

Press release

April 18, 2023 | Mumbai

**CRISIL Limited: Unaudited financial results
for the first quarter ended March 31, 2023**

Highlights for quarter ended March 31, 2023:

- **Income from operations up 20.2% for the quarter**
- **Profit after tax up 19.8% in the quarter**
- **Interim dividend of Rs 7 per share declared**

The Board of Directors of CRISIL Ltd, at its meeting today approved the unaudited financial results for the first quarter ended March 31, 2023.

CRISIL's consolidated income from operations for the quarter ended March 31, 2023, rose 20.2% to Rs 714.9 crore, compared with Rs 594.9 crore in the corresponding quarter of the previous year. Consolidated total income for the quarter ended March 31, 2023, was up 19.1% to Rs 732.2 crore, compared with Rs 615.1 crore in the corresponding quarter of the previous year.

Profit before tax for the quarter ended March 31, 2023, rose 14.4% to Rs 193.6 crore, compared with Rs 169.3 crore in the corresponding quarter of the previous year. Profit after tax for the quarter ended March 31, 2023, was up 19.8% to Rs 145.8 crore, compared with Rs 121.6 crore in the corresponding quarter of the previous year.

The quarter saw appreciation in the Indian rupee and the British pound versus the US dollar, resulting in an adverse foreign exchange impact, compared with foreign exchange gain in the corresponding quarter of the previous year.

Says Amish Mehta, Managing Director & CEO, CRISIL, "We saw growth across our businesses stemming from demand for insights and analytics, amid macro and global market uncertainties. Flanks of caution are building up because of the imminent slowdown in developed economies, and the lagged effect of past repo rate hikes expected to manifest through domestic demand in the months ahead. Global banking clients continue to focus on operational efficiency and spends related to regulatory requirements, sustainability and business transformation. We expanded our footprint in Asia-Pacific with the acquisition of Peter Lee Associates."

CRISIL expects India's GDP to grow 6.0% in fiscal 2024, with risks tilted to the downside. Slowing global growth is already reducing global demand for India's exports. On the other hand, healthy corporate balance sheets, a robust banking system, and the government's capex thrust will be supportive of domestic activity.

Corporate bond issuances in India grew 48% by quantum in the first quarter on-year, and 8% by number of issuers. Bank credit continues to grow well, leading to healthy uptick in bank loan ratings.

CRISIL Ratings performance was supported by higher corporate bond issuances (both, by quantum and number of issuers) during the first quarter. Overall revenue was up 16.9% on-year in the quarter.

Global Analytical Center (GAC) saw robust surveillance work delegation by S&P Global Ratings.

The ratings services segment saw revenue growth of 16.1% on-year in the quarter.

Global Research & Risk Solutions (GR&RS) witnessed momentum across research, credit risk and market risk solutions. The business also added new logos during the quarter.

Global Benchmarking Analytics (GBA) continues to strengthen its client engagement driven by need for granular, actionable analytics and intelligence among clients.

Given the current environment in the global financial sector, we expect increased regulatory oversight and cost pressures across our financial services clients.

Market Intelligence & Analytics (MI&A) saw traction for its proprietary credit risk solutions, and momentum in sustainability, research and consulting offerings.

The Research, Analytics & Solutions segment grew 21.7% on-year in the quarter.

Investments in technology and people continue since they are the foundation for growth.

Franchise activity continued well during the quarter. CRISIL hosted the 7th edition of CRISIL's India Outlook Seminar, titled 'Rider in the storm'. The seminar saw the launch of the India Outlook Report 2023. CRISIL Ratings hosted webinars covering sectors such as capital goods, agrochemicals, renewables and telecom. MI&A hosted a webinar on 'Focus areas to attract global ESG-aligned capital to India'. GR&RS co-hosted a webinar with the US based Professional Risk Managers' International Association (PRMIA) on Fundamental review of the trading book (FRTB) trends and challenges and published a report on the Silicon Valley Bank collapse. GBA released the Greenwich Leaders for Large Corporate Banking, Cash Management and Trade Finance in the US, Europe and Asia.

CRISIL Foundation celebrated completion of 10 years and launched livelihood projects for Mein Pragati sakhis in Rajasthan.

Amish P. Mehta

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About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. 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, Singapore, and Australia.

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 ended March 31, 2023

(₹ crore)

Particulars	Consolidated				Standalone			
	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended
	31-Mar-23	31-Dec-22	31-Mar-22	31-Dec-22	31-Mar-23	31-Dec-22	31-Mar-22 (Restated Refer note 7)	31-Dec-22
	Unaudited (Refer Note 5)	Audited (Refer Note 5)	Unaudited (Refer Note 5)	Audited	Unaudited (Refer Note 5)	Audited (Refer Note 5)	Unaudited (Refer Note 5)	Audited
1. Income								
A. Revenue from operations	714.89	822.26	594.94	2,768.72	375.13	389.23	324.71	1,444.12
B. Other income (Refer notes 4 and 6)	17.34	18.38	20.11	139.04	68.81	78.45	62.22	272.83
1. Total income (1A + 1B)	732.23	840.64	615.05	2,907.76	443.94	467.68	386.93	1,716.95
2. Expenses								
A. Employee benefit expenses	392.69	442.08	319.83	1,552.98	178.79	181.42	158.42	713.39
B. Professional fees	32.51	33.46	32.05	122.97	75.78	91.03	70.80	333.72
C. Travel expenses	8.89	10.05	5.66	33.04	4.76	4.70	1.67	15.72
D. Associate service fees	24.57	40.47	24.11	132.24	8.82	8.56	7.84	32.62
E. Finance costs	1.18	1.35	1.84	6.40	1.03	1.20	1.59	5.61
F. Other expenses (Refer note 4)	52.76	80.02	37.02	214.42	26.11	35.48	18.64	106.18
G. Depreciation / amortization	26.00	26.21	25.23	103.31	16.64	17.17	17.43	67.85
2. Total expenses	538.60	633.64	445.74	2,165.36	311.93	339.56	276.39	1,275.09
3. Profit before tax (1 - 2)	193.63	207.00	169.31	742.40	132.01	128.12	110.54	441.86
4. Tax expense								
A. Current tax	54.58	32.89	39.38	191.09	27.58	5.54	21.24	81.06
B. Deferred tax	(6.70)	16.09	8.31	(13.08)	(5.28)	12.78	1.27	(9.71)
4. Total tax expense (4A + 4B)	47.88	48.98	47.69	178.01	22.30	18.32	22.51	71.35
5. Net profit for the period (3 - 4)*	145.75	158.02	121.62	564.39	109.71	109.80	88.03	370.51
6. Other comprehensive (income)/ expense								
A. Items that will be reclassified to profit or loss								
- Exchange differences in translating the financial statements of a foreign operation	(4.52)	(48.43)	3.63	18.22	0.06	0.47	(0.47)	(2.55)
- The effective portion of (gains)/ loss on hedging instruments in a cash flow hedge	(8.94)	10.86	3.27	29.97	(8.94)	10.86	3.27	29.97
- Tax effect on above	2.25	(2.73)	(0.82)	(7.54)	2.25	(2.73)	(0.82)	(7.54)
B. Items that will not be reclassified to profit or loss								
- Remeasurements of the defined benefit plans	(0.18)	1.84	(2.48)	(2.31)	(0.21)	1.36	(1.99)	(2.50)
- Equity instruments through other comprehensive income	(9.46)	(25.94)	29.35	4.62	(9.46)	(25.94)	29.35	4.62
- Tax effect on above	0.05	(0.60)	0.43	0.26	0.06	(0.48)	0.31	0.31
6. Total other comprehensive (income)/expense	(20.80)	(65.00)	33.38	43.22	(16.24)	(16.46)	29.65	22.31
7. Total comprehensive income for the period (5 - 6)*	166.55	223.02	88.24	521.17	125.95	126.26	58.38	348.20
8. Paid up equity share capital (Face value of ₹ 1 each)	7.31	7.31	7.30	7.31	7.31	7.31	7.30	7.31
9. Other equity				1,784.67				1,063.07
10. Earnings Per Share (EPS)								
Basic (Not annualised)	19.95	21.63	16.68	77.31	15.01	15.03	12.07	50.75
Diluted (Not annualised)	19.94	21.62	16.66	77.26	15.01	15.02	12.06	50.72

*Represents 100% attributable to the shareholders of the Company

CRISIL Limited
Statement of Segment Results for the quarter ended March 31, 2023

(₹ crore)

Particulars	Consolidated			
	3 Months ended	3 Months ended	Corresponding 3 Months ended	Year ended
	31-Mar-23	31-Dec-22	31-Mar-22	31-Dec-22
	Unaudited (Refer Notes 5 & 8)	Audited (Refer Notes 5 & 8)	Unaudited (Refer Notes 5 & 8)	Audited
1. Operating revenue				
A. Ratings services	186.51	177.20	160.65	663.43
B. Research, Analytics & Solutions	528.38	645.06	434.29	2,105.29
1. Total revenue from operations (1A + 1B)	714.89	822.26	594.94	2,768.72
2. Less: Inter segment revenue	-	-	-	-
3. Net income from operations (1 - 2)	714.89	822.26	594.94	2,768.72
4. Segment profits				
A. Ratings services	89.69	71.16	77.59	278.59
B. Research, Analytics & Solutions	109.32	144.04	99.87	457.08
4. Total operating profit (4A + 4B)	199.01	215.20	177.46	735.67
5. Add / (less)				
i. Interest	-	-	-	-
ii. Net other unallocable income/(expenditure) (Refer note 4)	7.26	4.55	4.00	57.15
iii. Depreciation / amortisation (unallocable)	(12.64)	(12.75)	(12.15)	(50.42)
6. Net profit before tax (4 + 5)	193.63	207.00	169.31	742.40
Segment assets (Refer note 9)				
A. Ratings services	206.00	240.57	165.63	240.57
B. Research, Analytics & Solutions	1,546.36	1,530.99	1,301.48	1,530.99
C. Unallocable (net)	1,090.55	1,059.44	959.24	1,059.44
Segment liabilities (Refer note 9)				
A. Ratings services	135.75	196.18	105.39	196.18
B. Research, Analytics & Solutions	540.86	597.16	433.84	597.16
C. Unallocable (net)	203.55	245.68	203.10	245.68
Capital employed (Refer note 9)				
A. Ratings services	70.25	44.39	60.24	44.39
B. Research, Analytics & Solutions	1,005.50	933.83	867.64	933.83
C. Unallocable (net)	887.00	813.76	756.14	813.76

Notes to Financial Results :

- 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 April 18, 2023.
- The Board of Directors has declared an interim dividend of ₹ 7 per share having face value of ₹ 1 each.
- The consolidated financial results include financial results of CRISIL Limited ('the Company') and its wholly owned subsidiaries (together referred as 'the Group').
- Details of foreign exchange gain or loss recorded in the respective periods in financial results are as under :

(₹ crore)

Particulars	Consolidated		Standalone	
	Forex gain or loss included under			
	Other income	Other expenses	Other income	Other expenses
3 months ended March 31, 2023	Nil	6.68	Nil	1.73
3 months ended December 31, 2022	Nil	16.57	11.99	Nil
Corresponding 3 months ended March 31, 2022	9.76	Nil	2.73	Nil
Year ended December 31, 2022	82.33	16.57	23.37	Nil

- 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 results has been carried out by the Statutory Auditors of the Company. The figures of the quarter ended December 31, 2022 are the balancing figures between audited figures of the full year ended December 31, 2022 and unaudited published year to date figures up to the period ended September 30, 2022.
- Details of dividend income received from its subsidiaries are as under and is included under 'Other income' in the standalone financial results.

(₹ crore)

Particulars	3 Months ended	3 Months ended	Corresponding 3 Months ended (Restated)	Year ended
	31-Mar-23	31-Dec-22	31-Mar-22	31-Dec-22
Dividend from subsidiaries	43.80	43.32	41.00	164.32

- The Board of Directors has approved arrangement for amalgamation of two wholly owned subsidiaries ["CRISIL Risk and Infrastructure Solutions Limited (CRIS) and Pragmatix Services Private Limited (PSPL) - Transferor Company"] with the Company (the "Transferee Company") in its meeting held on December 13, 2021. The Scheme has been sanctioned by the National Company Law Tribunal (NCLT) with appointed date as April 1, 2022. The Scheme became effective on September 1, 2022. On filing of approved scheme with ROC, the Company has accounted for the merger using the Pooling of interest method as prescribed in Ind AS 103 - "Business Combinations". The figures of corresponding quarter ended March 31, 2022 in the standalone results have been accordingly restated. The impact of the merger on standalone financial results are as under :

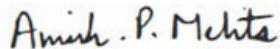
(₹ crore)

Particulars	Corresponding 3 Months ended 31-Mar-22	
	Reported	Restated
	Revenue from operations	287.54
Profit before tax	109.13	110.54
Profit after tax	87.33	88.03

- Pursuant to the merger of CRIS and PSPL with CRISIL Limited, the alignment of CRISIL's advisory and research business as well as the Company's operating structure and "go to market" strategy, CRISIL has changed its segment reporting from the quarter ended September 30, 2022. CRISIL will report Core Segment results as follows: Ratings services; and Research, Analytics & Solutions. In conjunction with this change, certain prior year amounts have been recast to confirm to the new segment reporting structure.
- The Group believes that it is currently not practicable to allocate all assets and liabilities since a meaningful segregation of the available data is not feasible. Assets and liabilities used interchangeably between segments has been classified as unallocable. In accordance with Ind AS 108 - 'Operating Segments', the Company has presented segment information along with the consolidated financial results of the Group.
- The Board of Directors of CRISIL Irevna US LLC and Greenwich Associates LLC vide board resolution dated October 21, 2022 had approved a scheme of amalgamation. The scheme has received approval of the competent authorities and accordingly Greenwich Associates LLC has been merged with CRISIL Irevna US LLC with effect from April 1, 2023. The merger has no impact on the CRISIL's standalone and consolidated financial results.

- 11 CRISIL Limited, through its subsidiary, CRISIL Irevna Australia Pty Limited has completed the acquisition of 100% stake in Peter Lee Associates Pty. Limited (Peter Lee) on March 17, 2023, at a total value of AUD 6.18 million (₹ 34.21 crore), which includes upfront and deferred consideration. The provisional accounting of purchase price allocation has been done during the current quarter. The consolidated financial results for the current quarter includes a revenue of ₹ 0.47 crore and operating profit of ₹ 0.11 crore, attributable to Peter Lee for the period from March 17, 2023 to March 31, 2023.
- 12 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, 2013.
- 13 The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year's classification.

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



Amish Mehta
Managing Director and Chief Executive Officer
DIN : 00046254
Mumbai, April 18, 2023

* 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).