

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1815
ANSWERED ON:23.03.2012
NEW RATING INDEX
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Will the Minister of FINANCE be pleased to state:

- (a) the details of credit rating of the country during each of the last three years by prominent international rating agencies;
- (b) whether the Government has introduced a new rating index called Comparative Rating Index for Sovereigns (CRIS) to assess the performance of Indian economy in relation to the rest of the world; and
- (c) if so, the details thereof and reasons therefor alongwith rating on which the new index is based?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI NAMO NARAIN MEENA

(a): India's sovereign debt is rated by six major international sovereign credit rating agencies (SCRAs) namely Standard and Poor's (S&P), Moody's Investors Service, Dominion Bond Rating Service (DBRS), Fitch Ratings, Japanese Credit Rating Agency (JCRA) and Rating and Investment Information (R&I), Japan. The details of credit ratings affirmed by these SCRAs during last three years are given in Annexure-A.

(b) & (c): Researchers in the Ministry of Finance have developed a new index called the 'comparative rating index for sovereigns' (CRIS).

The reason for developing this new index is to inform the investors about a nation's sovereign credit rating in comparative terms. It may be noted that a standard sovereign credit rating is an opinion about how safe and rewarding a nation's credit is, and such rating does not make any reference to or draw any comparison with the credit ratings of other countries.

The broad idea of CRIS, as explained in the Economic Survey 2011-12, is that the computation of the risk should be based on only standard ratings data and data on GDP of different nations in order to determine the importance or weights of different nations.

For the purpose of calculation, the researchers in the Ministry of Finance have used Moody's Foreign Currency Credit Ratings and the International Monetary Fund's (IMF) GDP statistics.

(Amount in Rs Crore)

Year	Target	Sub-division of targets				Achievement of targets		Total	
	Commer	Co	RRBs	Commer	Co	RRBs	Achieve		
	-cial	-op.	-cial	-op.					
	banks	banks	banks	banks					
2009	3,25,000	2,50,000	45,000	30,000	2,85,799.73	63,496.85	35,217.62	3,84,514.	20
	-10								
2010	3,75,000	2,80,000	55,000	40,000	3,45,877.29	78,007.09	44,293.05	4,68,177.	43
	-11								
2011	4,75,000	3,55,000	69,500	50,500	3,14,512.21	77,974.18	48,227.51	4,40,713.90	
	-12#								

Provisional data upto Feb., 2012

Annexure-A

Year	Name of the		rating agency		Foreign	Currency	Local	Currency
	Ratings	Outlook			Ratings		Outlook	

S&P BBB- (LT) -ve from 24.2.09 No ratings were
A-3 (ST) Stable till 23.2.09 given for local currency

Moody's Baa3 Stable Ba2 + ve from
15.12.09
Stable till
14.12.09

2009 Fitch Ratings BBB-(LT) BBB- -ve
F3 (ST) Stable

DBRS BBB (low) -ve from 12.10.09 BBB (low) -ve from
(LT) Stable till 11.10.09 (LT) 12.10.09
Stable till
11.10.09

JCRA BBB+ Stable BBB+ Stable

R&I# BBB+ (LT) Stable No ratings were given for
a-2 (ST) local currency

S&P BBB- (LT) Stable No ratings were
A-3 (ST) given for local currency

Moody's Baa3 Stable Ba1 from +ve
26.7.10
Ba2 till
25.7.10

2010 Fitch Ratings BBB-(LT) Stable BBB- Stable from
F3(ST) 14.6.10
-ve till 13.6.10

DBRS# BBB (low) -ve BBB (low) -ve
(LT) (LT)

JCRA BBB+ Stable BBB+ Stable

R&I BBB+ (LT) Stable No ratings were given for
a-2 (ST) local currency

S&P BBB- (LT) Stable No ratings were
A-3 (ST) given for local currency

Moody's Baa3 Stable Baa3 from Stable from
20.12.11 20.12.11
Bal till + till
19.12.11 19.12.11

2011 Fitch Ratings BBB- (LT) Stable BBB- Stable
F3 (ST)

DBRS BBB (low) Stable from BBB (low) Stable from
(LT) 22.6.11 (LT) 22.6.11
-ve till -ve till
21.6.11 21.6.11

JCRA BBB+ Stable BBB+ Stable

R&I BBB+ (LT) Stable No ratings were given for
a-2 (ST) local currency

LT: Long Term, ST: Short Term # Not visited Ministry of Finance for annual sovereign credit review in the relevant year and have retained their previous ratings.