



## ICRA Rating Feature

# Guidelines on what constitutes Non Cooperation

### What constitutes Non Cooperation by the Rated Entity?

ICRA enters into a written agreement with the Rated Entity that seeks a Credit Rating on their respective borrowing limits/ debt obligations. As per the terms and conditions of the written agreement the Rated Entity is required to furnish information and clarifications as may be periodically required by ICRA to monitor the assigned Credit Rating throughout the lifetime of the borrowing limits/ debt obligations. Hence, a Rated Entity is expected to provide ICRA with accurate, bonafide, adequate and timely information as required for assigning and/or monitoring the Credit Rating.

Situations may however arise at times where surveillance of the assigned Credit Rating cannot be carried out because of non cooperation on account of the following:

- Rated Entity does not provide adequate information to enable Credit Rating decision despite reminders from ICRA: AND/ OR
- The Rated Entity does not pay fee as per terms of the written agreement to ICRA

### What is the process that is to be followed in the case of non cooperation?

If the Rated Entity does not cooperate due to the aforesaid reasons, ICRA will in accordance with regulatory guidelines, continue to periodically monitor and review the ratings assigned to the borrowing limits/ debt obligations on the basis of best available information. This applies to all outstanding ratings. Credit Rating in such cases would be promptly disseminated via press release in the standard format on ICRA website. Press release, for the benefit of the user of Credit Rating in such cases will be denoted by the symbol: "ISSUER DID NOT CO-OPERATE; BASED ON BEST AVAILABLE INFORMATION".

### What happens in case the Rated Entity has a history of non cooperation with the earlier Credit Rating Agency?

In case a Rated Entity, having not cooperated with a credit rating agency in the past approaches ICRA for a Credit Rating, the reasons of non cooperation with the previous CRA will be disclosed in ICRA's press release. As per terms of the written agreement, the Rated Entity will be required to disclose to ICRA, the history and status of the rating from the past credit rating agency, along with reasons for non cooperation.

## **Defined Terms**

### **Credit Rating**

A Credit Rating is an opinion on the relative credit risk of the issuer/ borrower/ instrument / borrowing limit expressed in the form of standard symbols or in any other standardised manner, assigned by ICRA and used by the issuer of instrument/ debt obligation, to comply with the requirements specified under regulations.

### **ICRA**

ICRA Limited under this policy shall be referred to as “ICRA” as that term is used throughout this policy.

### **Rated Entity (ies)**

A Rated Entity means any entity rated by ICRA or any entity that issues instrument/ raises debt obligations rated by ICRA or any entity that is seeking a Credit Rating from ICRA.



**ICRA Limited**

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