

Press release

Oct 16, 2018 | Mumbai

**CRISIL Ltd: Unaudited financial results
for the third quarter ended September 30, 2018**

Highlights of the third quarter ended September 30, 2018 (financial year ending December 31, 2018)

- **Total income up 10% year-on-year in the third quarter; profit after tax up 30% year-on-year**
- **Declared an interim dividend of Rs 7 per share**

The Board of Directors of CRISIL Ltd, at its meeting today, approved the unaudited financial results for third quarter ended September 30, 2018.

CRISIL's consolidated income from operations for the quarter ended September 30, 2018, rose 4% to Rs 425.46 crore, compared with Rs 409.71 crore in the corresponding quarter of 2017. Consolidated total income for the quarter was up 10% to Rs 454.22 crore, compared with Rs 413.68 crore in the corresponding quarter of the previous year. New client additions and ongoing focus on efficiencies has been a contributor to profit after tax growing by 30% to Rs 90.01 crore versus Rs 69.42 crore in the corresponding quarter of the previous year.

For the nine months ended September 30, 2018, consolidated income from operations increased 5% to Rs 1,281.46 crore, compared with Rs 1,217.56 crore in the corresponding period of the previous year. Consolidated total income was up 8% to Rs 1,335.20 crore, compared with Rs 1,238.71 crore in the corresponding period of the previous year. Profit after tax rose 19% to Rs 249.35 crore, versus Rs 208.81 crore in the corresponding period of the previous year.

The Board of Directors has declared a third interim dividend of Rs 7 per share (of Re 1 face value) for the financial year ending December 31, 2018.

“During the quarter, our sharp focus on driving superior customer value and relevant analytics enabled us to grow existing relationships and add new clients across businesses in a tough macro environment,” said Ashu Suyash, Managing Director & CEO, CRISIL. “Our continued focus on quality, and building new tools and analytics while commercialising existing products and solutions, will help us grow in a market that is likely to see continued headwinds.”

Revenue from Ratings was driven by healthy growth in bank loan ratings, partially offset by a decline in corporate bond issuances following a rise in yields. As of end-August this year, wholesale credit grew by 11.5% versus a muted growth of 1.7% same period last year. On the other hand, during the first nine months of calendar 2018, bond issuances dropped 38% versus a growth of 24% in the same period of 2017.

Research is seeing significant changes in the landscape globally as well as in India. Rising market volatility and cost pressures arising from MiFID II implementation is leading to several first-time offshorers looking to third-party providers for research solutions. That, in addition to our sharp focus on building a solution suite, has contributed to the global research business continuing to add clients.

Maturing regulations in the US have impacted demand for traditional regulatory and risk services. We are now seeing new demand emerging for similar services from other key markets that are tightening their regulatory stance. Consequently, business has sharpened focus on accelerating product development and is investing in new customer analytics and coverage.

CRISIL Coalition saw strong growth backed by renewals and improving price realisation as top global banks looked for deeper insights and client analytics. Further, with demand for data increasing, several clients have been on-boarded to the Quantix and the enhanced Cutting Edge platforms of our India Research business.

Growth in the Advisory segment was led by Pragmatix Services Pvt Ltd, which was acquired earlier this year. Infrastructure Advisory also won prestigious mandates from multilaterals and government entities, including in the energy sector.

Sharp focus on operational excellence and cost controls have helped improve margins. Forex has been favourable, too, with the dollar strengthening across currencies.

During the quarter, we released the third volume of CriSidEx, India's first sentiment index for MSMEs. Further, we hosted events in India and abroad on topics such as '*Monitoring credit risk and research portfolios as the credit cycle changes*', '*The Convergence of Analytics and Operations in AML with Machine Learning*', '*Evolution of early warning system for lenders*' and '*Risk-based pricing*', among others.

CRISIL Foundation continues to work towards enabling financial inclusion and create a sustainable, deeper impact across Assam, Haryana, Maharashtra and Rajasthan. As part of this effort, foundation launched Gram Shakti Certification, a certification course to develop expertise to sustain and drive financial inclusion among the community cadre of 'Sakhis'.



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About CRISIL Limited

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It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It 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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CRISIL Limited

Statement of Financial Results for the quarter and nine months ended September 30, 2018

(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-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Dec-17
	Unaudited (Refer note 6)					Audited	Unaudited (Refer note 6)					Audited
1. Income												
A. Total income from operations	425.46	436.05	409.71	1,281.46	1,217.56	1,658.46	281.74	294.58	280.21	864.04	872.34	1,177.38
B. Other income (Refer note 4)	28.76	17.36	3.97	53.74	21.15	25.59	29.73	12.20	12.30	56.01	36.02	41.79
2. Total income (1A + 1B)	454.22	453.41	413.68	1,335.20	1,238.71	1,684.05	311.47	306.78	292.51	920.05	908.36	1,219.17
3. Expenses												
A. Employee benefits expenses	216.44	234.55	218.77	661.83	630.46	845.93	120.19	128.01	122.05	367.10	365.37	491.63
B. Rent expenses	16.69	15.39	14.44	47.51	43.43	58.53	11.86	11.03	11.21	34.22	33.40	44.55
C. Professional fees	21.31	19.04	21.74	60.86	60.25	85.90	36.22	36.38	37.92	107.38	112.02	150.90
D. Travel expenses	12.49	12.50	10.19	35.60	34.70	47.33	7.13	6.99	5.39	19.50	20.08	26.32
E. Associate service fees	12.49	12.89	8.86	36.28	32.31	42.39	9.22	10.11	8.60	27.93	31.48	41.24
F. Finance costs	-	0.69	0.12	1.22	0.12	0.41	-	0.68	0.12	1.18	0.12	0.41
G. Other expenses (Refer note 4)	34.06	33.63	27.03	98.11	95.42	123.31	22.26	24.43	16.35	68.12	67.75	89.55
H. Depreciation / amortization	10.24	10.41	11.17	31.13	36.75	46.64	7.31	7.03	7.24	21.79	21.25	28.52
3. Total expenses	323.72	339.10	312.32	972.54	933.44	1,250.44	214.19	224.66	208.88	647.22	651.47	873.12
4. Profit before exceptional items and tax (2 - 3)	130.50	114.31	101.36	362.66	305.27	433.61	97.28	82.12	83.63	272.83	256.89	346.05
5. Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-
6. Net profit before tax (4 + 5)	130.50	114.31	101.36	362.66	305.27	433.61	97.28	82.12	83.63	272.83	256.89	346.05
7. Tax expense												
A. Current tax	34.78	43.70	32.91	116.59	104.51	146.48	25.89	34.17	28.53	92.59	89.48	120.42
B. Deferred tax	5.71	(6.52)	(0.97)	(3.28)	(8.05)	(17.30)	6.10	(7.37)	(0.23)	(3.53)	(5.63)	(11.63)
7. Total tax expense (7A + 7B)	40.49	37.18	31.94	113.31	96.46	129.18	31.99	26.80	28.30	89.06	83.85	108.79
8. Net profit for the period (6 - 7)	90.01	77.13	69.42	249.35	208.81	304.43	65.29	55.32	55.33	183.77	173.04	237.26
9. Other comprehensive income (Net of tax)	(7.21)	(4.50)	(55.73)	(32.81)	(67.76)	(77.42)	(28.17)	2.69	(66.29)	(66.21)	(80.87)	(85.17)
10. Total comprehensive income for the period (8 + 9)	82.80	72.63	13.69	216.54	141.05	227.01	37.12	58.01	(10.96)	117.56	92.17	152.09
11. Paid up equity share capital (Face value of Re.1 each)	7.20	7.18	7.16	7.20	7.16	7.17	7.20	7.18	7.16	7.20	7.16	7.17
12. Other equity						1,041.40						804.53
13. Earnings Per Share (EPS)												
Basic (Not annualised)	12.50	10.74	9.70	34.71	29.24	42.58	9.07	7.71	7.73	25.58	24.23	33.19
Diluted (Not annualised)	12.45	10.69	9.60	34.57	28.94	42.32	9.03	7.67	7.65	25.48	23.98	32.98

CRISIL Limited

Statement of Segment Results for the quarter and nine months ended September 30, 2018

(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-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Dec-17
	Unaudited (Refer note 6)					Audited	Unaudited (Refer note 6)					Audited
1. Operating revenue												
A. Rating services	122.87	128.39	123.74	366.23	354.58	480.29	122.87	128.39	123.74	366.23	354.58	480.29
B. Research services	268.14	274.62	261.63	816.57	793.40	1,080.39	158.87	166.19	156.47	497.81	517.76	697.09
C. Advisory services	34.45	33.04	24.34	98.66	69.58	97.78	-	-	-	-	-	-
1 D. Total revenue from operations	425.46	436.05	409.71	1,281.46	1,217.56	1,658.46	281.74	294.58	280.21	864.04	872.34	1,177.38
2. Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
3. Net income from operations (1D - 2)	425.46	436.05	409.71	1,281.46	1,217.56	1,658.46	281.74	294.58	280.21	864.04	872.34	1,177.38
4. Segment profits												
A. Rating services	44.07	45.62	45.18	127.95	107.92	151.20	44.02	45.52	45.16	127.62	107.88	151.04
B. Research services	83.69	79.66	64.22	248.24	218.68	308.46	47.76	44.54	41.37	152.95	149.71	201.42
C. Advisory services	0.10	(0.25)	1.22	3.28	4.41	9.24	-	-	-	-	-	-
4 D. Total operating profit	127.86	125.03	110.62	379.47	331.01	468.90	91.78	90.06	86.53	280.57	257.59	352.46
5. Add / (less)												
i. Interest	-	(0.69)	(0.12)	(1.22)	(0.12)	(0.41)	-	(0.68)	(0.12)	(1.18)	(0.12)	(0.41)
ii. Other unallocable income net of unallocable expenditure (Refer note 4)	12.88	0.38	2.03	15.54	11.13	11.76	12.81	(0.23)	4.46	15.23	20.67	22.52
iii. Depreciation / Amortisation (Unallocable)	(10.24)	(10.41)	(11.17)	(31.13)	(36.75)	(46.64)	(7.31)	(7.03)	(7.24)	(21.79)	(21.25)	(28.52)
6. Net profit from ordinary activities before tax (4 + 5)	130.50	114.31	101.36	362.66	305.27	433.61	97.28	82.12	83.63	272.83	256.89	346.05
Segment Assets (Refer note 5)												
A. Rating services	122.55	144.74	107.17	122.55	107.17	75.27	122.55	144.74	107.17	122.55	107.17	75.27
B. Research services	753.58	687.85	634.20	753.58	634.20	591.31	301.60	348.85	312.73	301.60	312.73	269.02
C. Advisory services	110.29	138.94	66.69	110.29	66.69	72.01	-	-	-	-	-	-
D. Unallocable (net)	701.82	603.43	641.53	701.82	641.53	756.12	744.58	643.85	682.90	744.58	682.90	771.96
Segment Liabilities (Refer note 5)												
A. Rating services	171.80	175.87	152.73	171.80	152.73	124.65	171.80	175.87	152.73	171.80	152.73	124.65
B. Research services	237.22	188.45	206.10	237.22	206.10	217.24	104.41	84.91	97.11	104.41	97.11	114.71
C. Advisory services	37.12	31.84	27.34	37.12	27.34	28.00	-	-	-	-	-	-
D. Unallocable (net)	109.91	96.02	63.09	109.91	63.09	76.25	96.21	84.03	63.54	96.21	63.54	65.19
Capital employed (Refer note 5)												
A. Rating services	(49.25)	(31.13)	(45.56)	(49.25)	(45.56)	(49.38)	(49.25)	(31.13)	(45.56)	(49.25)	(45.56)	(49.38)
B. Research services	516.36	499.40	428.10	516.36	428.10	374.07	197.19	263.94	215.62	197.19	215.62	154.31
C. Advisory services	73.17	107.10	39.35	73.17	39.35	44.01	-	-	-	-	-	-
D. Unallocable (net)	591.91	507.41	578.44	591.91	578.44	679.87	648.37	559.82	619.36	648.37	619.36	706.77

CRISIL Limited

Notes to Financial Results :

- 1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on October 16, 2018.
- 2 The Board of Directors have declared an interim dividend of Rs. 7 per share having face value of Re. 1 each.
- 3 The financial results have been prepared in accordance with the applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and as specified in Section 133 of the Companies Act.
- 4 Details of foreign exchange gain or loss recorded in the respective periods in financial results are as under :

(Rs. in Crore)

Particulars	Consolidated		Standalone	
	Forex gain or loss included under			
	Other income	Other expenses	Other income	Other expenses
Quarter ended September 30, 2018	13.73	Nil	14.12	Nil
Quarter ended June 30, 2018	14.97	Nil	7.90	Nil
Quarter ended September 30, 2017	0.21	Nil	5.85	Nil
Nine months ended September 30, 2018	31.01	Nil	29.13	Nil
Nine months ended September 30, 2017	0.21	14.01	5.85	11.55
Year ended December 31, 2017	0.21	15.94	5.85	13.02

- 5 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. 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.
- 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 of the Company.
- 7 The consolidated financial results include financial results 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
DIN : 00494515

Mumbai, October 16, 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).