

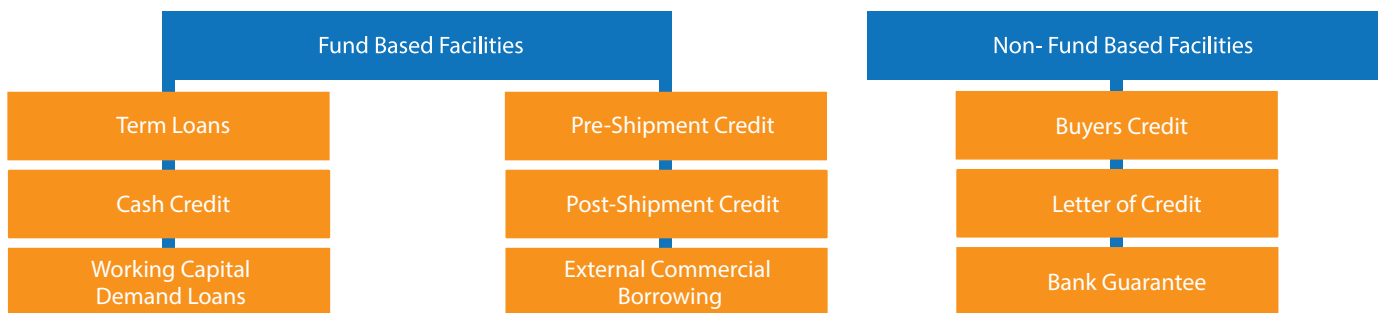
Banks operating in India are required to comply with Reserve Bank of India's New Capital Adequacy Framework (BASEL II). Banks are required to use credit ratings assigned by External Credit Assessment Institutions accredited by RBI. The risk weights on bank facilities extended to borrowers for arriving at capital requirements are based on the ratings. SMERA Ratings Limited is a credit rating agency accredited by RBI.

In addition to meeting compliance requirements, banks use these credit ratings as independent and unbiased opinions, to strengthen their risk management and internal decision making processes. For the rated borrower, these ratings are a key determinant in understanding the pricing of loans and bank facilities.

About Bank Loan Ratings

A Bank Loan Rating is an independent and unbiased opinion on the ability and willingness of a borrower to make timely payment of interest and principal with respect to the rated bank facility.

Types of facilities rated



SMERA Bank Loan Rating Scale

For long-term instruments

Ratings	Interpretation
SMERA AAA	Highest Degree of Safety
SMERA AA	Very High Degree of Safety
SMERA A	Adequate Degree of Safety
SMERA BBB	Moderate Degree of Safety
SMERA BB	Moderate Risk of Default
SMERA B	High Risk of Default
SMERA C	Very High Risk of Default
SMERA D	Default

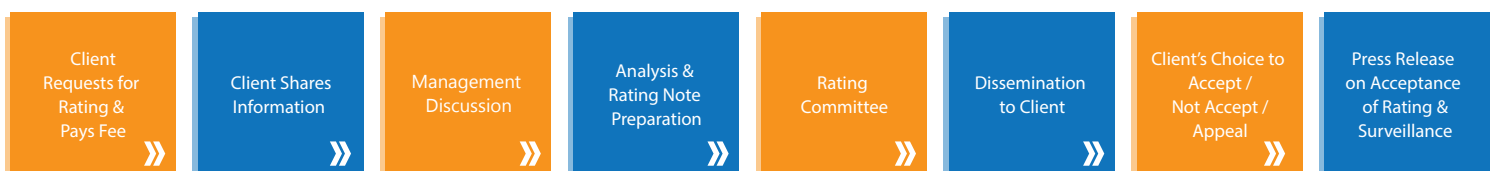
SMERA may apply '+' (plus) or '-' (minus) signs for ratings from 'SMERA AA' to 'SMERA C' to reflect comparative standing within the category. SMERA may assign rating outlooks for ratings from 'SMERA AAA' to 'SMERA B'. A rating outlook indicates the direction in which a rating may move over a medium-term horizon of one to two years. A rating outlook can be 'Positive', 'Stable' or 'Negative'. A 'Positive' or 'Negative' rating outlook is not necessarily a precursor of a rating change. Ratings on Ratings Watch will not carry outlooks.

For short-term instruments

Ratings	Interpretation
SMERA A1	Very Strong Degree of Safety
SMERA A2	Strong Degree of Safety
SMERA A3	Moderate Degree of Safety
SMERA A4	Minimal Degree of Safety
SMERA D	Default

SMERA may apply '+' (plus) sign for ratings from 'SMERA A1' to 'SMERA A4' to reflect comparative standing within the category.

Process for SMERA Bank Loan Rating



Benefits of SMERA Bank Loan Rating

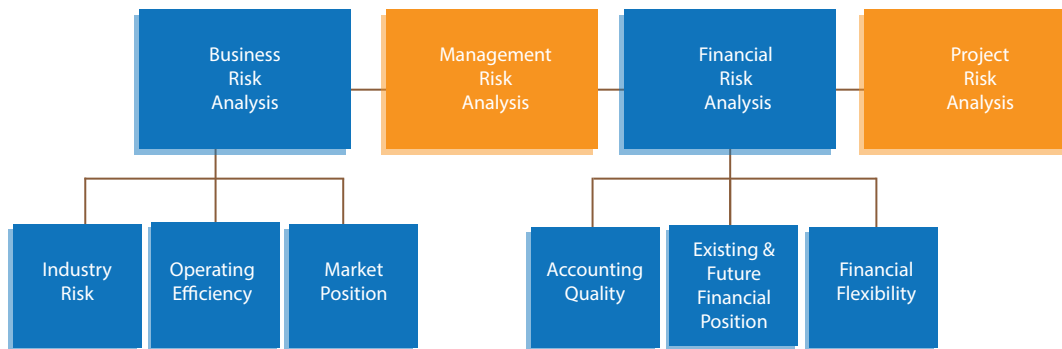
For Bankers

- Independent, unbiased and credible opinion on the credit risk of the loan exposures
- Risk-based pricing of rated facilities
- Capital relief and adherence to regulations
- Dynamic 'health-check' of the portfolio
- Inculcate financial discipline among borrowers
- Exposure to rating knowledge across industries, geographies and rating spectrum
- Quicker processing of loans and enhancements

For Borrowers

- Better negotiation power – availability and pricing of loans
- Faster processing and shorter turnaround time for enhancements and approvals
- Independent, unbiased and credible opinion on the strengths and weaknesses
- Greater visibility among bankers and investors
- Avoid penal interest for non-submission of ratings to banks

Bank Loan Rating Parameters



The SMERA Advantage

- High acceptance of ratings among lenders – over 40 MoUs signed
- Decade long expertise in understanding credit profiles of over 40,000 entities
- Simple documentation requirements
- Quick turnaround of rating
- Centralised, one-stop customer service
- In-house capabilities of economic research and industry analysis
- Presence in over 50 cities and towns across the country
- Use of advanced tools in rating and surveillance processes
- Impeccable track record of good governance and ethical business practices

About SMERA

SMERA Ratings Limited is a full service Credit Rating Agency, registered with the Securities and Exchange Board of India (SEBI) and is accredited by Reserve Bank of India (RBI) as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA has assigned more than 40,000 Ratings over the last 11 years.

SMERA'S Shareholding: <i>Formidable Institutional Backing</i>	Dun & Bradstreet	SIDBI	ICICI Bank
	State Bank of India	Bank of Baroda	Bank of India
	Canara Bank	Oriental Bank of Commerce	Union Bank of India
	Standard Chartered Bank	Indian Bank	Punjab National Bank