

Press release

Feb 11, 2020 | Mumbai

**CRISIL Limited: Audited financial results
for the fourth quarter and year ended December 31, 2019**

Highlights for the quarter and year ended December 31, 2019

- **CRISIL's consolidated income from operations for the quarter was Rs 464.3 crore and for the year was 1,731.7 crore**
- **CRISIL Ratings and CRISIL Coalition register strong growth despite a challenging business environment**
- **Final dividend of Rs 13 per share recommended. Total dividend of Rs.32 per share for the year 2019 vs Rs. 30 per share previous year**

The Board of Directors of CRISIL Ltd, at its meeting today, approved the audited financial results for quarter and year ended December 31, 2019.

CRISIL's consolidated income from operations for the quarter ended December 31, 2019, was Rs 464.3 crore, compared with Rs 467.0 crore in the corresponding quarter of 2018. Consolidated total income for the quarter ended December 31, 2019, was Rs 484.3 crore, compared with Rs 496.5 crore in the corresponding quarter of the previous year. Profit after tax was Rs 95.3 crore, compared with Rs 113.8 crore in the corresponding quarter of the previous year. Profit after tax for the quarter ended December 31, 2018, included additional credits arising out of sale of SEIS (Service Export Incentive Scheme) scrips, tax credits for past years and one time additional expense provision for receivables. Adjusted for these items profit after tax for the quarter ended December 31, 2019 grew by 6.4%.

Consolidated income from operations for the year ended December 31, 2019, was Rs 1,731.7 crore compared with Rs 1,748.5 crore in the previous year. Consolidated total income was Rs 1,814.5 crore, compared with Rs 1,831.7 crore in the previous year. Profit after tax was Rs 344.0 crore, compared with Rs 363.1 crore in the previous year.

During 2019, the company paid three interim dividends totaling Rs 19 per equity share of face value of Re 1 each. The Board of Directors has recommended a final dividend of Rs 13 per share (of Re 1 face value). The total dividend for the year works out to Rs 32 per share.

Ashu Suyash, Managing Director & CEO, CRISIL, said, "Our relentless focus on delivering value by leveraging our analytical rigour and quality, and making a difference to the customer helped us navigate the myriad headwinds. The Ratings business logged robust growth despite a slowing economy, while on the global front, Coalition did well even as regulatory changes and tempering demand for traditional risk offerings in the US affected our Risk and Analytics business. We continue to invest in technology and innovation given the increasing demand for niche tools and products globally."

The domestic economic scenario continues to be muted, with GDP growth expected to print at a decadal low, investment appetite weak, and continued stress in the financial sector. During the year ended 2019, credit growth slipped to single digit, while wholesale credit growth fell below 4% towards the end of the year. Corporate bond issuances grew 14%, driven primarily by frequent issuers – the number of issuers declined by 30% year-on-year. Bank loan ratings market fell a sharp 28% year-on-year.

Globally, corporate and investment banking revenue pool is estimated to have declined 3% in 2019 owing to weakness in the equities and banking space and margin pressures persisted. Trade wars and geopolitical developments continued to affect business environment.

Revenues of CRISIL Ratings were up a strong 8% year-on-year in the fourth quarter and 12% for calendar 2019, on the back of ratings quality, addition of large corporate clients, increase in securitisation mandates, and new offerings such as Independent Credit Evaluation (ICE). The business continued to innovate and rated India's first wholesale real estate sector receivables securitisation transaction and the first partial credit enhanced (PCE) bond transaction in accordance with the Reserve Bank of India's (RBI) PCE guidelines. The Global Analytical Center (GAC) increased coverage for S&P Global Ratings in the areas of new analytics such as ESG, and sharpened focus on automation and optimisation by leveraging new technologies to streamline operations in data and analytics.

The Research segment performance in the quarter and the full year was led by Coalition, which saw robust traction in client and competitor analytics. Coalition continued its initiatives aimed at enhancing market relevance and broadening its reach to include more regional players. The India Research business saw growth in funds and fixed-income research by leveraging its proprietary data and analytics platform Quantix for asset and wealth managers, and institutional investors. But the segment's performance was affected by changing demand in the risk and analytics space, with the global financial services sector preparing itself for the next wave of regulations. We continued to invest in augmenting our talent pool and in new technologies to meet changing demand of our clients. During the quarter, CRISIL executed definitive agreements to acquire Greenwich Associates LLC and the transaction is expected to be completed over the next couple of months subject to customary closing conditions and approvals.

For the full year, the Advisory segment grew on the back of new wins in the credit risk, regulatory reporting and business analytics space in addition to new mandates from government and multilaterals in the infrastructure space.

CRISIL hosted the third annual edition of the India Infrastructure Conclave, titled '*The central role of states in India's infrastructure build-out*', which also saw the launch of the CRISIL Infrastructure Yearbook 2019 edition. CRISIL also hosted the 4th annual seminar on NBFCs titled, 'The NBFC reset - re-orienting business models amid headwinds'. CRISIL Analytica, a monthly e-newsletter for issuers, was also launched in the December quarter. In addition, CRISIL and S&P Global Ratings jointly hosted the 4th edition of India Outlook Seminar titled "'Tracing the grind-up'. Roundtables on model risk management were organized in London and New York.

Through Gram Shakti, an online platform to train rural women as financial health workers, CRISIL Foundation equipped over 500 women to promote financial literacy and inclusion at village level during the year. The December quarter also saw CRISIL being presented the prestigious National CSR Award by Honorable President of India, Ramnath Kovind for CSR in Challenging Circumstances, North-East for the flagship project Mein Pragati.



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About CRISIL Limited

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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.

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CRISIL Limited
Statement of Financial Results for the quarter and year ended December 31, 2019

(₹ 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-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | 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 | | | | | | | | | | |
| A. Total income from operations | 464.29 | 435.88 | 467.03 | 1,731.72 | 1,748.49 | 307.95 | 294.95 | 317.95 | 1,178.68 | 1,181.99 |
| B. Other income (Refer notes 4, 8 and 9) | 19.96 | 43.52 | 29.43 | 82.82 | 83.17 | 17.34 | 86.17 | 34.62 | 131.47 | 101.26 |
| 1. Total income (1A + 1B) | 484.25 | 479.40 | 496.46 | 1,814.54 | 1,831.66 | 325.29 | 381.12 | 352.57 | 1,310.15 | 1,283.25 |
| 2. Expenses | | | | | | | | | | |
| A. Employee benefits expenses | 229.54 | 222.70 | 225.53 | 877.56 | 887.36 | 139.35 | 129.71 | 129.42 | 517.04 | 504.19 |
| B. Rent expenses | 19.10 | 18.11 | 16.65 | 71.55 | 64.16 | 13.49 | 13.02 | 11.86 | 50.58 | 46.08 |
| C. Professional fees | 20.51 | 22.49 | 20.24 | 83.22 | 81.10 | 50.45 | 46.53 | 43.00 | 198.02 | 150.38 |
| D. Travel expenses | 14.08 | 12.49 | 15.94 | 51.68 | 51.54 | 6.84 | 7.15 | 8.05 | 27.00 | 27.55 |
| E. Associate service fees | 22.73 | 20.53 | 12.25 | 72.64 | 48.53 | 8.11 | 8.90 | 9.21 | 36.20 | 37.14 |
| F. Finance costs | 0.07 | 0.07 | 1.01 | 0.23 | 2.23 | - | - | - | - | 1.18 |
| G. Other expenses (Refer notes 4 and 11) | 36.79 | 26.23 | 56.22 | 129.21 | 154.33 | 21.22 | 16.36 | 35.72 | 77.84 | 107.49 |
| H. Depreciation / amortization | 9.33 | 8.80 | 11.69 | 36.86 | 42.82 | 6.34 | 6.48 | 7.57 | 25.63 | 28.67 |
| 2. Total expenses | 352.15 | 331.42 | 359.53 | 1,322.95 | 1,332.07 | 245.80 | 228.15 | 244.83 | 932.31 | 902.68 |
| 3. Profit before exceptional items and tax (1 - 2) | 132.10 | 147.98 | 136.93 | 491.59 | 499.59 | 79.49 | 152.97 | 107.74 | 377.84 | 380.57 |
| 4. Exceptional item | - | - | - | - | - | - | - | - | - | - |
| 5. Net profit before tax (3 + 4) | 132.10 | 147.98 | 136.93 | 491.59 | 499.59 | 79.49 | 152.97 | 107.74 | 377.84 | 380.57 |
| 6. Tax expense (Refer Note 10) | | | | | | | | | | |
| A. Current tax | 31.00 | 31.80 | 40.48 | 131.15 | 157.07 | 17.09 | 29.88 | 24.31 | 92.59 | 116.90 |
| B. Deferred tax | 5.77 | 11.05 | (17.30) | 16.49 | (20.58) | 8.32 | 8.34 | (10.33) | 18.96 | (13.86) |
| 6. Total tax expense (6A + 6B) | 36.77 | 42.85 | 23.18 | 147.64 | 136.49 | 25.41 | 38.22 | 13.98 | 111.55 | 103.04 |
| 7. Net profit for the period (5 - 6)* | 95.33 | 105.13 | 113.75 | 343.95 | 363.10 | 54.08 | 114.75 | 93.76 | 266.29 | 277.53 |
| 8. Other comprehensive income/expense (Net of tax) | 50.47 | (130.03) | (61.82) | (87.75) | (94.63) | 24.60 | (118.24) | (33.30) | (95.94) | (99.51) |
| 9. Total comprehensive income for the period (7 + 8)* | 145.80 | (24.90) | 51.93 | 256.20 | 268.47 | 78.68 | (3.49) | 60.46 | 170.35 | 178.02 |
| 10. Paid up equity share capital (Face value of ₹ 1 each) | 7.23 | 7.23 | 7.21 | 7.23 | 7.21 | 7.23 | 7.23 | 7.21 | 7.23 | 7.21 |
| 11. Other equity | | | | 1,164.69 | 1,129.04 | | | | 751.52 | 801.72 |
| 12. Earnings Per Share (EPS) | | | | | | | | | | |
| Basic (Not annualised) | 13.18 | 14.54 | 15.78 | 47.61 | 50.50 | 7.48 | 15.87 | 13.00 | 36.86 | 38.60 |
| Diluted (Not annualised) | 13.16 | 14.53 | 15.74 | 47.55 | 50.33 | 7.46 | 15.86 | 12.97 | 36.81 | 38.47 |

*Represents 100% attributable to the shareholders of the Company

CRISIL Limited
Statement of Segment Results for the quarter and year ended December 31, 2019

(₹ 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-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | 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. Operating revenue | | | | | | | | | | |
| A. Rating services | 141.48 | 142.84 | 141.07 | 544.81 | 507.30 | 141.48 | 142.84 | 141.07 | 544.81 | 507.30 |
| B. Research services | 288.81 | 258.73 | 289.44 | 1,044.40 | 1,106.01 | 166.47 | 152.11 | 176.88 | 633.87 | 674.69 |
| C. Advisory services | 34.00 | 34.31 | 36.52 | 142.51 | 135.18 | - | - | - | - | - |
| 1. Total revenue from operations | 464.29 | 435.88 | 467.03 | 1,731.72 | 1,748.49 | 307.95 | 294.95 | 317.95 | 1,178.68 | 1,181.99 |
| 2. Less: Inter segment revenue | - | - | - | - | - | - | - | - | - | - |
| 3. Net income from operations (1 - 2) | 464.29 | 435.88 | 467.03 | 1,731.72 | 1,748.49 | 307.95 | 294.95 | 317.95 | 1,178.68 | 1,181.99 |
| 4. Segment profits | | | | | | | | | | |
| A. Rating services | 62.64 | 61.24 | 56.22 | 219.54 | 184.17 | 62.47 | 61.08 | 56.04 | 218.78 | 183.66 |
| B. Research services | 61.91 | 60.32 | 78.20 | 233.68 | 326.44 | 21.37 | 22.86 | 37.17 | 92.16 | 190.12 |
| C. Advisory services (Refer note 11) | 2.56 | 4.77 | (11.37) | 12.73 | (8.09) | - | - | - | - | - |
| 4. Total operating profit | 127.11 | 126.33 | 123.05 | 465.95 | 502.52 | 83.84 | 83.94 | 93.21 | 310.94 | 373.78 |
| 5. Add / (less) | | | | | | | | | | |
| i. Interest | (0.07) | (0.07) | (1.01) | (0.23) | (2.23) | - | - | - | - | (1.18) |
| ii. Net other unallocable income/(expenditure) (Refer notes 4, 8 and 9) | 14.39 | 30.52 | 26.58 | 62.73 | 42.12 | 1.99 | 75.51 | 22.10 | 92.53 | 36.64 |
| iii. Depreciation / amortisation (unallocable) | (9.33) | (8.80) | (11.69) | (36.86) | (42.82) | (6.34) | (6.48) | (7.57) | (25.63) | (28.67) |
| 6. Net profit from ordinary activities before tax (4 + 5) | 132.10 | 147.98 | 136.93 | 491.59 | 499.59 | 79.49 | 152.97 | 107.74 | 377.84 | 380.57 |
| Segment assets (Refer note 5) | | | | | | | | | | |
| A. Rating services | 47.35 | 104.74 | 53.42 | 47.35 | 53.42 | 47.35 | 104.74 | 53.42 | 47.35 | 53.42 |
| B. Research services | 739.85 | 708.09 | 669.45 | 739.85 | 669.45 | 263.48 | 281.85 | 261.21 | 263.48 | 261.21 |
| C. Advisory services | 126.37 | 137.49 | 132.89 | 126.37 | 132.89 | - | - | - | - | - |
| D. Unallocable (net) | 775.16 | 698.84 | 778.00 | 775.16 | 778.00 | 801.05 | 728.16 | 816.58 | 801.05 | 816.58 |
| Segment liabilities (Refer note 5) | | | | | | | | | | |
| A. Rating services | 142.62 | 169.82 | 132.19 | 142.62 | 132.19 | 142.62 | 169.82 | 132.19 | 142.62 | 132.19 |
| B. Research services | 238.91 | 273.86 | 238.78 | 238.91 | 238.78 | 129.60 | 139.74 | 116.57 | 129.60 | 116.57 |
| C. Advisory services | 38.58 | 43.02 | 39.64 | 38.58 | 39.64 | - | - | - | - | - |
| D. Unallocable (net) | 96.70 | 79.23 | 86.90 | 96.70 | 86.90 | 80.91 | 68.01 | 73.52 | 80.91 | 73.52 |
| Capital employed (Refer note 5) | | | | | | | | | | |
| A. Rating services | (95.27) | (65.08) | (78.77) | (95.27) | (78.77) | (95.27) | (65.08) | (78.77) | (95.27) | (78.77) |
| B. Research services | 500.94 | 434.23 | 430.67 | 500.94 | 430.67 | 133.88 | 142.11 | 144.64 | 133.88 | 144.64 |
| C. Advisory services | 87.79 | 94.47 | 93.25 | 87.79 | 93.25 | - | - | - | - | - |
| D. Unallocable (net) | 678.46 | 619.61 | 691.10 | 678.46 | 691.10 | 720.14 | 660.15 | 743.06 | 720.14 | 743.06 |

CRISIL Limited
Statement of Assets and Liabilities

(₹ in Crore)

| Particulars | Consolidated | | Standalone | |
|--|-----------------|-----------------|-----------------|-----------------|
| | As at | As at | As at | As at |
| | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | Audited | Audited | Audited | Audited |
| A. Assets | | | | |
| 1. Non-current assets | | | | |
| (a) Property, plant and equipment | 35.12 | 41.04 | 28.29 | 32.09 |
| (b) Goodwill | 288.61 | 277.25 | - | - |
| (c) Intangible assets | 25.15 | 31.64 | 10.87 | 16.63 |
| (d) Intangible assets under development | 11.80 | 7.44 | 11.80 | 4.57 |
| (e) Financial assets | | | | |
| i. Investments | 200.80 | 293.59 | 383.73 | 476.42 |
| ii. Loans | 34.21 | 36.74 | 32.50 | 36.56 |
| iii. Other financial assets | 0.87 | 0.42 | 0.51 | 0.02 |
| (f) Deferred tax assets (Net) | 42.59 | 56.76 | 28.36 | 45.40 |
| (g) Tax assets | 73.96 | 56.05 | 48.15 | 36.18 |
| (h) Other non-current assets | 10.66 | 7.90 | 10.31 | 7.67 |
| Sub-total non-current assets | 723.77 | 808.83 | 554.52 | 655.54 |
| 2. Current assets | | | | |
| (a) Financial assets | | | | |
| i. Investments | 252.25 | 183.03 | 252.25 | 183.03 |
| ii. Trade receivables | 199.37 | 284.83 | 138.87 | 164.82 |
| iii. Cash and cash equivalents | 341.69 | 203.07 | 71.27 | 48.86 |
| iv. Other bank balances | 3.89 | 4.03 | 1.67 | 2.14 |
| v. Loans | 7.22 | 8.45 | 7.15 | 9.21 |
| vi. Other financial assets | 79.01 | 94.07 | 51.26 | 33.19 |
| (b) Other current assets | 78.35 | 44.27 | 31.71 | 31.24 |
| Sub-total current assets | 961.78 | 821.75 | 554.18 | 472.49 |
| 3. Asset held for sale | 3.18 | 3.18 | 3.18 | 3.18 |
| TOTAL - Assets | 1,688.73 | 1,633.76 | 1,111.88 | 1,131.21 |
| B. Equity and liabilities | | | | |
| 1. Equity | | | | |
| (a) Equity share capital | 7.23 | 7.21 | 7.23 | 7.21 |
| (b) Other equity | 1,164.69 | 1,129.04 | 751.52 | 801.72 |
| Sub-total Equity | 1,171.92 | 1,136.25 | 758.75 | 808.93 |
| 2. Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| i. Borrowings | 0.04 | 0.08 | - | - |
| ii. Other financial liabilities | 7.82 | 7.74 | 5.37 | 7.74 |
| (b) Provisions | 15.14 | 13.76 | 13.58 | 12.98 |
| Sub-total non-current liabilities | 23.00 | 21.58 | 18.95 | 20.72 |
| 3. Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| i. Short term borrowings | 2.58 | 2.46 | - | - |
| ii. Trade payables | | | | |
| - to micro enterprises and small enterprises | 0.03 | 0.26 | 0.03 | 0.09 |
| - to others | 75.43 | 64.51 | 67.55 | 51.98 |
| iii. Other financial liabilities | 160.35 | 159.39 | 80.53 | 68.29 |
| (b) Provisions | 66.13 | 63.35 | 56.87 | 54.81 |
| (c) Tax liabilities | 15.30 | 11.76 | - | - |
| (d) Other current liabilities | 173.99 | 174.20 | 129.20 | 126.39 |
| Sub-total current liabilities | 493.81 | 475.93 | 334.18 | 301.56 |
| TOTAL - Equity and liabilities | 1,688.73 | 1,633.76 | 1,111.88 | 1,131.21 |

CRISIL Limited
Cash flow statement

(₹ in Crore)

| | Particulars | Consolidated | | Standalone | |
|-----------|--|-----------------|-----------------|-----------------|-----------------|
| | | Year ended | Year ended | Year ended | Year ended |
| | | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | | Audited | Audited | Audited | Audited |
| A. | Cash flow from operating activities: | | | | |
| | Profit before tax | 491.59 | 499.59 | 377.84 | 380.57 |
| | Adjustments for : | | | | |
| | Depreciation | 36.86 | 42.82 | 26.26 | 29.71 |
| | Interest income on financial assets carried at amortized cost | (2.30) | (2.75) | (2.27) | (2.75) |
| | Monetary gain from hyperinflation | 1.42 | (3.07) | - | - |
| | Unrealised foreign exchange loss | 1.92 | (3.35) | (2.43) | 1.19 |
| | (Profit)/ loss on sale of fixed assets | (0.27) | (0.86) | (0.39) | (0.48) |
| | (Profit)/ loss on sale of current investments | (9.81) | (3.40) | (3.87) | (1.45) |
| | (Profit)/ loss on fair valuation of current investments | (3.87) | (1.45) | (9.81) | (3.29) |
| | Provision for doubtful debts / bad debts | - | 37.54 | 1.68 | 15.58 |
| | Provision for doubtful security deposits | - | 0.10 | 0.04 | 0.15 |
| | Excess provision written back | (3.49) | - | - | - |
| | Interest on bank deposits | (1.09) | (0.86) | (0.30) | (0.37) |
| | Interest on Income tax refund | (3.69) | - | (3.61) | - |
| | Interest expense/finance cost | 0.23 | 2.23 | - | 1.18 |
| | Interest on loan from subsidiary | - | - | (0.10) | (0.56) |
| | Share based payment to employees | 8.14 | 18.76 | - | - |
| | Dividend on investments | (7.77) | (14.57) | (54.85) | (14.57) |
| | Share based payment to employees | - | - | 3.56 | 11.09 |
| | Operating profit before working capital changes | 507.87 | 570.73 | 331.75 | 416.00 |
| | Movements in working capital | | | | |
| | - (Increase)/decrease in trade receivables | 85.79 | (58.55) | 26.90 | (20.36) |
| | - (Increase)/decrease in loans | 6.16 | 0.24 | 6.60 | 0.51 |
| | - (Increase)/decrease in other non current assets | (3.89) | (2.56) | (3.57) | (2.54) |
| | - (Increase)/decrease in other current financial assets | 12.12 | (2.13) | (21.01) | (3.43) |
| | - (Increase)/decrease in other current assets | (33.79) | 0.94 | (0.46) | 1.04 |
| | - Increase/(decrease) in trade payables | 11.13 | 6.72 | 15.37 | 5.29 |
| | - Increase/(decrease) in provisions | 3.47 | 3.49 | 0.52 | 1.12 |
| | - Increase/(decrease) in other current financial liabilities | 2.10 | 6.99 | 13.36 | (5.59) |
| | - Increase/(decrease) in other current liabilities | 0.34 | 18.32 | 2.81 | 10.99 |
| | - Increase/(decrease) in other non current financial liabilities | 0.08 | 3.62 | (2.37) | 4.69 |
| | - Increase/(decrease) in other non current liabilities | - | (0.48) | - | (0.48) |
| | Cash generated from operations | 591.38 | 547.33 | 369.90 | 407.24 |
| | - Taxes paid | (145.52) | (168.81) | (104.56) | (127.82) |
| | Net cash generated from operating activities - (A) | 445.86 | 378.52 | 265.34 | 279.42 |
| B. | Cash flow from investing activities : | | | | |
| | Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances) | (29.06) | (33.47) | (23.86) | (22.72) |
| | Proceeds from sale of property, plant and equipment and intangible assets | 1.38 | 1.69 | 1.25 | 0.85 |
| | Investments in mutual funds (net of proceeds) | (55.54) | (39.23) | (55.54) | (46.97) |
| | Payment made for acquisition of Pragmatix Services Private Limited | - | (56.00) | - | (56.00) |
| | Interest on income tax refund | 3.69 | - | 3.61 | - |
| | Interest on bank deposits | 1.12 | 0.77 | 0.33 | 0.34 |
| | Interest on loan from subsidiaries | - | - | 0.10 | 0.97 |
| | Loan repaid by subsidiaries | - | - | 1.75 | 30.20 |
| | Fixed deposits placed | (0.33) | 39.86 | (0.02) | (0.51) |
| | Investment in CRISIL Ratings Limited | - | - | (0.10) | - |
| | Dividend on investments | 7.77 | 14.57 | 54.85 | 14.57 |
| | Net cash used in investing activities - (B) | (70.97) | (71.81) | (17.63) | (79.27) |
| C. | Cash flow from financing activities : | | | | |
| | Receipts from issuance of share capital on account of exercise of ESOS | 22.95 | 49.95 | 22.95 | 49.95 |
| | Receipts from subsidiaries for ESOS | - | - | 4.58 | 7.68 |
| | Proceeds from /(repayment of) borrowings | (0.04) | (0.55) | - | - |
| | Dividend and dividend tax paid | (251.62) | (251.38) | (251.62) | (251.38) |
| | Interest expense/finance cost | (0.23) | (1.26) | - | (1.18) |
| | Net cash generated used in financing activities - (C) | (228.94) | (203.24) | (224.09) | (194.93) |
| | Net increase in cash and cash equivalents (A+B+C) | 145.95 | 103.47 | 23.62 | 5.22 |
| | Add / (less) : adjustment towards acquisition / (divesture) - (D) | - | 4.62 | - | - |
| | Net increase in cash and cash equivalents (A+B+C+D) | 145.95 | 108.09 | 23.62 | 5.22 |
| | Cash and cash equivalents - Opening balance | 199.49 | 88.69 | 47.74 | 42.21 |
| | Add : Exchange difference on translation of foreign currency cash and cash equivalents | (6.33) | 2.71 | (0.09) | 0.31 |
| | Cash and cash equivalents - Closing balance | 339.11 | 199.49 | 71.27 | 47.74 |
| | Net increase in cash and cash equivalents | 145.95 | 108.09 | 23.62 | 5.22 |
| | Components of cash and cash equivalents: | | | | |
| | Cash on hand and balances with banks on current account | 116.36 | 94.07 | 67.27 | 48.86 |
| | Deposits with original maturity of less than three months | 225.33 | 109.00 | 4.00 | - |
| | Bank and book overdraft | (2.58) | (3.58) | - | (1.12) |
| | Total | 339.11 | 199.49 | 71.27 | 47.74 |

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 February 11, 2020.
- 2 The Board of Directors have recommended a final dividend of ₹ 13 per share having face value of ₹ 1 each.
- 3 The consolidated financial results include financial results of CRISIL Limited and its wholly owned subsidiaries (together referred as 'the Group').
- 4 Details of foreign exchange gain or loss recorded in the respective periods in financial results are as under :

(₹ in Crore)

| Particulars | Consolidated | | Standalone | |
|----------------------------------|-----------------------------------|----------------|--------------|----------------|
| | Forex gain or loss included under | | | |
| | Other income | Other expenses | Other income | Other expenses |
| Quarter ended December 31, 2019 | Nil | 3.35 | 2.94 | Nil |
| Quarter ended September 30, 2019 | 8.42 | Nil | 3.24 | Nil |
| Quarter ended December 31, 2018 | Nil | 9.76 | Nil | 12.39 |
| Year ended December 31, 2019 | 9.98 | 11.19 | 6.18 | 2.43 |
| Year ended December 31, 2018 | 31.02 | 9.76 | 29.14 | 12.39 |

- 5 The Group'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 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.
- 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 of the Company.

The figures of the quarter ended December 31, 2019 and December 31, 2018 are the balancing figures between audited figures of the full year ended December 31, 2019 and December 31, 2018 and unaudited published year to date figures up to the period ended September 30, of the respective years.
- 7 Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of CRISIL Limited. This transfer would be undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') to be approved by the Stock Exchanges and the National Company Law Tribunal (NCLT). Having received the requisite approvals from the Stock Exchanges, the Company has filed the Scheme with NCLT on October 25, 2019. NCLT has admitted the Scheme and has ordered convening of shareholders' meetings for approval of the Scheme. A meeting of the equity shareholders has been convened on February 12, 2020, for approval of scheme.
- 8 During the previous quarter ended September 30, 2019, the Group had received ₹ 20.93 crores (Quarter ended December 31, 2018: ₹ 24.93 crores) from sale of duty free saleable scrips received pursuant to the Service Export Incentive Scheme (SEIS) of the Directorate General of Foreign Trade, Government of India. This is included under 'Other income' in the financial results.
- 9 During the previous quarter ended September 30, 2019, the Company had received dividend income from its subsidiaries aggregating ₹ 47.08 crores, included in 'Other Income' in the standalone financials results.

- 10 The Company and its one Indian subsidiary, elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Law Amendment Act 2019. Accordingly, the Company and its one Indian subsidiary, has recognized the provision for income tax for the year ended December 31, 2019 basis the new tax rate of 25.17%, as applicable for financial year 2019-20 for the entities in India including re-measurement of deferred tax asset. The impact of this change is recognised in the statement of profit and loss.
- 11 The consolidated financial results include additional provision for receivables of ₹ 12.79 crores and ₹ 16.84 crores during the quarter and year ended December 31, 2018 respectively, in the Advisory services segment, which is included under 'Other expenses'.
- 12 On December 19, 2019, CRISIL Irevna US LLC, a wholly owned subsidiary company, has entered into a definitive agreement to acquire 100% of the equity share capital of Greenwich Associates LLC ('Greenwich'), a company based in Stamford, USA, and its subsidiaries, a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers. The transaction is at a total consideration of USD 40 million (₹ 280 crores approximately).
- 13 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,

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



Ashu Suyash
Managing Director and Chief Executive Officer
DIN : 00494515
Mumbai, February 11, 2020

* 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).