

## **CRISIL announces Audited Financial Results for the year ended March 31, 2005**

Mumbai.... May 26, 2005...The Board of Directors of CRISIL Limited at its meeting held today approved the Audited Financial Results for the financial year ended March 31, 2005.

Total income increased from Rs. 74.26 crores in the previous financial year ended March 31, 2004 to Rs. 91.73 crores (24%)\*. Income from operations increased from Rs. 69.94 crores to Rs. 89.08 crores (27%) and profit before tax from Rs. 26.84 crores to Rs. 33.41 crores (24%). Profit after tax increased from Rs. 17.94 crores to Rs. 22.16 crores (24%) and EPS increased from Rs. 28.67 to Rs. 34.99. The consolidated revenues increased from Rs. 89.68 crores to Rs. 122.05 crores (36%) and the consolidated net profit after tax increased from Rs. 19.32 crores to Rs. 19.84 crores (3%). The Board has recommended dividend of 125 % as against 100% in the previous year.

During the year The McGraw-Hill Companies, Inc. (of which Standard & Poor's is a division) and its wholly owned subsidiary S & P India LLC. made an open offer to the shareholders of the Company to acquire a majority stake in the Company. The McGraw-Hill Companies, Inc subsequently made a public announcement dated May 9, 2005 to the shareholders of the Company that pursuant to the offer they hold 3,720,948 shares representing 58.50 % of the total paid up equity capital of the Company.

The Company has concluded acquisition of 100% of the equity shares in Irevna group of companies. Irevna provides high-end customised equity research & analytics to the worlds leading investment banks, commercial banks, accounting firms, management consulting firms, Fortune 500 companies and global law firms.

CRISIL's ratings business maintained its leadership position in the domestic ratings business. During the year over 100 new issuers were added to the business. CRISIL Ratings continued to lead the market in innovation and rated several landmark deals including the first rating assigned to a company under a Corporate Debt Restructuring package, the first trade receivable securitization in the country and the first ever used car loan securitization transaction in the country. CRISIL Ratings' global initiatives continue to grow well and the international projects division executed a variety of complex assignments. CRISIL Ratings published over 50 commentaries and analytical opinions showcasing its analytical leadership in the market. It further strengthened its rating review process to provide more frequent updates to the market and to ensure that CRISIL ratings are always current.

CRISIL Infrastructure Advisory registered a satisfactory growth in its revenues despite a sluggish business environment. The growth was driven by an upswing in assignments in Power and Urban sectors. The Division undertook a wide canvas of assignments including some first of its kind in India in the areas of areas of power trading, distribution franchisees, group captive power and parallel licensing. Two of the notable assignments carried out in markets outside India were "Development of Service Level Agreements" for the African Development Bank and "Study of Regulatory and Demand-Supply scenario" for natural gas in Bangladesh.

CRISIL Investment Management Services (CIRM), a division of CRISIL has emerged as the market leader in providing comprehensive risk management solutions for banks and financial institutions in order to meet the requirements of Basel II. CRIM has won mandates to implement risk management systems from leading private sector banks, public sector banks, financial institutions and international banks in Middle East and US. During the year, CIRM developed and implemented management information systems framework, assessment of non commercial risks, diagnostic review of asset liability management framework and a retail scoring model.

CRISIL's Research & Information business maintained its significant growth momentum maintaining its focus on customised research. The initiative launched by the division, offering customised research solutions, witnessed significant acceptance by state governments, financial sector players as well as

corporates, both domestic and international. Multinational and domestic clients across segments such as automobiles, metals and consumer durables utilised the customised research solutions to facilitate their core business decisions.

EconoMatters Ltd., CRISIL's wholly owned subsidiary based in London has grown its revenue over 50% and consolidated its operations with that of CRISIL. It completed a number of prestigious market due diligence assignments including Tannguh, Qalhat, Oman LNG, Brindisi LNG, Atlantic LNG T4, ELNG II and Qatargas II. The Company also added two new training courses to its public courses portfolio - European Gas Markets Review (EGM) & The Shipper's Toolkit (STK). The key highlight of the events business was a gas flaring conference organised for the World Bank in Algeria.

CRISIL MarketWire Limited., the wholly owned subsidiary of CRISIL, strengthened its position as the leading content player in the financial news business in India providing money market news, mutual fund news and equity market news. It is expected to commercially launch the CommodityWire project in the next financial year.

Global Data Services of India Limited, the wholly owned subsidiary of CRISIL, launched the web-enabled version of its software, Data Slicing System, and continued to support the operation of CRISIL and its subsidiaries. The second edition of the book "Accounting & Analysis-The Indian Experience", produced by CRISIL, has received an excellent response from the market.

Caribbean Information & Credit Rating Services Limited,(CariCRIS) where CRISIL has made a strategic equity investment, announced its first regional scale rating and formally launched its rating services to offer ratings on a Caribbean regional scale to 19 Caribbean countries as well as on national scales in select countries.

India Index Services & Products Ltd. (IISL), CRISIL's 50:50 joint venture with National Stock Exchange of India Ltd. (NSEIL) widened its client base for its indices with more mutual funds floating index funds on S&P CNX Nifty. An Exchange Traded Fund (ETF) was launched on a sectoral index of IISL i.e. CNX Bank Index for the first time in India. IISL has also licensed the S&P CNX Nifty to NSEIL and Singapore Exchange Derivatives Trading Ltd. and CNX IT to NSEIL for trading of derivatives.

**R. Ravimohan**  
**Managing Director & Chief Executive Officer**

\* Figures in parenthesis represent growth over previous year.

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**Audited Financial Results for the year ended March 31, 2005**

**(Rs. lakhs)**

Particulars	Nine months ended	Quarter ended	Quarter ended	Year ended Audited	Year ended Audited
	31/12/2004	31/03/2005	31/03/2004	31/03/2005	31/03/2004
Income from Operations	5906.13	3001.66	2055.73	8907.79	6994.42
Other Income	39.87	225.49	276.22	265.36	431.31
Total Income	5946.00	3227.15	2331.95	9173.15	7425.73
Total Expenditure:	3600.34	1682.73	1273.35	5283.07	4123.20
A. Staff Expenses	1973.66	622.94	618.01	2596.60	2120.89
B. Establishment Exp.	536.41	273.01	228.99	809.42	664.24
C. Professional Fees	491.66	345.74	123.01	837.40	548.93
D. Other Expenses	598.61	441.04	303.34	1039.65	789.14
Interest	-	-	-	-	-
Depreciation	442.74	156.08	166.75	598.82	618.40
Profit before Extraordinary Items & Tax	1902.92	1388.34	891.85	3291.26	2684.13
Contingency provision written back	-	50.00	-	50.00	-
Profit before Tax	1902.92	1438.34	891.85	3341.26	2684.13
Income tax arrears for earlier years	-	37.90	-	37.90	-
Provision for Taxation	646.00	441.00	231.75	1087.00	890.00
Net profit after tax	1256.92	959.44	660.10	2216.36	1794.13
Paid up Equity Share Capital (face value of each share - Rs.10/-)	634.92	636.55	629.35	636.55	629.35
Reserves (excluding revaluation reserves)	-	-	-	10374.27	8867.37
Earnings per share before extraordinary item (EPS) Rs.					
-Basic	19.87	14.36	10.49	34.20	28.67
-Diluted	19.87	14.36	10.49	34.20	28.67
Earnings per share (EPS) Rs.					
-Basic	19.87	15.14	10.49	34.99	28.67
-Diluted	19.87	15.14	10.49	34.99	28.67
Aggregate of non-promoter shareholding					
(A) Number of shares	4,201,299	4,297,580	4,152,965	4,297,580	4,152,965
(B) Percentage of holding (to total shareholding)	66.17%	67.51%	65.99%	67.51%	65.99%

## Segment Reporting

(Rs. lakhs)

Particulars	Quarter ended 31/03/2005	Quarter ended 31/03/2004	Year ended 31/03/2005	Year ended 31/03/2004
<b>Segment Revenue</b>				
A. Ratings Services	1880.58	1325.96	5976.46	4862.52
B. Advisory Services	780.75	499.72	1776.98	1339.26
C. Research & Information Services	340.33	230.05	1154.35	792.64
<b>TOTAL</b>	<b>3001.66</b>	<b>2055.73</b>	<b>8907.79</b>	<b>6994.42</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Income from Operations</b>	<b>3001.66</b>	<b>2055.73</b>	<b>8907.79</b>	<b>6994.42</b>
<b>Segment Profits</b>				
A. Ratings Services	1265.83	734.59	3657.84	2907.28
B. Advisory Services	245.29	135.96	345.39	220.92
C. Research & Information Services	43.88	28.60	216.42	55.89
<b>TOTAL</b>	<b>1555.00</b>	<b>899.15</b>	<b>4219.65</b>	<b>3184.09</b>
<b>Less:</b>			-	
Interest	-	-	-	-
Other unallocable expenditure net of unallocable income	166.66	7.30	928.39	499.96
<b>Total Profit before extraordinary item &amp; Tax</b>	<b>1388.34</b>	<b>891.85</b>	<b>3291.26</b>	<b>2684.13</b>

## Consolidated Profit & Loss Account

(Rs. in lakhs)

Particulars	Quarter ended 31/03/2005	Quarter ended 31/03/2004	Year ended 31/03/2005	Year ended 31/03/2004
Income from Operations	3416.69	2381.06	11932.21	8543.13
Other Income	228.91	267.07	273.76	425.03
<b>Total Income</b>	<b>3645.60</b>	<b>2648.13</b>	<b>12205.97</b>	<b>8968.16</b>
<b>Expenses</b>				
- Staff Expenses	963.50	683.34	4112.20	2939.64
- Establishment Expenses	319.43	210.16	1075.03	828.73
- Other Expenses	940.36	565.53	3280.60	1725.97
- Depreciation	172.63	171.15	651.60	668.51
<b>Total Expenses</b>	<b>2395.92</b>	<b>1630.18</b>	<b>9119.43</b>	<b>6162.85</b>
<b>Profit before Contingency &amp; Tax</b>	<b>1249.68</b>	<b>1017.95</b>	<b>3086.54</b>	<b>2805.31</b>
Contingency Provision Write Back	50.00	-	50.00	-
<b>Profit Before Tax</b>	<b>1299.68</b>	<b>1017.95</b>	<b>3136.54</b>	<b>2805.31</b>
Provision for Taxation	446.28	197.15	1109.48	872.58
Income Tax Arrears	42.20	0.66	42.20	0.66
<b>Profit after Tax</b>	<b>811.20</b>	<b>820.14</b>	<b>1984.86</b>	<b>1932.07</b>

### Notes:

- The above results were approved at the meeting of the Board of Directors held on May 26, 2005.
- The Board has recommended a dividend of Rs. 12.50 per share having nominal value of Rs. 10 each.

3. The Company's operations predominantly relate to providing rating, advisory and research and information services. Accordingly, revenues earned through rendering of these services represent the primary basis of segment information set out above.
4. Fixed assets used in the companies business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is not feasible.
5. Provision for Taxation for the year ended March 31, 2005 is net of Rs. 43 lakhs on account of reversal of deferred tax liability.
6. Professional fees include outsourcing charges paid to subsidiaries.
7. The Board of Directors have decided to change the financial year of the Company being April to March to calendar year. Accordingly, the next financial year of the Company will be April 1, 2005 to December 31, 2005 and thereafter from January to December every year.
8. Pursuant to the Memorandum of Undertaking signed with the Irevna group of Companies, the Company has acquired 100% of the equity share capital of Irevna group of Companies.
9. During the quarter ended March 31, 2005, the Company issued 16350 equity shares pursuant to exercise of stock options by the employees and directors of the Company and its subsidiaries.
10. The McGraw Hill Companies Inc. and its wholly owned subsidiary, S&P India LLC made a public announcement dated May 9, 2005 that they have acquired majority shareholding in the company consequent upon open offer made by them to the shareholders of the Company and they, along with the shares held by their group entity Standard & Poors' International LLC hold 3,720,948 shares representing 58.50 % of the total paid up equity capital of the Company.
11. Even though CRISIL is a widely held, professionally managed Company, holding of non-promoters has been classified to conform to Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997. Promoters defined under the Regulations include persons named in the offer document as 'promoters'. Accordingly, CRISIL's promoters are deemed to be ICICI Bank Ltd (10.75% shareholding as on 31/3/05), Unit Trust of India (7.56%), State Bank of India (3.14%), Central Bank of India (1.09%), Canara Bank (1.15%), Life Insurance Corporation of India (3.16%), General Insurance Corporation of India and its subsidiaries (2.66%) and United India Insurance Company Ltd. (1.10%).
12. Consolidated Profit and Loss Account includes accounts of CRISIL Ltd. and its subsidiaries CRISIL Research and Information Services Ltd., CRISIL MarketWire Ltd., Global Data Services of India Ltd., CRISIL Properties Ltd., EconoMatters Limited (UK) and its subsidiaries and proportionate share in income and expenses of joint-venture India Index Services & Products Ltd.
13. The Company had no pending investor complaints pursuant to clause 41 of the listing agreement at the beginning of the quarter. During the quarter ended March 31, 2005, the Company received and disposed-off 17 complaints.
14. The figures of earlier periods have been regrouped and restated where necessary to conform to this quarter's classification.

**For and on behalf of the Board**

Mumbai, May 26, 2005.

*R. Ravimohan*  
Managing Director & Chief Executive Officer