



Transparent Consultants Pvt. Ltd.

Autograph your work with quality

(An Agrawal-Naredi Group Venture)



CRISIL
RATINGS

The Most Reliable Opinion on Risk

Scheme 1:

NSIC-CRISIL (15 point scale)
Performance And Credit Rating
for SSI

Scheme 2:

SME Rating (8 point scale)
for non-SSI manufacturing units of larger size
and enterprises of all sizes in trade sectors

ENJOY

**Back Ended Central Subsidy from
NSIC, Ministry SSI, Govt. of India**

+

**Concessions from all
MOU Entered Banks**

+

**Addition of your company details
in CRISIL DataBase**

Introduction:

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The need for the performance and credit rating mechanism for SSI units was highlighted in the Union Budget of 2004-05. Accordingly National Small Industries Corporation Ltd. (NSIC) of India has been appointed as Nodal Agency for implementation of the scheme through CRISIL in consultation with Indian Bank Association and Rating Agencies.

CRISIL is the pioneer of independent credit ratings in India. In association with NSIC, CRISIL is now rating Small Scale Industries (SSIs) on a special rating scale, using criteria tailored for the small-scale sector. The fees for this rating are presently subsidised by the Government of India, making it a unique opportunity for small enterprises to get themselves rated. **Transparent** is a pioneer associate of CRISIL in providing ratings.

What is SME, SSI, MSI?

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- **SME** includes SSI, MSI and all manufacturers, service providers, dealers, traders etc.
- **SSI** (definition changed on **02 Oct 2006**) is an entity in which investment in Plant & Machinery for **Manufacturing** Enterprise is less than Rs.5 crores and for **Service** Enterprise (incl. Software Development, CAD CAM etc) is less than Rs.2 crores
- **MSI** (definition changed **02 Oct 2006**) is an entity in which the same investment limits is between Rs.5-10 crores and Rs.2-5 crores respectively.

Rating Scale & Fees

Scheme 1 (for SSI):

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

For example, a company with High Performance Capability and High Financial Strength will be rated 'SE 2A', while one with Weak Performance Capability and Low Financial Strength will be rated 'SE 4C'.

Fees	Turnover (Rs. Lakhs)		
	Below 50	50-200	Above 200
Rating Fees (incl. Service Tax)	44944	50562	67416
Less: Subsidy from Ministry SSI - NSIC	25000	30000	40000
Balance	19944	20562	27416
Less: Concessions - MOU Entered Banks	12348	10112	13483
Amount Payable by SSIs	7596	10450	13933
Total Discount % on Rating Fees (app.)	83%	80%	80%

Scheme 2:

Scale	
▶ SME 1 Highest	▶ SME 2 High
▶ SME 3 Above Average	▶ SME 4 Average
▶ SME 5 Below Average	▶ SME 6 Inadequate
▶ SME 7 Poor	▶ SME 8 Default

Fees	Turnover (Rs. Crores)				
	Below 10	10 - 25	25 - 50	50 - 75	Above 75
Rating Fees (incl. Service Tax)	44944	50562	56180	84270	112360
Less: Concessions - MOU Entered Banks	11236	5056	5618	8427	11236
Amount Payable by SSIs	33708	45506	50562	75843	101124
Total Discount % on Rating Fees (app.)	25%	10%	10%	10%	10%

Benefits

✓ **Cheaper & Faster Bank Credits:**

When you go in for a rating from a credible agency, you improve your standing with bankers, customers, suppliers and employees. CRISIL Ratings enjoys high level of creditability with **all banks of India** to benefit SMEs not only to get faster loans but also to **reduce interest rates** on any type of loans and borrowings.

If any of the SMEs is having any business relationship (may be a simple current account) with any of the banks viz. **State Bank of India, Bank of Baroda, Central Bank of India, Union Bank of India, UCO Bank, HDFC Bank, Bank of India, Corporation Bank, Canara Bank, IOB, Federal Bank, etc** with whom CRISIL had entered a MOU then there is **further concession in rating fees** for limited period.

✓ **Confidence building with business partners:**

Your NSIC-CRISIL Rating is an indicator of your performance capability and financial strength. A good rating gives comfort to your lenders, customers, and suppliers.

✓ **Self-improvement tool:**

With its rating, CRISIL gives you a detailed analytical report on your company's strengths and weaknesses. The report will help you strengthen your operations and improve the working of your company. This insightful, credible and independent feedback is supported by the strongest industry and company research in India.

✓ **Support for your export initiatives:**

For exporters, CRISIL's international linkage offers an additional advantage. **Standard & Poors**, the global leader in credit ratings, is the majority stakeholder in CRISIL. Therefore, a CRISIL rating will help to establish your credentials with international customers. CRISIL SME Ratings reflects the level of creditworthiness of an SME, adjudged in relation to other SMEs and other competitors.

✓ **Improved Visibility:**

With the CRISIL rating, your company will get a free listing in CRISIL'S Rating Scan, a publication that is used as a reference for lending decisions by banks. We will also feature your company details in CRISIL's database.

Why CRISIL?

- ▶ India's leading Rating, Financial News, Risk and Policy Advisory Company to Govt. of India: CRISIL leads the market in depth of analysis and sophistication of approach. A rating from CRISIL is a stamp of quality from the most renowned rating agency in India.
- ▶ Association with Standard & Poor's: The world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. Leading corporations worldwide are rated by Standard & Poor's S&P's Credit Risk Tracker (CRT) has analysed about one million SME in Europe.
- ▶ Value-driven approach: All CRISIL businesses operate on the core values of Analytical Rigour, Independence, Integrity, Innovation, and Commitment. CRISIL's consistent adherence to these principles is recognised by users of its ratings, and has been the key factor that makes CRISIL the leading player in its field.

Eligibility:

Any enterprise registered in India whether SSI or MSI can apply for SME CRISIL Ratings. The benefit of subsidy is available for SSI. Some banks like Bank of India had announced separate subsidies for their Non-SSI customers also. For details please contact to the nearest office locations of **Transparent** listed overleaf.

How the Rating Process works

- * Send the application in the required format with the documents listed overleaf and a cheque/draft drawn in favour of "CRISIL Limited" payable at Mumbai to the nearest Transparent office locations listed overleaf.
- * CRISIL's analyst visits the company and have a short discussion with the management of the company
- * CRISIL'S prepares a rating report, assigns a rating and sends the copy of the report to you and NSIC. The whole process takes five to six weeks after CRISIL receives complete information.

List of Documents Required

1.SSI Registration Certificate 2.Partnership Deed / Memorandum & Article of Association 3.Authority letter to sign the application 4.List of all partners/directors with their age, address, net worth/income tax returns, qualifications and experience 5.Copy of the audited accounts with schedules for the last three years 6. Brief write-up about the products manufactured, end users, marketing tie-up and orders in hand 7.Details of subsidy, tax concession available to the applicant 8.Quality certificates, export awards won, membership of any associations 9.Any other information that would enable us to understand your business better