

Press Release

February 13, 2018 | Mumbai

CRISIL Limited: Audited Financial Results for the fourth quarter and year ended December 31, 2017

The Board of Directors of CRISIL Limited, at its meeting today, approved the audited financial results for fourth quarter ended December 31, 2017.

- **Fiscal 2017 revenue up 7.2% year-on-year; profit after tax up by 3.4%**
- **Fourth-quarter revenue up 3.3% year-on-year; profit after tax up by 5.1%**
- **Final dividend of Rs 10 per share recommended. Total dividend of Rs 28 per share for 2017**

CRISIL's consolidated income from operations for the quarter ended December 31, 2017, rose 3.3% to Rs 441.1 crore, compared with Rs 426.9 crore in the corresponding quarter of 2016. Consolidated net profit for the quarter rose 5.1% to Rs 95.6 crore, compared with Rs 90.9 crore in the corresponding quarter of the previous year. Consolidated net profit for the quarter was affected by an adverse currency impact of Rs 1.9 crore, compared with a gain of Rs 3 crore in the corresponding quarter of the previous year.

Consolidated income from operations for the year ended December 31, 2017, was up 7.2% to Rs 1,661.1 crore, compared with Rs 1,549.7 crore in 2016. Consolidated net profit for the year was up 3.4% to Rs 304.4 crore, compared with Rs 294.3 crore in 2016. Consolidated net profit for the year was affected by an adverse currency impact of Rs 15.7 crore, compared with a gain of Rs 9.4 crore in 2016.

During 2017, the company paid three interim dividends amounting to Rs 18 per equity share of face value of Re 1 each. The Board of Directors has recommended a final dividend of Rs 10 per share. The total dividend for the year works out to Rs 28 per share.

Says Ashu Suyash, Managing Director & Chief Executive Officer, CRISIL, "Growth in 2017 was led by our global businesses, and supported by buoyancy in bond ratings and infrastructure advisory services domestically. But this was partially offset by adverse currency movement and the impact of subsidy reduction in the SME Ratings business. Across businesses, we have focussed on strategic shifts to cater to emerging customer needs, and therefore made substantial investments in launching new offerings and platforms."

CRISIL Ratings continued to enhance its market position through client acquisitions. While better capital market activity helped it grow the bond ratings business, the bank loan segment remained muted due to weak credit growth. The business also received mandates for its new offerings – the Expected Loss scale, and independent credit evaluation of stressed assets. SME Ratings sharpened focus on new product development and initiated transition towards a digital model following the sharp reduction in subsidy.

Opportunities arising from regulatory controls and sharper focus on risk management augur well for the Global Research & Analytics business, which focused on expanding client footprint and new offerings. The business expanded its presence with sell side firms as a result of Markets in Financial Instruments Directive II, or MiFID II, regulations. The SPARC (Shared Platform for Assessing Risk of Counterparties) and SMART (Simple, Modular, Analytics & Research Toolkit) platforms launched by the business are receiving a good response. The business registered strong growth through addition of new clients and executing more complex assignments. The business

also enhanced its offerings in the Financial Crime and Compliance, Change Management and Business Transformation segments.

CRISIL Coalition delivered a strong performance by increasing its base of corporate and investment banking clients, and it also added to its offerings for regional banks. There was good traction for CRISIL Coalition's offerings in Stress Testing and TBLS (Transaction Banking, Lending and Security Services).

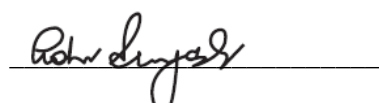
Quantix, the new cross-sector data analytics platform launched by CRISIL Research, has seen encouraging client response with several wins. The business saw robust growth in customised research offerings.

CRISIL Risk and Infrastructure Solutions Ltd, which houses the Infrastructure Advisory and Risk Solutions businesses, saw buoyant demand for its offerings, and expanded its international footprint. Infrastructure Advisory won several prestigious assignments including for the Smart Cities Mission, the Atal Mission for Rejuvenation and Urban Transformation, and value capture financing. CRISIL Risk Solutions increased client engagements, launched an International Financial Reporting Standards, or IFRS 9, offering, and developed a model monitoring tool.

During the year, CRISIL signed a definitive agreement to acquire Pragmatix Services Pvt Ltd and the acquisition was completed in January 2018. This will enable CRISIL to leverage Pragmatix's proprietary technology platform and deep domain expertise, and enhance business intelligence, analytics and risk management offerings for the financial sector in India and abroad.

Several white papers were released, and conferences hosted in New York and London on themes such as Big Data and MiFID II during the year. In partnership with S&P Global, CRISIL also hosted events in Hong Kong and Singapore. Domestically, CRISIL continued to focus on thought leadership and franchise development through many events, webinars, reports and press releases. The first edition of the CRISIL Infrastructure Conclave proved to be a huge success, drawing wide participation from stakeholders. The conclave has become an industry platform for visioning the next phase of infrastructure growth in the country.

CRISIL Foundation undertook several initiatives towards environment conservation, financial literacy and inclusive education through a series of high-impact programs across states.



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About CRISIL Limited

CRISIL is an agile and innovative, global 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.

CRISIL is 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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Last updated: April 2016

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CRISIL Limited
Statement of Financial Results for the quarter and year ended December 31, 2017

(Rs. In Crore)

Particulars	Consolidated					Standalone				
	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended	Year ended
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
	Audited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)
1. Income from operations										
A. Net sales / income from operations	440.90	409.71	426.31	1,658.46	1,547.51	305.04	280.21	314.40	1,177.38	1,129.64
B. Other operating income	0.23	0.70	0.61	2.61	2.19	1.40	1.14	0.67	4.17	2.84
1. Total Income from operations	441.13	410.41	426.92	1,661.07	1,549.70	306.44	281.35	315.07	1,181.55	1,132.48
2. Other Income (Refer note 5)	4.21	3.27	11.69	22.98	49.04	4.37	11.16	10.06	37.62	42.20
3. Total income (1 + 2)	445.34	413.68	438.61	1,684.05	1,598.74	310.81	292.51	325.13	1,219.17	1,174.68
4. Expenses										
A. Staff expenses	215.47	218.77	199.65	845.93	787.74	126.26	122.05	119.61	491.63	455.13
B. Rent expenses	15.10	14.44	14.67	58.53	58.01	11.15	11.21	9.87	44.55	42.92
C. Professional fees	25.65	21.74	17.09	85.90	68.10	38.88	37.92	32.69	150.90	128.99
D. Travel expenses	12.63	10.19	11.45	47.33	41.23	6.24	5.39	6.89	26.32	23.97
E. Associate service fees	10.08	8.86	11.81	42.39	42.73	9.76	8.60	11.56	41.24	41.67
F. Finance costs	0.29	0.12	-	0.41	-	0.29	0.12	-	0.41	-
G. Other expenses (Refer note 5)	27.89	27.03	29.33	123.31	107.93	21.80	16.35	21.09	89.55	85.15
H. Depreciation / Amortization	9.89	11.17	13.66	46.64	54.52	7.27	7.24	7.75	28.52	28.51
4. Total expenses	317.00	312.32	297.66	1,250.44	1,160.26	221.65	208.88	209.46	873.12	806.34
5. Profit before exceptional items before tax (3 - 4)	128.34	101.36	140.95	433.61	438.48	89.16	83.63	115.67	346.05	368.34
6. Exceptional item	-	-	-	-	-	-	-	-	-	-
7. Net profit before tax (5 + 6)	128.34	101.36	140.95	433.61	438.48	89.16	83.63	115.67	346.05	368.34
8. Tax expense										
A. Current Tax	41.97	32.91	52.83	146.48	151.83	30.94	28.53	46.45	120.42	133.99
B. Deferred Tax	(9.25)	(0.97)	(2.84)	(17.30)	(7.68)	(6.00)	(0.23)	(2.15)	(11.63)	(5.94)
8. Total Tax expense (8A + 8B)	32.72	31.94	49.99	129.18	144.15	24.94	28.30	44.30	108.79	128.05
9. Net profit for the period (7 - 8)	95.62	69.42	90.96	304.43	294.33	64.22	55.33	71.37	237.26	240.29
10. Other comprehensive income (Net of tax)	(9.66)	(50.65)	(10.77)	(77.42)	(24.71)	(4.30)	(66.29)	(0.31)	(85.17)	11.36
11. Total comprehensive income for the period (9 + 10)	85.96	18.77	80.19	227.01	269.62	59.92	(10.96)	71.06	152.09	251.65
12. Paid up Equity Share Capital (Face value of Re. 1 each)	7.17	7.16	7.13	7.17	7.13	7.17	7.16	7.13	7.17	7.13
13. Other equity	-	-	-	1,041.40	978.24	-	-	-	804.53	816.30
14. Earnings Per Share (EPS)										
Basic (Not annualised)	13.34	9.70	12.75	42.58	41.30	8.96	7.73	10.01	33.19	33.72
Diluted (Not annualised)	13.26	9.60	12.61	42.32	40.86	8.91	7.65	9.89	32.98	33.36

CRISIL Limited
Statement of Financial Results for the quarter and year ended December 31, 2017

(Rs. In Crore)

Particulars	Consolidated					Standalone				
	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended	Year ended
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
Audited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Unaudited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)	Audited (Refer note 6)
1. Operating revenue										
A. Rating services	125.71	123.74	127.70	480.29	467.64	125.71	123.74	127.74	480.29	467.68
B. Research services	286.99	261.63	277.11	1,080.39	1,003.81	179.33	156.47	186.66	697.09	661.96
C. Advisory services	28.20	24.34	21.50	97.78	76.06	-	-	-	-	-
1 D. Total revenue from operations	440.90	409.71	426.31	1,658.46	1,547.51	305.04	280.21	314.40	1,177.38	1,129.64
2. Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-
3. Net income from operations (1D - 2)	440.90	409.71	426.31	1,658.46	1,547.51	305.04	280.21	314.40	1,177.38	1,129.64
4. Segment profits										
A. Rating services	43.28	45.18	44.17	151.20	142.68	43.16	45.16	44.06	151.04	142.32
B. Research services	89.77	64.22	99.22	308.46	326.33	51.72	41.37	75.94	201.42	226.08
C. Advisory services	4.83	1.22	3.44	9.24	(0.69)	-	-	-	-	-
4 D. Total operating profit	137.88	110.62	146.83	468.90	468.32	94.88	86.53	120.00	352.46	368.40
5. Add / (Less)										
i. Interest	(0.29)	(0.12)	-	(0.41)	-	(0.29)	(0.12)	-	(0.41)	-
ii. Other unallocable income net of unallocable expenditure(Refer note 5)	0.64	2.03	7.78	11.76	24.68	1.84	4.46	3.42	22.52	28.45
iii. Depreciation / Amortisation (Unallocable)	(9.89)	(11.17)	(13.66)	(46.64)	(54.52)	(7.27)	(7.24)	(7.75)	(28.52)	(28.51)
6. Net profit from ordinary activities before tax (4 + 5)	128.34	101.36	140.95	433.61	438.48	89.16	83.63	115.67	346.05	368.34
Segment Assets (Refer note 7)										
A. Rating services	75.26	107.17	69.85	75.26	69.85	75.27	107.17	69.85	75.27	69.85
B. Research services	591.31	634.20	604.60	591.31	604.60	269.02	312.73	302.96	269.02	302.96
C. Advisory services	72.01	66.69	59.70	72.01	59.70	-	-	-	-	-
D. Unallocable (Net)	756.13	641.53	651.09	756.13	651.09	771.96	682.90	716.64	771.96	716.64
Segment Liabilities (Refer note 7)										
A. Rating services	124.65	152.73	118.37	124.65	118.37	124.65	152.73	118.37	124.65	118.37
B. Research services	217.24	206.10	204.72	217.24	204.72	114.71	97.11	101.03	114.71	101.03
C. Advisory services	27.99	27.34	21.55	27.99	21.55	-	-	-	-	-
D. Unallocable (Net)	76.26	63.09	55.23	76.26	55.23	65.19	63.54	46.62	65.19	46.62
Capital employed (Refer note 7)										
A. Rating services	(49.39)	(45.56)	(48.52)	(49.39)	(48.52)	(49.38)	(45.56)	(48.52)	(49.38)	(48.52)
B. Research services	374.07	428.10	399.88	374.07	399.88	154.31	215.62	201.93	154.31	201.93
C. Advisory services	44.02	39.35	38.15	44.02	38.15	-	-	-	-	-
D. Unallocable (Net)	679.87	578.44	595.86	679.87	595.86	706.77	619.36	670.02	706.77	670.02

CRISIL Limited
Statement of Assets and Liabilities

(Rs. in Crore)

Particulars	Consolidated		Standalone	
	As at	As at	As at	As at
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	Audited	Audited	Audited	Audited
A. Assets				
1. Non-current assets				
(a) Property, plant and equipment	54.35	66.43	48.21	60.08
(b) Goodwill	232.03	224.25	-	-
(c) Intangible assets	7.08	18.06	2.32	0.74
(d) Intangible assets under development	13.21	4.32	11.60	1.92
(e) Financial assets				
i. Investments	386.10	35.57	512.94	162.40
ii. Loans	-	-	-	70.48
iii. Other financial assets	14.84	33.36	13.09	32.38
(f) Deferred tax assets (Net)	34.75	17.18	27.10	15.01
(g) Tax assets	41.94	19.44	25.26	4.83
(h) Other non-current assets	3.66	6.02	3.65	6.02
Sub-total non-current assets	787.96	424.63	644.17	353.86
2. Current assets				
(a) Financial assets				
i. Investments	139.33	429.52	131.32	423.14
ii. Trade receivables	260.42	207.30	161.44	187.05
iii. Cash and bank balances	84.69	163.91	38.21	20.80
iv. Other bank balances	47.09	13.58	5.05	5.03
v. Loans	3.92	3.69	36.47	19.84
vi. Other financial assets	138.88	111.73	75.11	54.82
(b) Other current assets	32.42	30.88	24.48	24.91
Sub-total current assets	706.75	960.61	472.08	735.59
TOTAL - Assets	1,494.71	1,385.24	1,116.25	1,089.45
B. Equity and liabilities				
1. Equity				
(a) Equity share capital	7.17	7.13	7.17	7.13
(b) Other equity	1,041.40	978.24	804.53	816.30
Sub-total Equity	1,048.57	985.37	811.70	823.43
2. Non-current liabilities				
(a) Financial liabilities				
i. Other financial liabilities	4.12	1.15	3.05	0.73
(b) Other non-current liabilities	0.48	0.16	0.48	0.16
(c) Provisions	12.88	13.35	12.88	13.53
Sub-total non-current liabilities	17.48	14.66	16.41	14.42
3. Current liabilities				
(a) Financial liabilities				
i. Trade payables	56.71	42.86	46.82	33.95
ii. Other financial liabilities	147.88	142.46	72.63	69.06
(b) Other current liabilities	151.86	137.19	115.30	101.10
(c) Provisions	62.20	54.04	53.39	47.49
(d) Tax liabilities	10.01	8.66	-	-
Sub-total current liabilities	428.66	385.21	288.14	251.60
TOTAL - Equity and liabilities	1,494.71	1,385.24	1,116.25	1,089.45

Notes to Financial Results :

- 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 February 13, 2018.
- The Board of Directors has recommended a final dividend of Rs. 10 per share having face value of Re. 1 each.
- 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.
- 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 Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. 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:

Particulars	Consolidated		Standalone	
	Corresponding 3 Months ended	Year ended	Corresponding 3 Months ended	Year ended
	31-Dec-16			
Net profit as per previous GAAP	98.10	326.34	77.80	255.65
Add / (Less) : Adjustments for GAAP Differences				
Measurement of financial instruments at fair value	(5.21)	(7.52)	(4.91)	(7.55)
Remeasurements of net defined benefit liability	1.45	3.47	1.45	3.31
Impact of restatement of past business combinations	(3.94)	(17.31)	-	-
Share based payments to employees	(1.31)	(16.27)	(0.53)	(11.64)
Adjustment for straight lining of lease rentals	(0.55)	(3.42)	0.96	(1.68)
Reversal of goodwill amortised under previous GAAP	0.39	3.15	-	-
On account of retrospective amalgamation	-	-	(3.73)	-
Others	(0.36)	0.51	(0.58)	0.24
Tax adjustments on above, as applicable	2.39	5.38	0.91	1.96
Net profit before other comprehensive income as per Ind AS	90.96	294.33	71.37	240.29
Other Comprehensive Income (net of tax)	(10.77)	(24.71)	(0.31)	11.36
Total Comprehensive Income as per Ind AS (After tax)	80.19	269.62	71.06	251.65

Particulars	Consolidated	Standalone
	Year ended	Year ended
	31-Dec-16	
Equity as per previous GAAP	945.35	714.91
Proposed dividends (including tax thereon)	77.27	77.27
Impact on account of measuring non-current investments at fair value	29.95	29.95
Impact on account of measuring current investments at fair value	5.59	5.54
Share based payments in respect of employees of group companies	-	4.63
Adjustment for straight lining of lease rentals	12.02	11.13
Reversal of goodwill amortised under previous GAAP	2.96	-
Goodwill/amortization of intangibles including foreign currency translation	(80.69)	-
Others	(2.22)	(1.26)
Tax adjustments	(4.86)	(18.74)
Equity as per Ind AS	985.37	823.43
Comprising:		
Paid up equity share capital	7.13	7.13
Other Equity	978.24	816.30

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

Particulars	Consolidated		Standalone	
	Forex gain or loss included under			
	Other income	Other expense	Other income	Other expense
Quarter ended December 31, 2017	Nil	1.93	Nil	1.47
Quarter ended September 30, 2017	0.23	Nil	5.85	Nil
Quarter ended December 31, 2016	2.98	Nil	0.46	Nil
Year ended December 31, 2017	0.21	15.94	5.85	13.02
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, an audit of the above results has been carried out by the Statutory Auditors.

The figures of quarters ended December 31, 2017 and December 31, 2016 are the balancing figures between audited figures of the full year ended December 31, 2017 and December 31, 2016 and unaudited published year to date figures up to period ended September 30, of the respective years.

- 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 On November 15, 2017, CRISIL had entered into a definitive agreement to acquire 100% of the equity shares of Pragmatix Services Private Limited ('Pragmatix'). CRISIL has completed the acquisition of 100% stake in Pragmatix Services Private Limited ('Pragmatix') on January 24, 2018. Pragmatix is a data analytics company focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the Banking, Financial Services & Insurance (BFSI) vertical. Its big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform. Pragmatix provides solutions across the risk, sales, and finance domains in India, Middle East and North America. The transaction is at a total consideration of upto Rs. 56 crore. This will enable CRISIL to leverage its technology platform and deep domain expertise to enhance its business intelligence, analytics and risk management offerings for financial sector clients in India and globally.

- 9 The Consolidated accounts include accounts of CRISIL Limited and its wholly owned subsidiaries.

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



Ashu Suyash
Managing Director and Chief Executive Officer

Mumbai, February 13, 2018

* 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).