



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2012-13/205

DBOD.No.BP. BC.41/21.06.009/2012-13

September 13, 2012

The Chairman / CMD / MD / CEO
All Scheduled Commercial Banks
(Excluding Local Area Banks and Regional Rural Banks)

Dear Sir,

Prudential Guidelines on Capital Adequacy and Market Discipline- New Capital Adequacy Framework (NCAF) - Eligible Credit Rating Agencies – SME Rating Agency of India Ltd. (SMERA)

Please refer to 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)'.

2. In terms of para 6 of the circular, five domestic credit rating agencies viz. CARE, CRISIL, FITCH India, ICRA and Brickwork have been accredited for the purpose of risk weighting the banks' claims for capital adequacy purposes. The long term and short term ratings issued by these domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the Standardised Approach under the Basel II Framework.

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.

Yours faithfully,

(Deepak Singhal)
Chief General Manager-in-charge