

I am very pleased to present the progress of your company for the first half of the year, between January and June, 2011 and would like to share with you some of the developments that have taken place in this period.

## **Review of Operations**

**CRISIL Ratings** maintained its leadership position with Bank Loan Ratings (BLR) and Small & Medium Enterprises (SME) Ratings continuing to grow strongly. During the half year CRISIL announced its 20,000th SME rating. CRISIL Ratings also launched 'CRISIL Business School Gradings' which have been received positively. Bond issuances, however, have remained muted due to unfavorable interest rates and low liquidity in the capital market. CRISIL Ratings continues its focus on outreach initiatives for building a strong franchise with issuers, investors, regulators and other market participants. The international business of CRISIL Ratings, consisting primarily of business with Standard & Poor's (S&P) grew well in terms of both number of people and scope of assignments.

**CRISIL Global Research & Analytics (GR&A)**, our services for global clients that consist of Irevna and Pipal Research, grew well during this period. Your company has repositioned these off-shoring businesses from "KPO" to "Global Research & Analytics" to further emphasize the high-end nature of the analytics that we provide and the value that global clients derive from our services. Irevna maintained its leadership position in the global investment research space with good growth across all business verticals. Growth was driven by expansion in business from existing clients and from new verticals. Irevna commenced a long term engagement with a large Bank in the Asia Pacific region and commenced actuarial work with a large insurance company in US. The process of integrating Pipal Research, which your company acquired last year, progressed well. Irevna's research centers at Buenos Aires, Argentina and Wroclaw, Poland registered good growth. Also, our new research center in Hangzhou, China became operational.

**CRISIL Research**, our India research business, registered a strong performance driven by growth in equity research and customized research. CRISIL Research's new website, [www.crisilresearch.com](http://www.crisilresearch.com), which was enhanced to deliver real-time industry research, has received positive feedback from its customers. CRISIL Research in association with Kotak Mahindra Bank released a report titled, 'Top of the Pyramid' which is the first India-specific report on Ultra High Net Worth Individuals (HNI) and gives insights into the earnings, investment and spending patterns of India's Ultra HNIs. CRISIL Research launched a new report on Real estate, "Reality Next – Beyond the top 10 cities in India".

**CRISIL Risk and Infrastructure Solutions Ltd (CRIS)** is a wholly-owned subsidiary of CRISIL that houses the infrastructure advisory and risk solutions business. Key assignments won in the first half of 2011 by CRISIL Infrastructure Advisory include a renewal mandate from the World Bank for the East Asia-Pacific Infrastructure Regulatory Forum, a mandate to provide technical assistance for the energy regulator in Tanzania, consultancy services assignment for preparation of concession agreement for a port in Africa and a mandate for developing a credit enhancement product for an infrastructure finance company. CRISIL Infrastructure Advisory also won a mandate in Africa to develop a SEZ policy framework and assist in SEZ development.

CRISIL Risk Solutions (CRS) won its first assignment for a bank in Bangladesh to develop its internal capital adequacy process framework. Key mandates won in the first 6 months by CRS include a mandate from a large development financial institution, a mandate from a multinational bank for implementation of its regulatory capital solution and a mandate from a bank in Mauritius for implementation of its retail scoring system.

**Collaboration with S&P:** CRISIL and its group companies continued to collaborate with S&P. S&P and CRISIL released the third edition of the S&P CRISIL SPIVA Report. This report, aimed at fund managers, compares the performance of active funds with indices across various time periods. CRISIL Risk Solutions is also working with S&P in delivering solutions to its clients in the Asia-Pacific region.

### **CRISIL Limited**

## Financial Results

I present below the summary of the financial performance of your company for the six months period ended June 30, 2011, which were taken on record at the meeting of the Board of Directors held on July 20, 2011. You will observe that your company has registered good growth in all its businesses during the first half of the year.

The consolidated total income for CRISIL Group for the six months ended June 30, 2011, was Rs.382.55 crores, an increase of 29.88% over the corresponding period of the previous year. The net profit after tax for the six months ended June 30, 2011 was Rs. 90.43 crores an increase of 13.81% over the corresponding six months of the previous year.

The Board of Directors has declared a second interim dividend of Rs. 27.50 per share and approved a proposal to sub-divide the face value of your equity shares from Rs.10 per share to Re.1 per share.

## CRISIL Limited

Consolidated Financial Results for the Quarter and Half year ended on June 30, 2011

(Rs. In Lakhs)

	3 Months ended 30-Jun-11	Corresponding 3 Months ended in the previous year 30-Jun-10	Half Year ended 30-Jun-11	Half Year ended 30-Jun-10	Previous accounting year ended 31-Dec-10
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income from operations</b>					
(a) Net sales / income from operations	20,311.96	15,058.80	37,984.91	29,337.50	62,844.28
(b) Other Operating Income (Refer Note 3)	66.72	61.76	270.48	117.78	260.95
<b>Total Income from operations</b>	<b>20,378.68</b>	<b>15,120.56</b>	<b>38,255.39</b>	<b>29,455.28</b>	<b>63,105.23</b>
<b>Expenditure</b>					
A. Staff Expense	9,296.14	6,508.15	17,113.68	12,411.96	25,817.30
B. Establishment Expense	826.69	740.49	1,552.24	1,383.01	2,769.39
C. Rent Expense	1,112.44	1,112.27	2,200.07	2,261.28	4,357.47
D. Travel Expense	629.01	532.39	1,092.14	1,029.79	2,141.98
E. Professional Fees	1,557.23	751.03	2,723.14	1,381.00	3,359.17
F. Other Expense (Refer Note 3)	899.86	790.00	1,685.03	1,684.79	2,887.64
G. Depreciation / Amortization	741.56	502.63	1,419.02	1,023.28	2,125.82
<b>Total Expenditure</b>	<b>15,062.93</b>	<b>10,936.96</b>	<b>27,785.32</b>	<b>21,175.11</b>	<b>43,458.77</b>
<b>Profit from operations before other income, interest and exceptional items</b>	<b>5,315.75</b>	<b>4,183.60</b>	<b>10,470.07</b>	<b>8,280.17</b>	<b>19,646.46</b>
Other Income (Refer Note 5)	564.88	386.11	827.86	2,464.90	7,042.20
Profit before interest and exceptional items	5,880.63	4,569.71	11,297.93	10,745.07	26,688.66
Interest	-	-	-	-	-
Profit after interest but before exceptional items	5,880.63	4,569.71	11,297.93	10,745.07	26,688.66
Exceptional Items	-	-	-	-	-
Prior Period Items (Refer Note 4)	-	(364.44)	-	(364.44)	(274.45)
Net Profit from ordinary activities before tax	5,880.63	4,205.27	11,297.93	10,380.63	26,414.21
Tax Expense	1,435.91	874.04	2,254.76	2,434.20	5,867.54
Net profit for the period	4,444.72	3,331.23	9,043.17	7,946.43	20,546.67
Paid up Equity Share Capital (Face Value of Rs.10 each)	709.68	722.50	709.68	722.50	709.68
Reserves (excluding revaluation reserves)	-	-	-	-	38,735.53
Earnings Per Share ( EPS ) : Basic	62.63	46.11	127.43	109.99	285.09
Earnings Per Share ( EPS ) : Diluted	62.48	46.11	127.23	109.99	285.09

**CRISIL Limited**

Consolidated Segment Results for the Quarter and Half year ended on June 30, 2011

(Rs. In Lakhs)

	<b>3 Months ended</b>	<b>Corresponding 3 Months ended in the previous year</b>	<b>Half Year ended</b>	<b>Half Year ended</b>	<b>Previous accounting year ended</b>
	<b>30-Jun-11</b>	<b>30-Jun-10</b>	<b>30-Jun-11</b>	<b>30-Jun-10</b>	<b>31-Dec-10</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Segment Revenue</b>					
A. Ratings Services	8,463.03	7,097.54	15,687.71	13,601.66	28,408.77
B. Advisory Services	1,567.83	1,304.59	2,637.07	2,620.04	5,156.48
C. Research Services	10,281.10	6,656.67	19,660.13	13,115.80	29,279.03
<b>Total Revenue</b>	<b>20,311.96</b>	<b>15,058.80</b>	<b>37,984.91</b>	<b>29,337.50</b>	<b>62,844.28</b>
Less: Inter Segment Revenue	-	-	-	-	-
Net Income from Operations	20,311.96	15,058.80	37,984.91	29,337.50	62,844.28
<b>Segment Profits</b>					
A. Ratings Services	3,303.33	2,983.93	6,094.18	5,865.22	11,837.54
B. Advisory Services	209.91	177.16	247.90	417.11	798.07
C. Research Services	2,542.62	1,497.88	5,503.56	3,267.33	9,367.47
Operating Profit	6,055.86	4,658.97	11,845.64	9,549.66	22,003.08
Add / (Less)					
1. Other unallocable income net of unallocable expenditure	566.33	413.37	871.31	2,218.69	6,811.40
2. Depreciation / Amortisation	(741.56)	(502.63)	(1,419.02)	(1,023.28)	(2,125.82)
Profit after interest but before tax	5,880.63	4,569.71	11,297.93	10,745.07	26,688.66
Exceptional Items	-	-	-	-	-
Prior period Items	-	(364.44)	-	(364.44)	(274.45)
Net profit from ordinary activities before tax	5,880.63	4,205.27	11,297.93	10,380.63	26,414.21

**CRISIL Limited**

Unaudited Consolidated Balance Sheet as at June 30, 2011

(Rs. In Lakhs)

<b>Particulars</b>	<b>YTD</b>	<b>YTD</b>
	<b>30-Jun-11</b>	<b>30-Jun-10</b>
	<b>Unaudited</b>	<b>Unaudited</b>
(a) Capital	709.68	722.50
(b) Reserves and Surplus	45,660.11	40,083.75
Loan Funds	-	-
<b>Total</b>	<b>46,369.79</b>	<b>40,806.25</b>
Fixed Assets	22,250.12	18,299.10
Investments	1,991.93	5,035.84
Deferred Tax Assets	1,406.88	708.33
<b>Current Assets, loans and advances</b>		
(a) Inventories	-	-
(b) Sundry Debtors	17,745.53	13,972.61
(c) Cash and Bank Balances	19,657.00	14,169.26
(d) Loans and advances	5,449.90	5,916.10
(e) Other Current Assets	4,556.49	4,809.70
Total Current Assets, loans and advances	47,408.92	38,867.67
<b>Less: Current Liabilities and provisions</b>		
(a) Liabilities	23,974.71	19,938.56
(b) Provisions	2,713.35	2,166.13
Total Current Liabilities and provisions	26,688.06	22,104.69
Miscellaneous expenditure (not written off or adjusted)	-	-
<b>Total</b>	<b>46,369.79</b>	<b>40,806.25</b>

**CRISIL Limited**

Standalone Financial Results for the Quarter and Half year ended on June 30, 2011

(Rs. in Lakhs)

Particulars	3 Months ended	Corresponding 3 Months ended in the previous year	Half Year ended	Half Year ended	Previous accounting year ended
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	31-Dec-10
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income from Operations</b>					
(a) Net sales / income from operations	15,989.74	12,430.32	30,149.88	24,316.15	52,871.21
(b) Other Operating Income	82.92	60.32	361.78	115.05	256.97
<b>Total Income from operations</b>	<b>16,072.66</b>	<b>12,490.64</b>	<b>30,511.66</b>	<b>24,431.20</b>	<b>53,128.18</b>
<b>Expenditure</b>					
A. Staff Expense	6,652.33	4,944.63	12,194.45	9,490.36	19,890.45
B. Establishment Expense	667.62	632.70	1,289.58	1,177.33	2,345.08
C. Rent Expense	940.74	960.28	1,864.78	1,966.11	3,778.83
D. Travel Expense	402.78	324.79	688.29	631.73	1,372.00
E. Professional Fees	1,634.79	793.05	2,859.26	1,208.35	3,477.45
F. Other Expense	508.97	458.97	983.76	1,308.84	2,176.99
G. Depreciation / Amortization	546.26	488.14	1,047.35	989.39	2,020.85
<b>Total Expenditure</b>	<b>11,353.49</b>	<b>8,602.56</b>	<b>20,927.47</b>	<b>16,772.11</b>	<b>35,061.65</b>
Profit from operations before other income, interest and exceptional items	4,719.17	3,888.08	9,584.19	7,659.09	18,066.53
Other Income (Refer Note 5)	551.76	360.96	810.52	2,424.10	7,105.26
Profit before interest and exceptional items	5,270.93	4,249.04	10,394.71	10,083.19	25,171.79
Interest	-	-	-	-	-
Profit after interest but before exceptional items	5,270.93	4,249.04	10,394.71	10,083.19	25,171.79
Exceptional Item	-	-	-	-	-
Prior Period Items (Refer Note 4)	-	(364.44)	-	(364.44)	(274.45)
Net Profit from ordinary activities before tax	5,270.93	3,884.60	10,394.71	9,718.75	24,897.34
Tax Expense	1,248.87	752.57	1,897.48	2,195.62	5,321.90
Net profit for the period	4,022.06	3,132.03	8,497.23	7,523.13	19,575.44
Paid up Equity Share Capital (Face Value of Rs.10 each)	709.68	722.50	709.68	722.50	709.68
Reserves (excluding revaluation reserves)					35,540.87
Earnings Per Share ( EPS ) : Basic	56.67	43.35	119.73	104.13	271.61
Earnings Per Share ( EPS ) : Diluted	56.54	43.35	119.55	104.13	271.61
Aggregate of Public shareholding					
(A) Number of shares	3,375,896	3,504,052	3,375,896	3,504,052	3,375,896
(B) Percentage of holding (to total shareholding)	47.57%	48.50%	47.57%	48.50%	47.57%
<b>Promoters and promoter group</b>					
a) Pledged/Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
b) Non- encumbered					
- Number of Shares	3,720,948	3,720,948	3,720,948	3,720,948	3,720,948
- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	52.43%	51.50%	52.43%	51.50%	52.43%

**CRISIL Limited**

Standalone Segmental Results for the Quarter and Half year ended on June 30, 2011

(Rs. in Lakhs)

Particulars	3 Months ended	Corresponding 3 Months ended in the previous year	Half Year ended	Half Year ended	Previous accounting year ended
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	31-Dec-10
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue</b>					
A. Ratings Services	8,463.03	7,097.54	15,687.71	13,601.66	28,408.77
B. Research Services	7,526.71	5,332.78	14,462.17	10,714.49	24,462.44
<b>Total Revenue</b>	<b>15,989.74</b>	<b>12,430.32</b>	<b>30,149.88</b>	<b>24,316.15</b>	<b>52,871.21</b>
Less: Inter Segment Revenue	-	-	-	-	-
Net Income from Operations	15,989.74	12,430.32	30,149.88	24,316.15	52,871.21
<b>Segment Profits</b>					
A. Ratings Services	3,303.33	2,983.93	6,094.18	5,865.22	11,837.54
B. Research Services	2,009.76	1,368.59	4,493.62	2,962.07	8,375.75
Operating Profit	5,313.09	4,352.52	10,587.80	8,827.29	20,213.29
Add / (Less)					
1. Other unallocable income net of unallocable expenditure	504.10	384.66	854.26	2,245.29	6,979.35
2. Depreciation / Amortisation	(546.26)	(488.14)	(1,047.35)	(989.39)	(2,020.85)
Profit after interest but before tax	5,270.93	4,249.04	10,394.71	10,083.19	25,171.79
Exceptional Items	-	-	-	-	-
Prior period Items	-	(364.44)	-	(364.44)	(274.45)
Net profit from ordinary activities before tax	5,270.93	3,884.60	10,394.71	9,718.75	24,897.34

**CRISIL Limited**

Unaudited Standalone Balance Sheet as at June 30, 2011

(Rs. in Lakhs)

Particulars	As on 30-Jun-11	As on 30-Jun-10
	Unaudited	Unaudited
<b>Shareholders' Funds</b>		
(a) Capital	709.68	722.50
(b) Reserves and Surplus	41,953.81	37,499.02
Loan Funds	-	-
<b>Total</b>	<b>42,663.49</b>	<b>38,221.52</b>
Fixed Assets	9,959.63	11,237.29
Investments	11,841.15	12,549.88
Deferred Tax Assets	1,250.25	569.06
<b>Current Assets, loans and advances</b>		
(a) Inventories	-	-
(b) Sundry Debtors	15,452.15	11,447.45
(c) Cash and Bank Balances	15,891.37	12,037.21
(d) Loans and advances	8,244.98	5,494.76
(e) Other Current Assets	1,959.84	3,909.47
<b>Total Current Assets, Loans and Advances</b>	<b>41,548.34</b>	<b>32,888.89</b>
<b>Less: Current Liabilities and Provisions</b>		
(a) Liabilities	19,585.06	17,084.57
(b) Provisions	2,350.82	1,939.03
Total Current Liabilities and Provisions	21,935.88	19,023.60
Miscellaneous expenditure (not written off or adjusted)	-	-
<b>Total</b>	<b>42,663.49</b>	<b>38,221.52</b>

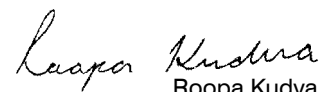
**Notes:**

1. The Company's operations predominantly relate to providing rating, advisory and research services. Accordingly, revenues earned through rendering of these services represent the primary basis of segment information set out above.
2. The fixed assets used in the Company's business and liabilities contracted have not been identified to any of the reportable segments as the fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is not feasible.
3. Consolidated other operating income for half year ended June 30, 2011 includes foreign exchange gain of Rs. 144.50 Lakhs as against a loss of Rs. 442.02 Lakhs considered under other expenses in previous half year ended June 30, 2010. Consolidated other operating income for three months ended June 30, 2011 includes foreign exchange loss of Rs. 9.57 Lakhs as against a loss of Rs. 63.80 Lakhs in the corresponding quarter of previous year considered under other expenses.
4. Prior period expense in the previous year is towards gratuity.
5. Other income for half year ended June 30, 2011 includes Rs 332.09 Lakhs towards sale of premises in the current quarter as compared to a profit of Rs. 1,833.67 Lakhs recorded in the previous half year ended June 30, 2010.
6. The promoters have not pledged any shares owned by them.
7. Consolidated Profit and Loss Account includes accounts of CRISIL Limited and its wholly owned subsidiaries CRISIL Risk and Infrastructure Solutions Limited, CRISIL Credit Information Services Limited, Pipal Research Analytics and Information Services India Private Limited, Irevna Limited (UK) and its subsidiary Irevna LLC (US), CRISIL Irevna Argentina S.A., CRISIL Irevna Poland Sp.Zo.o., CRISIL Irevna Information Technology (Hangzhou) Co. Ltd. and proportionate share in income and expenses of joint-venture India Index Services and Products Limited.
8. The standalone unaudited financial results of the Company for the quarter ended June 30, 2011 have been subjected to limited review by the auditors.
9. Previous year / quarter figures have been regrouped where necessary to conform to current year / quarter classification.

I would like to thank you for reposing trust and faith in the management of your Company and look forward to your continued support.

With warm regards,

Mumbai, July 20, 2011

  
Roopa Kudva  
Managing Director & CEO