



Ref:KSFC/HO/CMD/ED(F)/474/2010-11

Date: 26.07.2010

CIRCULAR No.913

Sub: MoU with CRISIL Limited.
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A MoU has been signed with CRISIL Limited for credit rating the proposals. CRISIL Limited is a Public Limited Company for credit rating of MSMEs. The Company is empanelled by National Small Industries Corporation (NSIC) of India for SME rating. The MoU with CRISIL Ltd., has been concluded to have alternative agency for availing the rating services. The fee structure and other details of MoU are as given below:

Type	Rate (Rs.)	Service Tax	Total
Greenfield projects (New)	45,000/-	4,635/-	49,635/-
Medium size units	30,000/-	3,090/-	33,090/-
SSI rating (SSI units) (Eligible for subsidy)	10,000/-	1,030/-	11,030/-

For facilitating the rating, the Corporation has to comply with the following requirements:

- Application form should be got duly filled up signed by the promoters and forwarded to CRISIL with the check list of all the documents;
- The fee as indicated above should be collected from the clients by way of DD and handed over to the CRISIL along with the application;
- The Corporation should also facilitate collection of required information from the assisted units and assist in management interviews.

The CRISIL SSI / SME ratings definitions are given below:

A. NSIC-CRISIL Rating (applicable for only SSI units):

An NSIC-CRISIL Rating reflects CRISIL's opinion on the company's performance capability and financial strength. Ratings are assigned as per the table below:

Performance capability	Financial strengths		
	High	Moderate	Low
Highest	SE1A	SE1B	SE1C
High	SE2A	SE2B	SE2C
Moderate	SE3A	SE3B	SE3C
Weak	SE4A	SE4B	SE4C
Poor	SE5A	SE5B	SE5C

B. CRISIL SME Ratings (applicable for units other than SSI):

A CRISIL SME Rating reflects the level of creditworthiness of an SME, adjudged in relation to other SMEs. CRISIL SME Ratings are assigned with the following Rating definition:



<i>Definition</i>	<i>CRISIL SME Rating</i>
Highest	SME1
High	SME2
Above Average	SME3
Average	SME4
Below Average	SME5
Inadequate	SME6
Poor	SME7
Default	SME8

Interest concession of 0.5% p.a. can be extended for loans upto Rs.1.00 crore and 1% p.a. for loans above Rs.1.00 crore with ratings of SE 1A / SE 2A or SME 1 / SME 2. However, these interest concessions are not applicable for tourism related activities like amusement parks, restaurants, travel and transport, tourist service agencies, hotels and restaurants, mobile canteen / catering, resorts, service apartments, CRE projects, corporate loans, PE loans and loans sanctioned under JICA-LoC.

In respect of projects which are rated under NSIC-CRISIL rating, which are rated as SE1A, SE1B, SE2A, SE2B, SE3A and SE3B as bankable proposals subject to complying with the lending norms and SE1C, SE2C, SE3C, SE4A, SE4B, SE4C, SE5A, SE5B and SE5C as non-bankable proposals.

Similarly, in respect of projects which are rated under CRISIL-SME ratings, which are rated as SME1, SME2, SME3, SME4 and SME5 as bankable proposals subject to complying with the lending norms and SME6, SME7 and SME8 as non-bankable proposals.

Sri Michael T. Enoch, Manager, SME Ratings, CRISIL Limited, W-101, I Floor, Sunrise Chambers, 22, Ulsoor Road, Bangalore - 560 042, Phone No: 42445399, Mobile : 99860 17791, e-mail : menoch@crisil.com, is a coordinating officer, who would be interacting with the branch managers and also officers of Head Office in connection with the further information requirements etc. The branch managers and the officers at Head Office are instructed to co-ordinate between the customers and CRISIL Ltd., for clarifications and facilitating discussions.

Sri N.Aswhatham, General Manager (NZ) is the Nodal Officer of the Corporation.

All the branch managers and concerned officers in the credit, EG and Recovery departments at Head Office may take note of these instructions for compliance of rating requirements.

The contents of this circular shall be brought to the notice of all the concerned in your office / department.

Sd/-

CHAIRMAN & MANAGING DIRECTOR

To:

All BMs
All ZMs / DGMs of Super 'A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library
Executive Directors - for information