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Moderator: Thank you very much, Sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Shradha Sheth from Edelweiss. Please go ahead.

Shradha Sheth: Thank you team for a very good presentation. I hope all of you are safe. Two questions from my side, while this last year was a year as you guys rightly said where it was flight to safety in the rating division and that we have gained a lot of market share, but how you see the way ahead as we are seeing so much coming back and particularly lot of infra funding and all as the budget has also given a good roadmap ahead, so how we see growth ahead particularly in the ratings division. Second question on research, in benchmarking analytics the Greenwich acquisition has definitely has been scaling up over the quarters, but when we acquired, it was around $49 million revenue, so how are we seeing that business scale up and definitely there was a lot of investment going in scaling up that business so the last quarter did have a breakeven sort of a point, how do we see EBIT performance going ahead in that division and just for Greenwich we did have flattish sort of performance and you did say that investment banks globally are having record performance so how do we see growth picking up in overall research even adjusted for the inorganic acquisition? Thank you.

Gurpreet Chhatwal: Thanks, Shradha. This is Gurpreet. Let me take the answer on the rating side. Let me preface this, we are committed to excellence and high quality of ratings. So being the market leader, as debt markets come back in the second half, we will see positive traction in the issuances and demand for ratings. As you could see that H2 of 2020, we saw low demand for new ratings because some of the larger companies had actually borrowed in the first half of 2020 and built liquidity buffers. We believe that in the second half of this year, we should see a positive traction. As you mentioned about the government’s focus on infrastructure and the spending by the government, I think two budget announcements are positive for the bond market. One, I think there is a good amount of traction on setting up of the development finance institution (DFI). We believe that would provide long-term lending for the infrastructure segment and should lead to a positive traction for the demand for ratings. The second announcement is ARC plus AMC for stressed assets in the banking sector, I think should augur well for the bank lending per se because then the banks would be focusing towards good quality clean lending. The third aspect, at least in my sense, is that we would see banks, mutual funds or other segments also coming back to normalcy in the second half of 2021 with the demand revival happening on a continuous manner leading to demand for new borrowing and ratings. That is the way I see it.
Ashu Suyash: Thanks, Gurpreet and thanks Shradha for a very detailed set of questions, that speaks volumes for how you analyze our results. So coming to your second part of the question on Greenwich Associates, couple of things need to be kept in mind, one the acquisition was completed in Q1, so when we compare previous year’s numbers to what has been included this year you do have that gap, for the 10 months versus 12 months factor will play out. Second very important thing, which is something that Amish covered, as he covered the research segment. This is one of the businesses that was quite sharply impacted by the pandemic and there are two parts to this, one from a data collection point of view because of lot is through voice of the client surveys, and at senior stakeholders insight usually comes through only in in-person meetings and that whole data collection, courtesy the pandemic could not be taken ahead, but as the pandemic eased and activity started coming back we could complete the surveys, provide the high quality insights and in a lot of ways some of that is very reflected in Q4. The second aspect is around the capabilities. Typically because of extraneous factors when you see revenues impacted, management has to make a choice on do they completely take out costs or do they remain invested because right through the period our clients kept engaging with us and kept saying that we value your inputs and during that period while the voice of client surveys took a while to come back we engaged with all our top clients through several research papers that has got very extensively quoted, especially a new trends like ESG because as you know for the buy side that is a very, very big theme that gave us the conviction that it was very important to stay invested in the capability and actually invest in transformation so that even from a senior stakeholder connect point of view we could ensure that should this whole situation continue well into 2021, we will be better positioned to continue with the lot of the services. There is a third aspect, which we believe will play out well through 2021, is where we can combine the quantitative analytics of Coalition and the qualitative insight of Greenwich and the benefits of that synergy will begin to play out this year. You can imagine in any integration for anybody that would have happened in COVID time integration obviously tends to slowdown, but I am happy to say that we were able to complete everything despite the pandemic towards the end of 2020. I do hope that puts the numbers into perspective as well as the outlook for the business.

Shradha Sheth: Thank you very much and all the best.

Moderator: Thank you. The next question is from the line of Prayesh Jain from Yes Securities. Please go ahead.

Prayesh Jain: Congratulations on decent set of numbers given that challenging…
Moderator: The line for the current participant has dropped. We take the next question from the line of Anuj Sharma from M3 Investment. Please go ahead.

Anuj Sharma: Thank you for this opportunity and for the presentation. You have just spoken about addition of new logos in traditional areas; I presume this would be Irevna. So Irevna has been facing growth challenges in the past so what has changed and what is the outlook for Irevna going ahead? Thank you.

Amish Mehta: I am going to request my colleague, Dimitri who heads the Global Research & Analytics Business. Dimitri, would you want to address that?

Dimitri Londos: Absolutely. Yes, that is correct there had been pressures in the past. We have actually done quite a bit to restructure the business in ways to align our products and services to some of the emerging areas of interest for our customers like ESG that has come up a couple times in this presentation. In terms of outlook, we find ourselves in an unique position this year because there is a lot of regulatory deadlines that are driving a lot of growth in the risk business both in the US and Europe, but at the same time we find ourselves in a weak global economic output environment with pockets of potential growth in geographies like Asia. Our positioning is actually one where it actually gives us an opportunity to be offering differentiated solutions to our customers and probably giving a better bang for the buck if you will as opposed to the large consultants in BPO and KPO fronts, as such we are seeing growth in the near future even though we see ourselves in amidst a COVID environment and a weak global economic outlook.

Anuj Sharma: Thank you for that answer.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Quest Investment Advisors. Please go ahead.

Bharat Sheth: Thanks for the opportunity. This question is on, one is the Coalition that in your press release we had mentioned that due to COVID, Coalition had some kind of weakness in the business, so can you throw some light how do we see, of course still in Q1 it would be UK under lockdown, so going ahead for the current year 2021 outlook for Coalition and second on Greenwich where we were looking for off-shoring a lot of work to India, so when do really it will start meaningfully to contribute to our bottomline or is it still making loss or is break-even?

Ashu Suyash: Thank you, Bharat. From a Coalition perspective, they do not serve only the UK, they have clients across the world, they have clients in Asia, in the US as well and right through 2020, COVID notwithstanding they delivered very well on their mandates. What has happened and in fact you can see from all sectors like in the manufacturing
sector order books get impacted, you end up having delayed decisioning on mandates, so that is what has kicked in and that is what is referenced in our press release where we talk about headwinds due to cost pressures faced by global banks and the impact of the COVID. Now coming to the second part of your question on Greenwich I just provided a full detailed update in the previous question and I will add to that. You will note that Q4 ended up being a much better quarter for Greenwich and it also includes within it a part of the migration or offshoring like you referred on some of the back-end processes and some this migration had to take a little bit of a backseat through the COVID period, which is what I had referenced even when I had spoke about it, now that the process has started, you should see some of that come through in the course of the year because that is something that is one that we spoke about as a synergy opportunity given CRISIL’s global operation and presence in India and we believe that will add value to the overall results going forward.

**Bharat Sheth:** Second question is in your opening remarks you stated that demand for our product and solution we are seeing a very good traction, can you elaborate exactly this is from which product and solution we are talking and so have you introduced any new product and solution and second, Amish also stated some monetization opportunity of the data, so if you can give some colour on that?

**Ashu Suyash:** We in fact saw a good demand across, Gurpreet spoke already about Ratings and that reflect in our numbers as well. When I look at some of the other products and solutions that did very well, and this is really picking up from what Dimitri mentioned, we saw a good demand for our model risk and traded risk offerings and to put this into context as banks had to move from work from home, new risks on when traders begin to execute trades from home, started emerging and that gave us an opportunity to offer our services to them. Also one thinks about credit risk, I think it is well understood that we are across all countries in a very credit caution environment and therefore it is but natural that the demand for credit research and credit risk is something that will gain traction and that is what we are seeing. A linked aspect to this is with the focus on digital, be it the adoption of AI and ML across clients, people expect some of these offerings to be offered in a more digital way. As you would remember for the last couple of year we have been making investments in platforms and tools and through 2020 that investment paid off because we were able to digitally offer these services to them. When Amish presented he spoke about ICON that is one of our credit risk platforms and even in a pandemic year, we were able to implement that for a couple of the large banks and on the back of that we believe that this will gain further traction as day progresses and finally ESG is the material trend worldwide. This depends a lot on the quality of reporting in different markets. Given our deep domain experience across several decades in different markets we were able to bring that capability to play for our clients, so we think that is another area, which is new, it is something that we have
actually been talking about for some time and that is where we have had some early beginning, but more in the years to come.

Bharat Sheth: Madam, you have given a very good understanding on this AI and Machine Learning, so how much of saving that we have really been able to get because of this AI and use of Machine Learning on the manpower side and second thing, how far the decision making also is helping and how do we see going ahead this as a business center or business unit for our company?

Ashu Suyash: From an AI and ML perspective, our first rollout was from a client platform point of view, so that the risk evaluation could be done in a better way and we also have started using some of these mechanisms to include alternate data even when we look at some of our ratings evaluations and when Amish, covered Quantix platform or when I referenced it in my opening remarks that is the platform that has moved beyond financial data to begin to look at operational data and alternate data and that is where we see the opportunity to have better calibrated models that will aid decisioning and these days being able to deliver some of this digitally is the need of the hour and we are well prepared to do so.

Bharat Sheth: Thank you. That is all. Thanks a lot.

Moderator: The next question is from the line of Saurabh Dhole from Trivantage Capital. Please go ahead.

Saurabh Dhole: Good evening everyone. I have a few questions across your businesses, so on the research side could you give me some kind of a colour as to where do you see the margins moving, because 2 to 3 years ago the business was about 30% to 31% margin and off late we have seen this decline to early teen, so could share your outlook on the margins? That is one. Second question is could you also give me some colour as to what is the revenue recognition policy in your research business? So what you say a particular institution is on boarded and he pays Rs.100 for an entire year of services, so do you upfront it entirely or do you amortize it over the year, how does it work? Thank you.

Sanjay Chakravarti: Thanks for your question, Saurabh. This is Sanjay Chakravarti. So, let me take your first question. Yes, you are right. We have seen headwinds in our research business over the last few years between 2017-2018 and even into 2019, but that was essentially on account of certain of our products and services, which kind of saw tapering of demand especially on the regulatory remediation side, but even as that happened we started seeing demand on the risk side, which is mostly on the traded risk and the model risk, and if you look at our numbers ex-Greenwich you will actually find that for the year we
have actually seen an expansion of our margins and we believe that going forward we will be able to carry on driving margin expansion of course it will depend on what opportunities we see, what opportunities we can take because we are very clear that the kind of service levels and the kind of services and products that we give are of different level in the value chain than let us say other players, which may be looking at simple body shopping, so for us it will be more from a talent angle, an IP angle and the technology and services angle, that was on research. On your second question, on the revenue accounting, it depends on the kind of assignment that we have. We have both revenue from amortization perspective also from a milestone perspective and if it is a project based assignment we generally do it at the end of the project.

Amish Mehta: Maybe I will just add Sanjay, I think on the subscription if we are to take an assignment, which is going to last for a year then we would accrue the fees over the period of the year, it will not happen for the initial bit itself unless it is a project, which gets delivered in that timeframe and that is not much required after that.

Saurabh Dhole: I have two more questions. The third question is on the advisory business, so what we have seen in the last many quarters that even the contribution has been very, very negligible compared to the overall scheme of things so from a capital allocation perspective how are you thinking about the advisory business and have you set a target yourself as to what kind of scale this business will achieve because in the last three years if we look at the numbers it has been a very ordinary performance there?

Ashu Suyash: Just to kind of put the business into context, this is a business that has two parts to it, one is infrastructure advisory where intervention is at the policy level and with multilateral, so this is not any other advisory business that is commonly done across consulting firm and investment banks. It is very niche, very unique and it really allows us to bring our deep domain knowledge to see how we can really in line with our mission make markets function better and help debottleneck a challenge that the country has faced for several decades. The second business is risk solutions and this is where we have proprietary models and platforms that perhaps are there in 90% of the Indian banking industry, so it is very integral to the orderly functioning from a risk assessment point of view in India, so that is the nature of the business and given the nature of the business, in a lot of ways we have put limits on ourselves itself on the advisory side where we will take a mandates very selectively and if I think of 2021, given the government’s focus on infrastructure, I think our deep domain understanding will definitely contribute. When I think on risk solutions, looking at the credit caution environment and the demand for digital platforms, we actually see some of the newer banks also taking it up because we do not see the regulator loosening at all. In fact if nothing else, it is one looks at all the announcements RBI is making they are bringing more and more players within the ambit and that is where we believe that there will be
continued opportunity for this business. From a capital allocation point of view, we do not see the need to allocate much capital on this. There is need for some capex in upgrading systems, some of it we have been doing over the years and we will continue to do so, because technology had begun us to push at the next level, historically it used to be about on prem installations going forward, it is going to be in the cloud environment and that is where we believe we will need to invest and we will do so because like I said with such a large part of the banking industry using these solutions we also realize it is very necessary to be able to make those investments to serve them well and in doing so we believe that overtime you will see some continuous growth but this is unlikely to be a very large segment.

Saurabh Dhole: Right, and just one last question on the Ratings business, could you give me some kind of understanding as to how the pricing changes if you were to rate bank loans versus capital market instruments?

Gurpreet Chhatwal: This is Gurpreet. Typically, the pricing for bank loans on a ballpark basis about the capital market is almost two-and-a-half times than bank loans.

Saurabh Dhole: That is across rating categories?

Gurpreet Chhatwal: We do not distinguish prices based on ratings. I cannot charge differently for a B or AAA. The price is same.

Saurabh Dhole: Thank you so much.

Moderator: Thank you. The next question is from the line of Gaurang Ved from Ved Capital Advisors. Please go ahead.

Gaurang Ved: Thanks for the opportunity. My question is related to Ratings segment, post bankruptcy reforms, which were implemented in 2016 and as per experience of other countries bond market has picked up significantly around 4 to 5 years post IBC implementation, so can you please throw some colour are we here at some inflexion point for development of bond market or still it is sometime away and where do you see recovery rate and timeline for resolution of NPA assets going forward in medium term as these two sectors are very critical for all development of bond market? Thank you.

Gurpreet Chhatwal: Thanks, Gaurang. To your first question, I think we are going to hold bond markets seminar in February later, so happy to have you join it and we will actually have detailed presentations around it. To cut the long story short, I think longer one you will get in the webinar. So our sense is with the last one year of pandemic coming in. I think it kind of pushed the process by a little bit. I think we had IBC actually for most of
the last year being postponed, even now I think they are yet to come back up and also stressed asset resolution was little bit slower, so I guess we have not moved very substantially from where we were last year. Having said that I think from what I am much more heartened by today is the way Indian banks have really adopted themselves in terms of the process, which they do, so they have now separate teams, which manage stressed assets, they have ability and confidence actually takeover stressed asset and change management, I think those things were not there four or five years back, so we are seeing much sharper or much shorter resolution by banks for larger assets. For the smaller assets they are getting into now, but anecdotally I can give you a sense it is much shorter. I would not have the numbers though, there is a good amount of data which IBC puts out some of these resolutions outside IBC, but I think it is getting shorter and banks are becoming much more smarter about their assets and there is always being a cost.

Gaurang Ved: Thank you very much. It was quite helpful and wishing you all the very best. Thank you.

Moderator: Thank you. That was the last question. I now hand the conference over to the management for closing comments.

Ashu Suyash: Thank you all for making the time to listen to us and ask us very engaging questions. The presentation is already on the website, should you have any further questions you can please write in to Sanjay and we will be happy to provide responses. Thank you, stay well and stay safe.

Moderator: Thank you very much. Ladies and gentlemen, with that we conclude today’s conference. We thank you all for joining us. You may now disconnect your lines.
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