Reading a credit rating report

Name: Class: Date:

Companies that borrow from banks or sell bonds are rated by credit rating agencies. A rating is the agency's opinion on whether the debt will be repaid in full and on time. This lesson reads three real reports.

Ground rule: In this lesson there is no winner. We explain differences; we don't rank companies or say which is better to own.

What to do

1. Look at the puzzle: HUL and NTPC had very different debt. Crisil rated HUL AAA/Stable on 3 Oct 2025; CARE rated NTPC CARE AAA; Stable on 22 May 2026.
2. Learn the rating symbols from the SEBI scale below.
3. In your group of three, each read one report extract and fill your rating card.
4. Teach your group what your agency watches and what could change the rating.
5. Every fact you need is on this page. The filings and SEBI's guide are linked if you want to see them.

Part A. The puzzle

HUL's borrowings on 31 Mar 2026: ₹0 crore. NTPC's on 30 Sep 2026: ₹2,75,634 crore. Ratings: HUL Crisil AAA/Stable (reaffirmed); NTPC CARE AAA; Stable (reaffirmed).

1. How can both companies get the top rating? Write one guess.

Part B. The scale

1. Put these in order from highest to lowest: BBB, AAA, D, AA, A, BB.

2. Which sits higher: AA- or A+?

3. Who pays the agency for a rating?

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Part C. Your rating card

Read your extract on the student page and fill the card.

1. Company, agency and date:

2. Long-term rating and outlook:

3. Two strengths:

4. Two weaknesses:

5. One rating sensitivity, and the liquidity label:

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Each student speaks for two minutes. Then answer together.

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Part D. Teach your group

1. For each company, give one reason the agency gave that is not about the amount of debt.

2. Which sensitivity in the three reports is about who owns the company? Why would ownership matter to a lender?

Exit ticket

1. In your own words, what does a credit rating measure?

2. What is a rating sensitivity? Give one example from the three reports.

3. Why is a credit rating not advice on a company's shares?

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Word bank

Credit rating	An agency's opinion on whether a debt will be repaid in full and on time.
Outlook	The agency's view of where the rating may head: stable, positive or negative.
Rating sensitivity	A factor the agency says could lead it to raise or lower the rating.
Liquidity	Cash and credit a company can use quickly to pay its bills and repayments.
Counterparty	The other side of a deal, such as the customer that must pay for the electricity.
Key monitorable	Something the agency says it will keep watching closely.

Sentence starters

- On ___, ___ rated ___'s long-term debt ___ with a ___ outlook.
- One strength the agency gave is ___; one weakness is ___.
- The rating could change if ___.

student page

Scan the code or type: **cityfort.in/class/credit-rating**

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