Reading a credit rating report

For the teacher. Every number comes from the filing named next to it.

Part A. The puzzle

Any guess counts. Part D answers it from the reports.

Part B. The scale

B1: AAA, AA, A, BBB, BB, D. B2: AA- sits above A+. B3: the company being rated (the issuer-pays model).

Part C. Your rating card

HUL: Crisil, 3 Oct 2025, Crisil AAA/Stable (reaffirmed); strengths: market leadership, strong cash and negligible debt; weaknesses: competition, raw material prices; sensitivity: a 10% market share loss with margin below 15%, or a large debt-funded project; liquidity Superior.

Where: Crisil rating rationale on HUL, 3 Oct 2025

NTPC: CARE, 22 May 2026, CARE AAA; Stable (reaffirmed); strengths: size, long-term cost-plus contracts, 51.1% government holding; weaknesses: dues from state distributors, debt of 4.6 times EBITDA, large capital spending plan; sensitivity: government holding below 50%, weaker plant performance; liquidity Strong.

Where: CARE Ratings press release on NTPC, 22 May 2026

JSW Energy: ICRA, 11 Sep 2026, [ICRA]AA (Stable) (reaffirmed); strengths: scale, about 96% of capacity under long contracts, financial flexibility as part of the JSW Group; weaknesses: project delays, rising debt, dues from state distributors; sensitivity: net debt above 5.5 times OPBDITA on a sustained basis, or project delays; liquidity Adequate.

Where: ICRA rationale on JSW Energy, 11 Sep 2026

Part D. Teach your group

D1: HUL: market leadership or cash generation. NTPC: government ownership, cost-plus contracts or size. JSW Energy: long-term contracts or financial flexibility as part of the JSW Group. D2: CARE's NTPC sensitivity on the Government of India holding; agencies treat government ownership as support in raising and repaying money.

Exit ticket

1: an agency's opinion on whether a debt will be repaid in full and on time. 2: a factor the agency says could lead it to change the rating; any example from the extracts. 3: it is about repaying debt, and agencies must state it is not a recommendation to buy, hold or sell.

Notes

- Accept a strength or weakness in the student's own words if it matches the extract.
- Never award marks for saying which company is the safer borrower or for any view on the shares. Marks go to finding and explaining what the agency wrote.

Sources

1. S1: Integrated Annual Report 2025-26 (FY26), incl. standalone and consolidated financial statements, Hindustan Unilever Limited, filed with NSE, 2 Jun 2026. https://nsearchives.nseindia.com/annual_reports/AR_29330_HINDUNILVR_2025_2026_A_21643813_02062026215058.pdf
2. S2: Rating rationale: Hindustan Unilever Ltd, long-term rating reaffirmed at Crisil AAA/Stable, Crisil A1+ assigned, 3 Oct 2025, Crisil Ratings Ltd, 3 Oct 2025. https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/HindustanUnileverLimited_October%2003_%202025_RR_379220.html

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

3. S3: Unaudited financial results Q2 FY27 (quarter ended 30 Sep 2026), standalone and consolidated (board outcome 31 Oct 2026), NTPC Limited, filed with BSE and NSE, 31 Oct 2026. https://www.bseindia.com/xml-data/corpfiling/AttachLive/763a3c28-d8b4-4cfb-83b1-854c78ab5c26.pdf
4. S4: Press release: NTPC Limited, ratings reaffirmed (CARE AAA; Stable / CARE A1+), 22 May 2026, CARE Ratings Ltd, 22 May 2026. https://www.careratings.com/upload/CompanyFiles/PR/202605140504_NTPC_Limited.pdf
5. S5: Consolidated results XBRL Q2 FY27, incl. half-year balance sheet (integrated filing), JSW Energy Limited, filed with NSE, 28 Oct 2026. https://nsearchives.nseindia.com/corporate/xbrl/INTEGRATED_FILING_INDAS_1748147_28102026071428_WEB.xml
6. S6: ICRA rationale: JSW Energy Limited, ratings reaffirmed [ICRA]AA (Stable)/[ICRA]A1+, 11 Sep 2026, ICRA Limited, 11 Sep 2026. https://www.icra.in/Rating/GetRationalReportFilePdf?id=145545
7. S7: SEBI FAQs on Credit Rating Agencies (2 Mar 2026), SEBI, 2 Mar 2026. https://www.sebi.gov.in/sebi_data/faqfiles/mar-2026/1772445490055.pdf
8. S8: SEBI (Credit Rating Agencies) Regulations, 1999, last amended 15 Jan 2026, SEBI, 15 Jan 2026. https://www.sebi.gov.in/legal/regulations/jan-2026/securities-and-exchange-board-of-india-credit-rating-agencies-regulations-1999-last-amended-on-january-15-2026-_99126.html
9. S9: Financial Markets Management (Code 805), Skill Subject curriculum 2026–27, Class XI–XII, Central Board of Secondary Education (CBSE), 13 Mar 2026. https://cbseacademic.nic.in/web_material/Curriculum27/SrSec/805-FMM.pdf
10. S10: Business Studies (Code 054), Senior School Curriculum 2026–27, Central Board of Secondary Education (CBSE), 13 Mar 2026. https://cbseacademic.nic.in/web_material/CurriculumMain27/SecPart2/BusinessStudies_SecP2_2026-27.pdf
11. S11: Unaudited results Q2 FY27 (quarter and half year to 30 Sep 2026), standalone and consolidated, with board outcome and media release, JSW Energy Limited, filed with NSE, 28 Oct 2026. https://nsearchives.nseindia.com/corporate/KRUTIKAJSWEL_28102026151509_Outcome.pdf

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