



Press Release – For Immediate Dissemination

Mumbai 14th September 2012.

Reserve Bank of India grants approval to SME Rating Agency of India Ltd – (SMERA) as an eligible Credit Rating Agency for rating bank loans

RBI has approved SMERA as an eligible External Credit Assessment Institution (ECAI) under the Basel norms.

RBI has accorded the approval via circular number DBOD.No.BP.BC 41/21.06.009/2012-13 dated September 13, 2012, which is addressed to all scheduled commercial banks. This circular modifies Para 6 of the Master Circular DBOD.No.BP.BC.16/21.06.001/2012-13 dated July 2, 2012 on 'Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) to include SMERA as an accredited CRA.

*The **third** Para of RBI circular accrediting SMERA reads as follows:*

*3. It has now been decided that banks may also use the ratings of the **SME Rating Agency of India Ltd. (SMERA)** for the purpose of risk weighting their claims for capital adequacy purposes in addition to the existing five domestic credit rating agencies. The rating-risk weight mapping for the long term and short term ratings assigned by **SMERA** will be the same as in case of other rating agencies*

SMERA, launched in September 2005, is approved by:

1. Securities Exchange Board of India – (SEBI)
2. National Small Industries Commission – NSIC, under MSME Ministry - GOI for undertaking MSME Ratings.
3. Directorate General of Shipping, Ministry of Shipping - GOI for grading of Maritime Training Institutes.

SMERA is also a member of Association of Credit Rating Agencies in Asia - (ACRAA)

SMERA provides rating and grading services that are comprehensive, transparent, reliable and timely to enable investors make better decisions.

SMERA is promoted by institutions of repute such as: Small Industries Development Bank of India – (SIDBI), Dun & Bradstreet (D&B) and various government, public, private and foreign banks.

RBI's approval paves way for SMERA to offer its services in the bank loan space. SMERA also offers a bouquet of rating & grading services, such as: SME Ratings, Greenfield and Brownfield Grading, Ratings of NCDs & Bonds, IPO Grading, Education Institution Ratings, Green Ratings, Microfinance Institution, Maritime Training Institutes, Loan Portfolio Review for Banks, Mapping and Validation Exercise.



SMERA is a pioneer in the Indian MSME rating space and has completed around 18,000 ratings across clusters, regions and industries. SMERA has also undertaken risk profiling for industries in 14 MSME clusters.

SMERA has its Head office at Mumbai along with a nationwide presence in 13 cities including all major metros, tier 1 and tier 2 cities.

On this occasion Mr. S G Gulati - Chairman SMERA stated *"With RBI accreditation, SMERA has now a level playing field with other rating agencies and I am confident that SMERA ratings will enable investors to take better decisions"*

Mr. Parag Patki -CEO SMERA further added that *"I believe the lenders, investors, issuers and other market participants will benefit from this regulatory move to accredit SMERA. SMERA seeks to provide the lending and investing community an in-depth analytical insight, greater transparency and efficient service level through its rating and grading products to enable effective risk assessment and investing/lending decisions."*

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