



MAPPING OF ICRA'S LONG-TERM AND SHORT-TERM RATINGS

Short-Term Ratings

ICRA assigns short-term ratings with symbols from [ICRA]A1 through to [ICRA]D to debt instruments with original maturity up to one year. ICRA's short-term ratings measure the probability of default on the rated debt securities over their entire tenure. For the short-term ratings modifiers {"+" (plus)} can be used with the rating symbols for the categories [ICRA]A1 to [ICRA]A4. The modifier reflects the comparative standing within the category. While the short-term rating of [ICRA]A1 indicates that the Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk, [ICRA]D indicates that the Instruments with this rating are in default or expected to be in default on maturity. ICRA assigns short-term ratings to instruments such as commercial paper, certificates of deposit, short-term debentures, other money market related instruments maturing within one year from the date of issuance and bank loans with contractual maturity of up to one year.

Linkage between Long-term and Short-term Ratings

Although ICRA ratings are specific to the rated instruments, the short-term ratings in general have a linkage with the assigned or implicit long-term ratings of the issuers concerned. Besides the fact that short-term instruments like commercial paper are usually on-going programmes, thus warranting a longer-term rating view, in ICRA's opinion, refinancing risk or an issuer's access to other sources of funding, is also largely influenced by the issuer's longer-term credit profile.

Thus, apart from focusing on short-term factors like near-term business risk drivers and liquidity position of the issuers, ICRA also factors in an issuer's long-term credit profile while assigning short-term ratings to debt instruments issued by it. The following *table* presents a broad guidance to the linkage between ICRA's short-term and long-term ratings. The linkage shown is not rigid but only indicative. Significantly, an issuer with a speculative grade long-term credit rating will in most cases be rated in the speculative grade in the short-term too.

	Long Term	Short Term			
Investment Grade	[ICRA]AAA	[ICRA]A1+	[ICRA]A1	[ICRA]A2	[ICRA]A3
	[ICRA]AA+				
	[ICRA]AA	[ICRA]A1	[ICRA]A2	[ICRA]A3	[ICRA]A4+
	[ICRA]AA-				
	[ICRA]A+	[ICRA]A2	[ICRA]A3	[ICRA]A4	[ICRA]D
	[ICRA]A				
	[ICRA]A-	[ICRA]A3	[ICRA]A4+	[ICRA]A4	[ICRA]D
	[ICRA]BBB+				
	[ICRA]BBB	[ICRA]A4+	[ICRA]A4	[ICRA]D	[ICRA]D
	[ICRA]BBB-				
Non-Investment grade	[ICRA]BB+	[ICRA]A4+	[ICRA]A4	[ICRA]D	[ICRA]D
	[ICRA]BB				
	[ICRA]BB-	[ICRA]A4	[ICRA]D	[ICRA]D	[ICRA]D
	[ICRA]B+				
	[ICRA]B	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
	[ICRA]B-				
	[ICRA]C+	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
	[ICRA]C				
	[ICRA]C-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
	[ICRA]D				



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