Clients win



Date/ Calendar



Spokesperson



Corporate Social
Responsibility

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youtube.com/user/CRISILLimited



[@CRISILLimited](https://twitter.com/CRISILLimited)



CRISIL Limited

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www.standardandpoors.com

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