

Annexure VII

Cumulative Default Rate

CARE's average Default Rates for the last five financial year period
(FY2009 - FY2013) - Non structured Instrument

Rating Category	Weighted Average Default rate for the last five financial year period	
	One year Default rate (%)	Three year Cumulative default rate (%)
AAA	0.00	0.00
AA	0.00	0.74
A	0.46	1.32
BBB	1.71	4.73
BB	5.67	7.38
B	9.76	6.25
C	37.78	0.00

CARE's average Default Rates for the last five financial year period
(FY2009 - FY2013) - structured Instrument

Rating Category	Weighted Average Default rate for the last five financial year period	
	One year Default rate (%)	Three year Cumulative default rate (%)
AAA	0.0	0.0
AA	0.0	0.0
A	0.46*	0.0 ¹
BBB	0.78	2.46
BB	14.89	11.11
B	42.86	0.0
C	0.0	0.0

* On account of delay in payment by Jammu and Kashmir State power Development Corporation, an instrument guaranteed by GOJK. While the guarantee was not invoked, subsequently the payment for the same has been made. But as per the definition of default it has been taken as default. Including this the CDR would have been 0.91%.

¹ On account of delay in payment by Jammu And Kashmir State power Development Corporation, an instrument guaranteed by GOJK. While the guarantee was not invoked, subsequently the payment for the same has been made. But as per the definition of default it has been taken as default. Including this the CDR would have been 1.75%.