

Press Release

October 17, 2017 | Mumbai

CRISIL Limited: Unaudited Financial Results for the third quarter ended September 30, 2017

Q3 FY17 Highlights: (Financial year ending December 31, 2017)

- Total revenue up 5.6% YoY in the third quarter; Operating profit up by 10.0%
- Regulatory developments and strong demand supported robust growth in corporate ratings
- Declared an interim dividend of Rs 6 per share

The Board of Directors of CRISIL Limited, at its meeting today, approved the unaudited financial results for the third quarter ended September 30, 2017.

CRISIL's consolidated income from operations was up **5.6%** to **Rs 410.41** crore during the quarter, compared with **Rs 388.76** crore in the corresponding quarter of 2016. Operating profit (before other income and finance cost) for the quarter was up **10.0%** to **Rs 98.21** crore. Net profit stood at **Rs 69.42** crore, compared with **Rs 69.96** crore in the corresponding quarter of 2016.

For the nine months ended September 30, 2017, consolidated income from operations increased **8.6%** to **Rs 1,219.94** crore, compared with **Rs 1,122.78** crore in the corresponding period of the previous year. Consolidated profit after tax was **Rs 208.81** crore, compared with **Rs 203.34** crore in the corresponding period of the previous year.

Net profit for the nine months ended September 30, 2017, includes adverse **forex impact** of **Rs 13.78** crore, compared with a **gain** of **Rs 6.46** crore in the corresponding period of the previous year.

The Board of Directors has declared a third interim dividend of **Rs 6** per share (of Re 1 face value) for the financial year ending December 31, 2017.

Ashu Suyash, Managing Director & Chief Executive Officer, CRISIL said "All our three key business verticals – Ratings, Research and Advisory – delivered healthy growth during the quarter. While Large Corporate Ratings and Infrastructure Advisory services led growth for CRISIL's domestic business, internationally CRISIL Coalition did well. Our operating margins improved with our initiatives on cost optimization. "

Capital market activities in the quarter were buoyant and regulatory guidance on dual ratings aided demand for ratings. Softening yields and lending restraint by banks provided further fillip to bond market issuances which displayed double digit growth. The market demand coupled with investor push towards quality in ratings led to strong demand for CRISIL's large corporate ratings which witnessed the addition of multiple marquee clients. However, the Ratings segment overall logged moderate growth on account of slowdown in SME segment resultant from reduction in subsidy scheme.

Increased regulatory controls and cost optimization needs in global markets continued to drive need for Global Research & Analytics (GR&A) offerings. The GR&A business registered new client wins during the quarter. The performance of the GR&A business was impacted by forex rate movements and seasonality that is typical in this quarter as Banks are in the planning phase and are focussed on assessing regulatory feedback and requirements for next cycle of submissions. Coalition witnessed steady demand for its niche

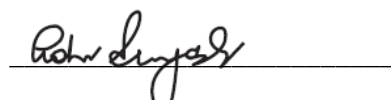
offerings such as competitor analytics, institutional wallet and corporate wallet, and increased presence with marquee global and regional banks.

CRISIL Risk and Infrastructure Solutions (CRIS) Ltd, a wholly owned subsidiary of CRISIL Ltd is seeing promising demand for its services. Infrastructure Advisory business particularly has seen significant traction with multiple new mandates particularly in the urban space with ministries and municipal corporations. During the quarter, this business won new mandates for assistance on value capture financing in Andhra Pradesh, Telangana, Uttar Pradesh, Maharashtra and Punjab.

CRISIL continues to invest in developing innovative products and solutions, and in leveraging new technologies, which are expected to drive growth across various businesses in the near future. The Ratings business focussed on tapping emerging opportunities from InvITs, REITs, and ratings products for stressed assets. Our recently launched proprietary analytical tools and offerings such as SMART (focussed on global investment research) and Quantix (a data analytics platform) are witnessing good market response and traction with clients. The Risk Solutions business has also launched a new offering on model risk management to test efficacy and health of existing models in the BFSI space.

CRISIL Foundation made significant new strides in furthering their agenda of enhancing the financial capability of rural India. In addition to their existing coverage of 1.5 lakh women in Assam and Rajasthan, the foundation launched 20 'Money-Wise Centres for Financial Literacy' in Haryana and Maharashtra with a vision to cover more than 2000 villages and 6 lakh households over period of three years. These centres have been set up under the Reserve Bank of India's (RBI's) pilot project to drive financial literacy and the foundation is the first corporate foundation to be receive empanelment from the Reserve Bank of India for their financial literacy initiatives and inclusion.

Our focus on investor outreach and franchise development continues. We hosted 11 events including 2 which were co-hosted by CRISIL and S&P - 'India Credit Spotlight - Opportunities and Risks in the Face of Reforms' in Mumbai and 'MIFID II and the changes in research consumption practices' in London.



Ashu Suyash
Managing Director & Chief Executive Officer

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CRISIL is a global, agile and innovative analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers. CRISIL's businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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CRISIL Limited

Statement of Financial Results for the quarter and nine months ended September 30, 2017

(Rs. In Crore)

Particulars	Consolidated						Standalone					
	3 Months ended	3 Months ended	Corresponding 3 Months ended	9 Months ended	Corresponding 9 Months ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	9 Months ended	Corresponding 9 Months ended	Year ended
	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	31-Dec-16
	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)	Unaudited (Refer note 6)
1. Income from operations												
A. Net sales / income from operations	409.71	406.50	388.10	1,217.56	1,121.20	1,547.13	280.21	291.54	284.95	872.34	815.24	1,129.64
B. Other operating income	0.70	0.80	0.66	2.38	1.58	2.19	1.14	1.10	0.83	2.77	2.17	2.84
1. Total Income from operations	410.41	407.30	388.76	1,219.94	1,122.78	1,549.32	281.35	292.64	285.78	875.11	817.41	1,132.48
2. Other Income (Refer note 5)	3.27	8.49	12.95	18.77	37.34	48.97	11.16	12.50	14.53	33.25	32.14	42.20
3. Total income (1 + 2)	413.68	415.79	401.71	1,238.71	1,160.12	1,598.29	292.51	305.14	300.31	908.36	849.55	1,174.68
4. Expenses												
A. Staff expenses	218.77	213.74	204.72	630.46	588.09	787.72	122.05	124.92	120.75	365.37	335.52	455.13
B. Rent expenses	14.44	14.68	14.63	43.43	43.34	58.01	11.21	11.11	11.58	33.40	33.05	42.91
C. Establishment expenses	11.12	12.65	11.91	35.66	35.04	46.41	8.56	9.94	9.85	28.30	28.56	37.97
D. Professional fees	21.74	21.19	17.62	60.25	51.01	68.10	37.92	41.02	33.45	112.02	96.30	128.98
E. Travel expenses	10.19	13.11	9.67	34.70	29.78	40.80	5.39	7.90	6.33	20.08	17.08	23.78
F. Associate service fees	8.86	11.37	11.07	32.31	30.92	42.73	8.60	11.06	10.80	31.48	30.11	41.67
G. Finance Costs	0.12	-	-	0.12	-	-	0.12	-	-	0.12	-	-
H. Other expenses (Refer note 5)	15.91	17.21	16.46	59.76	43.58	61.60	7.79	10.27	13.97	39.45	35.50	47.39
I. Depreciation / Amortization	11.17	12.73	13.41	36.75	40.86	54.53	7.24	7.06	7.21	21.25	20.76	28.51
4. Total expenses	312.32	316.68	299.49	933.44	862.62	1,159.90	208.88	223.28	213.94	651.47	596.88	806.34
5. Profit before exceptional items before tax (3 - 4)	101.36	99.11	102.22	305.27	297.50	438.39	83.63	81.86	86.37	256.89	252.67	368.34
6. Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-
7. Net profit before tax (5 + 6)	101.36	99.11	102.22	305.27	297.50	438.39	83.63	81.86	86.37	256.89	252.67	368.34
8. Tax expense												
A. Current Tax	32.91	35.86	36.87	104.51	99.00	151.83	28.53	29.91	32.53	89.48	87.54	133.99
B. Deferred Tax	(0.97)	(4.00)	(4.61)	(8.05)	(4.84)	(7.69)	(0.23)	(3.47)	(3.81)	(5.63)	(3.79)	(5.94)
8. Total Tax expense (8A + 8B)	31.94	31.86	32.26	96.46	94.16	144.14	28.30	26.44	28.72	83.85	83.75	128.05
9. Net profit for the period (7 - 8)	69.42	67.25	69.96	208.81	203.34	294.25	55.33	55.42	57.65	173.04	168.92	240.29
10. Other comprehensive income (Net of tax)	(46.84)	(22.58)	(22.91)	(62.08)	(29.58)	(42.95)	(62.48)	(23.32)	1.02	(75.19)	(3.97)	(6.95)
11. Total comprehensive income for the period (9 + 10)	22.58	44.67	47.05	146.73	173.76	251.30	(7.15)	32.10	58.67	97.85	164.95	233.34
12. Paid up Equity Share Capital (Face value of Re.1 each)	7.16	7.14	7.13	7.16	7.13	7.13	7.16	7.14	7.13	7.16	7.13	7.13
13. Other equity						985.49						822.79
14. Earnings Per Share (EPS)												
Basic (Not annualised)	9.70	9.42	9.82	29.24	28.54	41.29	7.73	7.76	8.09	24.23	23.71	33.72
Diluted (Not annualised)	9.60	9.32	9.70	28.94	28.22	40.85	7.65	7.68	7.99	23.98	23.44	33.36

CRISIL Limited
Statement of Segment Results for the quarter and nine months ended September 30, 2017

(Rs. In Crore)

Particulars	Consolidated						Standalone					
	3 Months ended	3 Months ended	Corresponding 3 Months ended	9 Months ended	Corresponding 9 Months ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	9 Months ended	Corresponding 9 Months ended	Year ended
	30-Sep-2017 Unaudited (Refer note 6)	30-Jun-2017 Unaudited (Refer note 6)	30-Sep-2016 Unaudited (Refer note 6)	30-Sep-2017 Unaudited (Refer note 6)	30-Sep-2016 Unaudited (Refer note 6)	31-Dec-2016 Unaudited (Refer note 6)	30-Sep-2017 Unaudited (Refer note 6)	30-Jun-2017 Unaudited (Refer note 6)	30-Sep-2016 Unaudited (Refer note 6)	30-Sep-2017 Unaudited (Refer note 6)	30-Sep-2016 Unaudited (Refer note 6)	31-Dec-2016 Unaudited (Refer note 6)
1. Operating revenue												
A. Rating services	123.74	116.25	120.09	354.58	339.94	467.64	123.74	116.25	120.09	354.58	339.94	467.64
B. Research services	261.63	266.22	250.37	793.40	726.70	1,003.82	156.47	175.29	164.86	517.76	475.30	661.95
C. Advisory services	24.34	24.03	17.64	69.58	54.56	75.67	-	-	-	-	-	-
1 D. Total operating revenue from operations	409.71	406.50	388.10	1,217.56	1,121.20	1,547.13	280.21	291.54	284.95	872.34	815.24	1,129.64
2. Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
3. Net income from operations (1D - 2)	409.71	406.50	388.10	1,217.56	1,121.20	1,547.13	280.21	291.54	284.95	872.34	815.24	1,129.64
4. Segment profits												
A. Rating services	45.18	32.46	37.62	107.92	97.30	141.07	45.16	32.44	37.64	107.88	97.30	141.04
B. Research services	64.22	71.49	72.37	218.68	226.90	326.05	41.37	47.11	44.20	149.71	149.40	225.09
C. Advisory services	1.22	2.83	(0.98)	4.41	(4.20)	(0.78)	-	-	-	-	-	-
4 D. Total operating profit	110.62	106.78	109.01	331.01	320.00	466.34	86.53	79.55	81.84	257.59	246.70	366.13
5. Add / (Less)												
i. Interest	(0.12)	-	-	(0.12)	-	-	(0.12)	-	-	(0.12)	-	-
ii. Other unallocable income net of unallocable expenditure(Refer note 5)	2.03	5.06	6.62	11.13	18.36	26.58	4.46	9.37	11.74	20.67	26.73	30.72
iii. Depreciation / Amortisation (Unallocable)	(11.17)	(12.73)	(13.41)	(36.75)	(40.86)	(54.53)	(7.24)	(7.06)	(7.21)	(21.25)	(20.76)	(28.51)
6. Net profit from ordinary activities before tax (4 + 5)	101.36	99.11	102.22	305.27	297.50	438.39	83.63	81.86	86.37	256.89	252.67	368.34
Segment Assets (Refer note 7)												
A. Rating services	107.17	123.51	116.07	107.17	116.07	69.85	107.17	123.51	116.07	107.17	116.07	69.85
B. Research services	634.20	559.30	610.27	634.20	610.27	621.30	312.73	298.63	305.53	312.73	305.53	302.96
C. Advisory services	66.69	63.66	74.43	66.69	74.43	59.70	-	-	-	-	-	-
D. Unallocable (Net)	641.53	679.84	603.60	641.53	603.60	644.34	682.90	720.67	678.67	682.90	678.67	725.87
Segment Liabilities (Refer note 7)												
A. Rating services	152.73	182.59	159.65	152.73	159.65	118.37	152.73	182.59	159.65	152.73	159.65	118.37
B. Research services	206.10	162.44	204.44	206.10	204.44	204.72	97.11	89.54	95.90	97.11	95.90	101.03
C. Advisory services	27.34	23.27	21.06	27.34	21.06	21.55	-	-	-	-	-	-
D. Unallocable (Net)	63.09	49.67	53.96	63.09	53.96	57.93	63.54	43.70	31.34	63.54	31.34	49.36
Capital employed (Refer note 7)												
A. Rating services	(45.56)	(59.08)	(43.58)	(45.56)	(43.58)	(48.52)	(45.56)	(59.08)	(43.58)	(45.56)	(43.58)	(48.52)
B. Research services	428.10	396.86	405.83	428.10	405.83	416.58	215.62	209.09	209.63	215.62	209.63	201.93
C. Advisory services	39.35	40.39	53.37	39.35	53.37	38.15	-	-	-	-	-	-
D. Unallocable (Net)	578.44	630.17	549.64	578.44	549.64	586.41	619.36	676.97	647.33	619.36	647.33	676.51

Notes to Financial Results :

- 1 The above results were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on October 17, 2017.
- 2 The Board of Directors have declared interim dividend of Rs. 6 per share having face value of Re. 1 each.
- 3 The Company's operations predominantly relate to providing rating, research and advisory services. Accordingly, revenues earned through rendering of these services represent the primary basis of segment information set out above.
- 4 The Group has adopted Indian Accounting Standard ("Ind AS") notified by the Ministry of Corporate Affairs with effect from January 01, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition is January 01, 2016. The impact of transition has been accounted and comparative period results have been restated accordingly. Reconciliation of the financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) (hereinafter referred to as previous GAAP) and Ind AS is summarised as follows:

Profit Reconciliation

(Rs. in Crore)

Particulars	Consolidated			Standalone		
	Corresponding		Year ended	Corresponding		Year ended
	3 Months ended	9 Months ended		3 Months ended	9 Months ended	
	30-Sep-16	30-Sep-16	31-Dec-16	30-Sep-16	30-Sep-16	31-Dec-16
Net profit as per previous GAAP	79.84	228.25	326.35	61.77	177.86	255.66
Add / (Less) : Adjustments for GAAP Differences						
Measurement of financial instruments at fair value	(3.66)	(2.40)	(7.59)	(3.77)	(2.64)	(7.55)
Re-measurements of net defined benefit liability	1.49	1.96	3.47	1.33	1.85	3.31
Impact of restatement of past business combinations	(3.33)	(10.61)	(14.17)	-	-	-
Share based payments	(5.12)	(14.87)	(16.27)	(3.72)	(10.93)	(11.64)
Transferred on amalgamation	-	-	-	1.99	3.98	-
Others	(0.84)	(2.08)	(2.93)	(0.93)	(2.26)	(1.45)
Tax adjustments on above as applicable	1.58	3.09	5.39	0.98	1.06	1.96
Net profit before other comprehensive income as per Ind AS	69.96	203.34	294.25	57.65	168.92	240.29
Other Comprehensive Income (net of tax)	(22.91)	(29.58)	(42.95)	1.02	(3.97)	(6.95)
Total Comprehensive Income as per Ind AS (After tax)	47.05	173.76	251.30	58.67	164.95	233.34

- 5 Details of foreign exchange gain or loss recorded in the respective periods in the accompanying unaudited financial results are as under :

(Rs. in Crore)

Details	Consolidated		Standalone	
	Forex gain or loss included under			
	Other income	Other expense	Other income	Other expense
Quarter ended September 30, 2017	0.23	Nil	5.85	Nil
Quarter ended June 30, 2017	Nil	2.12	Nil	0.62
Quarter ended September 30, 2016	Nil	1.56	Nil	2.10
9 months ended September 30, 2017	0.23	14.01	5.85	11.55
9 months ended September 30, 2016	8.02	1.56	0.21	4.73
Year ended December 31, 2016	11.00	1.56	0.75	4.73

- 6 In compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of the above results has been carried out by the Statutory Auditors.
- 7 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.
- 8 The Consolidated accounts include accounts of CRISIL Limited and its wholly owned subsidiaries.
- 9 Previous year / quarter figures have been regrouped where necessary to conform to current period.

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



Ashu Suyash
Managing Director and Chief Executive Officer

Mumbai, October 17, 2017

* Further details in connection with this Release are available on website of the Company at www.crisil.com and also on the websites of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).
