



ICRA Rating Feature

This Policy stands superseded. Refer to ICRA's website www.icra.in to view the updated Policy on this subject.

ICRA Policy on Withdrawal and Suspension of Credit Rating

Withdrawal of Credit Rating

ICRA's policy on withdrawal of Credit Ratings is based on SEBI (Credit Rating Agencies) Regulations, 1999 and guidelines prescribed under circulars issued by SEBI thereof. This policy updates and supersedes ICRA's earlier policy on this subject, published in December 2016.

Grounds for Withdrawal of a Credit Rating

ICRA will withdraw a Credit Rating for any of the following reasons:

I. In case of securities rated by ICRA

A Credit rating cannot be withdrawn so long as the obligations under the rated security (ies) are outstanding, except in case the company, whose security has been rated, is wound up, merged or amalgamated with another company.

II. In case of bank facilities rated by ICRA

Bank loans/ facilities generally being non- transferable in nature and their only user being banks, can be withdrawn at the request of the Rated Entity on receipt of No Objection Certificate (NOC) from lending bank(s).

III. In case of open ended mutual fund schemes rated by ICRA

Open ended mutual fund schemes which are perpetual in nature and have no specified maturity may be withdrawn after receiving request for withdrawal from the Asset Management Company (AMC). Such Credit Rating shall be placed on a 'Notice of Withdrawal' for at least 30 days from the date of withdrawal notice before being withdrawn. ICRA will disclose the ratings which have been put on a 'Notice of Withdrawal' by way of a press release. ICRA reserves the right to revise the ratings during the withdrawal notice period, if circumstances so warrant.

IV. In case of Public Deposits

ICRA withdraws the Credit Rating assigned to the public deposit programme at the request of the Rated Entity under the following conditions:

- » If the deposits are fully redeemed; or
- » If the Rated Entity has set aside in an escrow account an amount that ICRA considers adequate for the payment of principal and interest to the depositors; or
- » If the Rated Entity has stopped using the ICRA-assigned Credit Rating to mobilize further deposits and has informed depositors about the same and has given an explicit option to prematurely withdraw the deposits, the Credit Rating is placed on 'Notice of Withdrawal' for six months, before being withdrawn at the end of the withdrawal notice. ICRA will disclose the ratings which have been put on a 'Notice of Withdrawal' by way of a press release.

V. Other indicative cases for Credit Rating withdrawal

- » ICRA withdraws a Credit Rating in case the Rated Entity is wound up or merged or amalgamated with another entity.
- » In the case of an issuer Credit Rating, which is not applicable to any specific debt obligation, the Credit Rating may be withdrawn at the request of the Rated Entity. Issuer rating is put on 'Notice of Withdrawal' for at least 12 months from the date of withdrawal notice before being withdrawn. ICRA will have the right to change the Credit Rating if circumstances so warrant and communicate such change to the public by way of press release, during the withdrawal notice period.
- » In the case of provisional ratings, if the structure actually adopted for the transaction, deviates significantly from that taken into account while assigning the provisional rating, ICRA may withdraw the provisional rating. For more details on the above, refer to ICRA's policy on assigning provisional ratings available at www.icra.in

Rating Suspension:

The Reserve Bank of India (RBI), through its communication (dated September 05, 2014, Reference No. 3528/21.06.007/2014-15), has asked accredited External Credit Assessment Institutions to disclose their rating suspension policy for bank loan ratings on their websites.

In accordance with the aforesaid RBI prescription and circular issued by SEBI, dated November 01, 2016, and March 31, 2017, prescribing enhanced standards for credit rating agencies, a Credit Rating once accepted will be subject to periodic monitoring and review until the Credit Rating is withdrawn. Ratings once accepted cannot be suspended. ICRA will continue to monitor and review the rated issuer/ borrower/ instrument/ borrowing, on an ongoing basis throughout the lifetime of the issuer/ borrower/ instrument/ borrowing on the basis of best available information. If the Rated Entity fails to cooperate, the press release, for the benefit of the user of Credit Rating in such cases will be denoted by the symbol: "ISSUER NOT COOPERATING*."

**Issuer did not cooperate; Based on best available information'*

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.

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

CORPORATE OFFICE

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002 Tel: +91 124 4545300; Fax: +91 124 4050424 Email: info@icraindia.com, Website: www.icra.in

REGISTERED OFFICE

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50; Fax: +91 11 23357014

Branches: **Mumbai**: Tel.: + (91 22) 24331046/53/62/74/86/87, Fax: + (91 22) 2433 1390 **Chennai**: Tel + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294, Fax + (91 44) 2434 3663 **Kolkata**: Tel + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008, Fax + (91 33) 2287 0728 **Bangalore**: Tel + (91 80) 2559 7401/4049 Fax + (91 80) 559 4065 **Ahmedabad**: Tel + (91 79) 2658 4924/5049/2008, Fax + (91 79) 2658 4924 **Hyderabad**: Tel +(91 40) 2373 5061/7251, Fax + (91 40) 2373 5152 **Pune**: Tel + (91 20) 2552 0194/95/96, Fax + (91 20) 553 9231

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