

July 18, 2014

Mumbai

## **CRISIL Limited: Unaudited Financial Results for the quarter ended June 30, 2014**

The Board of Directors of CRISIL Limited, at its meeting today, approved the unaudited financial results for the quarter ended June 30, 2014.

CRISIL's consolidated income from operations for the quarter stood at Rs.305.13 crore as against Rs. 265.84 crore in the corresponding quarter of the previous year, an increase of 14.8 per cent. Profit from operations before other income grew by 14.7 per cent during the quarter compared to same period last year. Consolidated net profit was Rs.57.83 crore as against Rs.60.52 crore for the corresponding quarter of previous year due to adverse foreign exchange movement.

For the six months ended June 30, 2014, consolidated income from operations was Rs.614.36 as against Rs.520.84 crore in the corresponding period of the previous year, an increase of 18 per cent. Consolidated net profit for the six months ended June 30, 2014 was Rs.126.54 crore, up 14.9 per cent as against Rs. 110.09 crore in the corresponding period of the previous year.

The Board of Directors has declared payment of a second interim dividend of Rs. 3 per share on shares of face value of Re. 1 each for the financial year ending December 31, 2014.

The overall operating environment both in India and globally was challenging with mild signs of recovery in the second quarter of 2014.

The business environment for Ratings continued to be subdued during the quarter with limited activity in the bond markets and in securitisation. Despite the environment, Ratings' segment revenue rose 10.8 per cent over the corresponding quarter of the previous year, driven by strong growth in small and medium enterprise and bank loan ratings. The expected improvement in the policy and business environment should lead to a pick-up in fund raising activity.

CRISIL Global Research and Analytics (GR&A) registered a healthy growth in the quarter. Coalition witnessed strong growth in revenues from products launched over the last year. The quarter saw significant client additions for model validation, stress testing, and Comprehensive Capital Analysis and Review (CCAR) support to global banks. Also, the addition of buy-side clients contributed to growth during the quarter. However, the global banking industry continues to remain stressed with renewed focus on cost management and recovery of industry.

The India research business witnessed moderate growth as the slowdown in investments and profitability pressures on our clients continued in this quarter.

CRISIL Risk and Infrastructure Solutions Limited (CRIS), a wholly owned subsidiary of CRISIL Limited, maintained growth momentum by continuing to build a strong order book during the quarter. Both the infrastructure advisory and the risk solutions businesses won prestigious mandates in India and abroad.

During the quarter, CRISIL GR&A and Coalition hosted a seminar titled "Investment Banking: The Road Ahead" in London, which was attended by a number of senior investment bankers.



Roopa Kudva  
Managing Director and Chief Executive Officer

Note : The Consolidated accounts include accounts of CRISIL Limited and its wholly owned subsidiaries - CRISIL Risk and Infrastructure Solutions Limited, Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited, Mercator Info-Services India Private Limited, CRISIL Irevna Information & Technology (Hangzhou) Co. Limited, CRISIL Irevna Argentina S.A., CRISIL Irevna UK Limited, CRISIL Irevna US LLC, CRISIL Irevna Poland Sp. Zo.o., Coalition Development Limited, UK and Coalition Development Singapore Pte Limited and proportionate share in income and expenses of joint venture - \*India Index Services & Products Limited.

\* up to August 27, 2013.

For information, please contact:

**Roopa Kudva - Managing Director and Chief Executive Officer**

Phone: (D) +91 22 3342 3062

**Mitu Samar**

**Director, Communications and Brand Management**

**CRISIL Limited**

Phone: (D) +91 22 3342 1838 | (M) +91 98 200 61934 | (B) +91 22 3342 3000

Email: [mitu.samar@crisil.com](mailto:mitu.samar@crisil.com)

**Tanuja Abhinandan**

**Communications and Brand Management**

**CRISIL Limited**

Phone: (D) +91 22 3342 1818 | (M) +91 98 192 48980 | (B) +91 22 3342 3000

Email: [tanuja.abhinandan@crisil.com](mailto:tanuja.abhinandan@crisil.com)

**About CRISIL Limited**

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services.

We are India's leading ratings 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.

Our defining trait is our ability to convert data and information into expert judgements and forecasts across a wide range of domains, with deep expertise and complete objectivity.

At the core of our credibility, built up assiduously over the years, are our values: Integrity, Independence, Analytical Rigour, Commitment and Innovation.

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

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Last updated: May, 2013

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PART I Particulars	Consolidated						Standalone					
	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year ended
	30-Jun-14 Unaudited	31-Mar-14 Unaudited	30-Jun-13 Unaudited	30-Jun-14 Unaudited	30-Jun-13 Unaudited	31-Dec-13 Audited	30-Jun-14 Unaudited	31-Mar-14 Unaudited	30-Jun-13 Unaudited	30-Jun-14 Unaudited	30-Jun-13 Unaudited	31-Dec-13 Audited
<b>1. Income from operations</b>												
A. Net sales / income from operations	304.79	308.98	265.66	613.77	520.15	1,110.64	219.83	219.84	195.23	439.67	383.35	789.28
B. Other operating income	0.34	0.25	0.18	0.59	0.69	1.70	0.61	0.49	0.50	1.10	1.23	2.66
<b>1. Total income from operations</b>	<b>305.13</b>	<b>309.23</b>	<b>265.84</b>	<b>614.36</b>	<b>520.84</b>	<b>1,112.34</b>	<b>220.44</b>	<b>220.33</b>	<b>195.73</b>	<b>440.77</b>	<b>384.58</b>	<b>791.94</b>
<b>2. Expenditure</b>												
A. Staff expenses	150.57	139.88	131.69	290.45	252.80	515.48	95.90	77.56	80.79	163.46	151.30	294.04
B. Rent expenses	12.02	12.10	11.51	24.12	23.07	46.42	8.83	8.87	8.96	17.70	17.95	35.18
C. Establishment expenses	10.37	10.18	9.50	20.55	18.79	39.72	7.19	7.25	7.29	14.44	14.27	29.07
D. Professional fees	12.29	11.32	9.79	23.61	19.15	44.24	30.37	28.20	18.41	58.57	34.53	90.56
E. Travel expenses	10.42	9.08	7.00	19.50	13.28	32.35	6.41	5.32	4.02	11.73	8.12	19.16
F. Associate service fees	9.09	8.80	7.95	17.89	13.28	29.54	8.95	8.61	7.66	17.56	12.77	28.55
G. Other expenses (Refer note 5)	11.54	15.07	10.19	26.61	25.70	46.72	5.83	10.16	6.11	15.99	17.63	28.47
H. Depreciation / Amortization	9.14	8.71	8.73	17.85	17.41	37.92	6.14	5.84	5.73	11.98	11.42	23.22
<b>2. Total expenditure</b>	<b>225.44</b>	<b>215.14</b>	<b>196.36</b>	<b>440.58</b>	<b>383.48</b>	<b>792.39</b>	<b>159.62</b>	<b>151.81</b>	<b>138.97</b>	<b>311.43</b>	<b>267.99</b>	<b>548.25</b>
<b>3. Profit from operations before other income, interest and exceptional items (1 - 2)</b>	<b>79.69</b>	<b>94.09</b>	<b>69.48</b>	<b>173.78</b>	<b>137.36</b>	<b>319.95</b>	<b>60.82</b>	<b>68.52</b>	<b>56.76</b>	<b>129.34</b>	<b>116.59</b>	<b>243.69</b>
4. Other income (Refer note 5)	3.06	2.89	17.16	5.95	20.37	39.32	6.23	4.29	18.34	10.52	22.10	45.66
<b>5. Profit before interest and exceptional items (3 + 4)</b>	<b>82.75</b>	<b>96.98</b>	<b>86.64</b>	<b>179.73</b>	<b>157.73</b>	<b>359.27</b>	<b>67.05</b>	<b>72.81</b>	<b>75.10</b>	<b>139.86</b>	<b>138.69</b>	<b>289.35</b>
6. Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
<b>7. Profit after interest but before exceptional items (5 - 6)</b>	<b>82.75</b>	<b>96.98</b>	<b>86.64</b>	<b>179.73</b>	<b>157.73</b>	<b>359.27</b>	<b>67.05</b>	<b>72.81</b>	<b>75.10</b>	<b>139.86</b>	<b>138.69</b>	<b>289.35</b>
8. Exceptional item (Refer note 8)	-	-	-	-	-	65.88	-	-	-	-	-	99.36
<b>9. Profit from ordinary activities before tax (7 + 8)</b>	<b>82.75</b>	<b>96.98</b>	<b>86.64</b>	<b>179.73</b>	<b>157.73</b>	<b>425.15</b>	<b>67.05</b>	<b>72.81</b>	<b>75.10</b>	<b>139.86</b>	<b>138.69</b>	<b>388.71</b>
10. Tax expense	24.92	28.27	26.12	53.19	47.64	127.33	20.12	21.85	22.27	41.97	40.26	107.52
<b>11. Net profit for the period (9 - 10)</b>	<b>57.83</b>	<b>68.71</b>	<b>60.52</b>	<b>126.54</b>	<b>110.09</b>	<b>297.82</b>	<b>46.93</b>	<b>50.96</b>	<b>52.83</b>	<b>97.89</b>	<b>98.43</b>	<b>281.19</b>
12. Paid up Equity Share Capital ( Face value of Re. 1 each )	7.10	7.07	7.05	7.10	7.05	7.07	7.10	7.07	7.05	7.10	7.05	7.07
13. Reserves (excluding revaluation reserves)	-	-	-	-	-	667.43	-	-	-	-	-	601.77
14. Earnings Per Share ( EPS ) : Basic (Not annualised)	8.16	9.73	8.59	17.88	15.65	42.27	6.62	7.21	7.50	13.83	13.99	39.91
15. Earnings Per Share ( EPS ) : Diluted (Not annualised)	8.04	9.68	8.56	17.71	15.59	42.15	6.52	7.18	7.47	13.70	13.94	39.79

CRISIL Limited  
 Details of Shareholding during the quarter and half year ended June 30, 2014

PART II Particulars	Consolidated						Standalone					
	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year Ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year ended
	30-Jun-14 Unaudited	31-Mar-14 Unaudited	30-Jun-13 Unaudited	30-Jun-14 Unaudited	30-Jun-13 Unaudited	31-Dec-13 Audited	30-Jun-14 Unaudited	31-Mar-14 Unaudited	30-Jun-13 Unaudited	30-Jun-14 Unaudited	30-Jun-13 Unaudited	31-Dec-13 Audited
<b>A. PARTICULARS OF SHAREHOLDING</b>												
1. Public shareholding												
(A) Number of shares	23,129,491	22,820,351	33,296,990	23,129,491	33,296,990	22,830,701	23,129,491	22,820,351	33,296,990	23,129,491	33,296,990	22,830,701
(B) Percentage of shareholding	32.59%	32.30%	47.23%	32.59%	47.23%	32.31%	32.59%	32.30%	47.23%	32.59%	47.23%	32.31%
<b>Promoters and promoters group</b>												
a) Pledged/Encumbered												
- Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Non-encumbered												
- Number of Shares	47,832,539	47,832,539	37,209,480	47,832,539	37,209,480	47,822,189	47,832,539	47,832,539	37,209,480	47,832,539	37,209,480	47,822,189
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	67.41%	67.70%	52.77%	67.41%	52.77%	67.69%	67.41%	67.70%	52.77%	67.41%	52.77%	67.69%
<b>Particulars</b>	<b>3 months ended (30-June-14)</b>											
<b>B. INVESTORS COMPLAINTS</b>												
Pending at the beginning of the quarter	Nil											
Received during the quarter	23											
Disposed of during the quarter	23											
Remaining unresolved at the end of the quarter	Nil											

Particulars	Consolidated						Standalone					
	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	6 Months ended	6 Months ended	Year ended
	30-Jun-14	31-Mar-14	30-Jun-13	30-Jun-14	30-Jun-13	31-Dec-13	30-Jun-14	31-Mar-14	30-Jun-13	30-Jun-14	30-Jun-13	31-Dec-13
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Operating revenue</b>												
A. Rating services	111.85	115.33	100.95	227.18	200.35	413.89	111.85	115.33	100.95	227.18	200.35	413.89
B. Research services	178.80	179.70	152.34	358.50	294.90	641.10	107.98	104.51	94.28	212.49	183.00	375.39
C. Advisory services	14.14	13.95	12.37	28.09	24.90	55.65	-	-	-	-	-	-
<b>1 D. Total operating revenue from operations</b>	<b>304.79</b>	<b>308.98</b>	<b>265.66</b>	<b>613.77</b>	<b>520.15</b>	<b>1,110.64</b>	<b>219.83</b>	<b>219.84</b>	<b>195.23</b>	<b>439.67</b>	<b>383.35</b>	<b>789.28</b>
2. Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Net income from operations (1D - 2)</b>	<b>304.79</b>	<b>308.98</b>	<b>265.66</b>	<b>613.77</b>	<b>520.15</b>	<b>1,110.64</b>	<b>219.83</b>	<b>219.84</b>	<b>195.23</b>	<b>439.67</b>	<b>383.35</b>	<b>789.28</b>
<b>4. Segment profits</b>												
A. Rating services	39.49	46.79	38.76	86.28	77.36	163.94	39.49	46.79	38.76	86.28	77.36	163.94
B. Research services	46.85	53.91	50.69	100.76	87.73	205.36	26.71	25.73	35.50	52.44	62.13	120.21
C. Advisory services	0.76	1.51	0.97	2.27	2.43	7.55	-	-	-	-	-	-
<b>4 D. Total operating profit</b>	<b>87.10</b>	<b>102.21</b>	<b>90.42</b>	<b>189.31</b>	<b>167.52</b>	<b>376.85</b>	<b>66.20</b>	<b>72.52</b>	<b>74.26</b>	<b>138.72</b>	<b>139.49</b>	<b>284.15</b>
<b>5. Add / ( Less )</b>												
i. Interest	-	-	-	-	-	-	-	-	-	-	-	-
ii. Other unallocable income net of unallocable expenditure	4.79	3.48	4.95	8.27	7.62	20.34	6.99	6.13	6.57	13.12	10.62	28.42
iii. Depreciation / Amortisation	(9.14)	(8.71)	(8.73)	(17.85)	(17.41)	(37.92)	(6.14)	(5.84)	(5.73)	(11.98)	(11.42)	(23.22)
<b>6. Profit from ordinary activities before exceptional items and tax (4 D + 5)</b>	<b>82.75</b>	<b>96.98</b>	<b>86.64</b>	<b>179.73</b>	<b>157.73</b>	<b>359.27</b>	<b>67.05</b>	<b>72.81</b>	<b>75.10</b>	<b>139.86</b>	<b>138.69</b>	<b>289.35</b>
7. Exceptional items (Refer note 8)	-	-	-	-	-	65.88	-	-	-	-	-	99.36
8. Prior period items	-	-	-	-	-	-	-	-	-	-	-	-
<b>9. Net profit from ordinary activities before tax ( 6 + 7 + 8 )</b>	<b>82.75</b>	<b>96.98</b>	<b>86.64</b>	<b>179.73</b>	<b>157.73</b>	<b>425.15</b>	<b>67.05</b>	<b>72.81</b>	<b>75.10</b>	<b>139.86</b>	<b>138.69</b>	<b>388.71</b>
<b>Capital employed (Refer note 4)</b>												
A. Rating services	(24.36)	18.54	(29.10)	(24.36)	(29.10)	(4.86)	(24.36)	18.54	(29.10)	(24.36)	(29.10)	(4.86)
B. Research services	51.65	49.16	37.47	51.65	37.47	40.24	251.56	267.70	208.36	251.56	208.36	237.80
C. Advisory services	20.57	18.75	17.14	20.57	17.14	17.47	-	-	-	-	-	-
D. Unallocable (Net)	770.02	676.47	595.06	770.02	595.06	621.65	499.77	393.57	360.58	499.77	360.58	375.90

CRISIL Limited  
Statement of Assets and Liabilities

(Rs. in Crore)

Particulars	Consolidated		Standalone	
	As at	As at	As at	As at
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	Unaudited	Audited	Unaudited	Audited
<b>A. Equity and liabilities</b>				
<b>1. Shareholders' funds</b>				
(a) Share capital	7.10	7.07	7.10	7.07
(b) Reserve and surplus	810.78	667.43	719.87	601.77
<b>Sub-total Shareholders' funds</b>	<b>817.88</b>	<b>674.50</b>	<b>726.97</b>	<b>608.84</b>
<b>2. Non-current liabilities</b>				
(a) Trade payables	11.25	15.73	13.74	13.90
(b) Other liabilities	4.94	2.31	-	-
<b>Sub-total non-current liabilities</b>	<b>16.19</b>	<b>18.04</b>	<b>13.74</b>	<b>13.90</b>
<b>3. Current liabilities</b>				
(a) Trade payables	103.39	112.22	45.28	63.66
(b) Other liabilities	197.87	203.76	159.16	91.20
(c) Provisions	49.78	138.08	32.71	122.54
<b>Sub-total current liabilities</b>	<b>351.04</b>	<b>454.06</b>	<b>237.15</b>	<b>277.40</b>
<b>TOTAL - Equity and liabilities</b>	<b>1,185.11</b>	<b>1,146.60</b>	<b>977.86</b>	<b>900.14</b>
<b>B. Assets</b>				
<b>1. Non-current assets</b>				
(a) Fixed assets	127.48	134.22	79.66	83.64
(b) Capital work-in-progress	1.07	-	-	-
(c) Goodwill on consolidation	315.03	315.03	-	-
(d) Investments	5.63	5.63	151.39	150.58
(e) Deferred tax assets (Net)	23.83	22.86	17.54	16.15
(f) Loans and advances	56.00	48.06	199.63	180.66
(g) Other assets	5.86	8.99	0.21	0.70
<b>Sub-total non-current assets</b>	<b>534.90</b>	<b>534.79</b>	<b>448.43</b>	<b>431.73</b>
<b>2. Current assets</b>				
(a) Investments	187.94	238.72	176.38	221.56
(b) Trade receivables	196.69	119.49	227.92	153.01
(c) Cash and bank balances	151.31	189.95	57.35	41.89
(d) Loans and advances	22.40	21.08	35.90	33.88
(e) Other assets	91.87	42.57	31.88	18.07
<b>Sub-total current assets</b>	<b>650.21</b>	<b>611.81</b>	<b>529.43</b>	<b>468.41</b>
<b>TOTAL - Assets</b>	<b>1,185.11</b>	<b>1,146.60</b>	<b>977.86</b>	<b>900.14</b>

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 18, 2014.
- 2 The Board has declared Interim dividend of Rs. 3 per share having nominal 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 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.
- 5 Details of foreign exchange gain or loss are as under :

Details	Forex Gain Included under other income ( Rs. Crore)	Forex loss Included under other expense ( Rs. Crore)
Quarter ended June 30, 2014	1.29	Nil
Quarter ended March 31, 2014	Nil	3.00
Quarter ended June 30, 2013	14.66	Nil
Half year ended June 30, 2014	1.29	3.00
Half year ended June 30, 2013	14.66	4.38
Year ended December 31, 2013	27.47	4.38

- 6 The promoters have not pledged any shares owned by them.
- 7 The standalone unaudited financial results of the Company for the quarter ended June 30, 2014 has only been subjected to limited review by the auditors.
- 8 Exceptional item for the previous year represents profit of Rs. 99.36 crore on a standalone basis (Rs.65.88 crore on a consolidated basis net of accumulated reserves) on sale of 637,000 equity shares of India Index Services & Products Limited (IISL) representing 49% of holding in IISL. The Company has fully divested its stake in IISL for Rs.100 crore.
- 9 The Consolidated accounts include accounts of CRISIL Limited and its wholly owned subsidiaries - CRISIL Risk and Infrastructure Solutions Limited, Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited, Mercator Info-Services India Private Limited, CRISIL Irevna Information & Technology (Hangzhou) Co. Limited, CRISIL Irevna UK Limited, CRISIL Irevna US LLC, CRISIL Irevna Argentina S.A., CRISIL Irevna Poland Sp.Zo.o., Coalition Development Limited, UK and Coalition Development Singapore Pte Limited and proportionate share in income and expenses of joint venture - \*India Index Services & Products Limited

\* Upto August 27, 2013

10 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**



Roopa Kudva  
Managing Director and Chief Executive Officer

Mumbai, July 18, 2014