

Criteria for empanelment of new rating agencies under Performance and Credit Rating scheme

Government of India had constituted a committee to consider the proposals for empanelment of new rating agencies to carry out Rating of Micro and Small Enterprises under Performance and Credit Rating Scheme. The committee decided that any request for empanelment of new rating agency under the scheme would be evaluated on the following criteria:

(a) Experience of similar line

Any new agency seeking for empanelment under the scheme should have at least three years experience of rating activities and should have rated a sufficient number of units.

(b) Availability of infrastructure

The applicant agency should have adequate infrastructure to enable it to provide rating services i.e. space, hardware & software, connectivity, independent internal control mechanism, trained manpower, system & procedures to carry out the rating activities.

(c) Promoters' background

The promoters' background is required to be seen before empanelling any new agency for rating. The business and activities of the promoters should not be of such nature that it can have any influence on the rating process.

(d) Manpower strength

The applicant organization should have adequate and competent manpower to carry out the rating.

(e) Network

The agency should have branch network spread all over India to cater the SSI units.

(f) Acceptability from Indian Banks' Association

The rating assigned by the applicant rating agency must have acceptability of the Indian Banks' Association.

(g) Financial standing

- Capital & Net worth
- Revenue from rating activities
- Revenue from other activities

(h) A body corporate with an objective of rating activities.