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PRESS RELEASE

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CARE Ratings signs MOU with Bank of Baroda for SME Ratings

CARE Ratings has signed a Memorandum of Understanding (MOU) with Bank of Baroda for SME Ratings.

Under this Memorandum, CARE Ratings will assess the credit quality of Bank of Baroda's existing and prospective customers in the small and medium enterprises (SME) segment. CARE Ratings will assess the SMEs by processing and analyzing structured, unstructured and new data streams. CARE Ratings will indicate the relative creditworthiness of SMEs based on an eight-point scale, where 1 indicates the highest creditworthiness and 8 poor creditworthiness. CARE Ratings aims to transform access to credit for SMEs by leveraging its decades of experience in analyzing credit.

Speaking on the occasion, Mr. Mehul Pandya, Executive Director, CARE Ratings Limited said:

The biggest challenge in this sector has been the availability of finance. If an SME does not receive financial support from banks, they typically tend to fall back on either the promoter's own savings or borrowings from family and friends. We hope that this partnership will help identify businesses that will aid the India growth story of tomorrow. "Increased digitalisation of the economy, availability of new data sources such as GST, in addition to traditional financial data and non-traditional data sources, allow for new approach for grading of SMEs. The MOU with Bank of Baroda is a step in this direction."

Speaking on the occasion, Mr. Vikramaditya Singh Khichi, Executive Director, Bank of Baroda said: "Bank of Baroda has a strong SME book and we have special branches dedicated for SME lending. Our tie-up with CARE Rating will strengthen the evaluation process and enable growth of the SME lending business"



In pic – from right: Mr. Mehul Pandya, Executive Director, CARE Ratings Limited and Mr. Vikramaditya Singh Khichi, Executive Director, Bank of Baroda exchanging signed MOU for SME ratings.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and in over 25 years, has established itself as the second-largest credit rating agency in India. With cumulative rating volume of debt of around 129 lakh crore (as on March 31, 2019), CARE Ratings is proud of its rightful place in the Indian capital market built on investor confidence. CARE Ratings provides the entire spectrum of credit rating across various sectors that help corporates raise capital for their various requirements and assists investors to take informed investment decisions based on the credit risk and their own risk-return profile. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.