



ICRA'S POLICY ON WITHDRAWAL/SUSPENSION OF CREDIT RATING

- I. In the case of Debt Instruments/Programmes under the purview of any Act/Rules/Regulations, ICRA strictly follows the provisions, if any, contained in such Act/Rules/Regulations for withdrawal of the Credit Rating concerned.

Under SEBI (Credit Rating Agencies) Regulations, 1999, a Credit Rating cannot be withdrawn so long as the obligations under the rated security are outstanding, except in case the company whose security is rated is wound up or merged or amalgamated with another company.

Grounds for Withdrawal/Suspension of Credit Rating: Debt Instruments/Programmes

- II. In the case of Debt Instruments/Programmes not under the purview of any Act/Rules/Regulations, or in the absence of any specific statutory provision relating to withdrawal of Credit Rating, the grounds for withdrawal/suspension of Credit Rating are as follows:

- (i) The Rating is normally withdrawn when the rated instrument: (a) is extinguished or fully repaid; or (b) has not been issued and the issuer company has sought withdrawal of the Credit Rating.
- (ii) The Rating is withdrawn or suspended, as deemed appropriate by ICRA, if the company whose Debt Instrument/Programme has been rated stops cooperating with ICRA and ICRA is unable to continue monitoring the Credit Rating on the basis of the best available information. A Credit Rating may be suspended if, in ICRA's opinion, the information available is insufficient for surveillance to be conducted on the Rating outstanding. This would typically happen if the company concerned declines to provide the relevant information to ICRA and ICRA is unable to otherwise acquire such information from public/other secondary sources. The Credit Rating may be withdrawn in case it remains suspended for three years.
- (iii) If the company whose Debt Instrument/Programme is rated is liquidated, the Credit Rating is withdrawn by ICRA.

In case the company whose Debt Instrument/Programme is rated is amalgamated, merged or demerged, the Credit Rating may be withdrawn.

- (iv) If the terms and conditions of the rated Debt Instrument/Programme are changed significantly following restructuring of debt with the consent of the majority of the investors, ICRA may withdraw the Credit Rating after reviewing/revising it to factor in the changed terms and conditions and other relevant information. In case the company wants to get the restructured Debt Instrument/Programme rated, ICRA would need a fresh Credit Rating mandate from the company.

Additional Grounds for Withdrawal/Suspension of Credit Rating: Public Deposits

- (v) In the case of Public Deposits, the additional grounds for withdrawal/suspension of Credit Rating are as follows:
- (a) If the company has set aside in an escrow account an amount that ICRA considers adequate for the payment of the principal and interest outstanding to the depositors and the company has stopped using the ICRA-assigned Credit Rating to mobilise further deposits from the date of transfer of the “adequate” amount in the escrow account, the Credit Rating is withdrawn.
 - (b) If a three-year notice for withdrawal of Credit Rating is given by ICRA and the company has stopped using the ICRA-assigned Credit Rating to mobilise further deposits from the date of such withdrawal notice, the Credit Rating is withdrawn after three years from the date of the withdrawal notice.
 - (c) The notice period for withdrawal of Credit Rating may be reduced to one year if the company offers to prepay the amount outstanding to the depositors and has stopped using the ICRA-assigned Rating to mobilise further deposits from the date of the withdrawal notice, provided the company, in ICRA’s opinion, has the capacity and willingness to honour its prepayment obligation. The Credit Rating is withdrawn after one year from the date of the withdrawal notice.

Additional Grounds for Withdrawal/Suspension of Credit Rating: Bank Loan/Facility

- (vi) In case a rated Bank Loan/Facility is redeemed in full by the company, the company shall have to apply for Rating withdrawal to ICRA in writing. The application should be accompanied by a Certificate from the bankers of the company stating that the Rated Bank Loan/Facility has been redeemed in full and that there are no claims and/or dues pending or outstanding against the company in respect of the Rated Bank Loan/Facility.
- (vii) In case the Rated Bank Loan/Facility does not have any scheduled repayment dates and is generally rolled over (that is, the facility is a Non-Fund-based Facility or a Cash Credit), the company shall have to submit a written request to ICRA seeking withdrawal of the Rating. The procedure for this is stated in the following table.

Sr. No.	Scenario	Procedure
1	There is no amount outstanding against the Bank Facility rated by ICRA	The Rating is withdrawn if the bank concerned issues a Certificate confirming that there is no amount outstanding against the Bank Facility rated by ICRA. (The Certificate must clearly state that it is being issued for withdrawal of Rating.)
2	There is some amount outstanding against the Bank Facility rated by ICRA and the Bank concerned has issued a No Objection Certificate stating that it does not have any objection to the Rating being withdrawn. (The Certificate must clearly state that it is being issued for withdrawal of Rating.)	The Rating is put on notice of withdrawal for a period of 90 days before being withdrawn.
3	There is some amount outstanding against the Bank Facility rated by ICRA, but not covered under Sr. No. 2 above.	The Rating is put on notice of withdrawal for one year before being withdrawn.

Additional Grounds for Withdrawal/Suspension of Credit Rating: Conditional Structured Obligations

In the case of Structured Obligations, typically, ICRA assigns a “conditional” rating, which means the rating remains conditional on the issuer complying, within a certain period, with the terms and conditions of the transaction structure. Such “conditional” ratings may be withdrawn/suspended by ICRA on the following additional grounds:

- (viii) ICRA has not received, within the time period stipulated in its rating communication letter, any written confirmation from the issuer or the Trustee of the rated instrument, as the case may be, stating that the terms and conditions of the structure have been complied with.
- (ix) In ICRA's opinion, the structure actually adopted for the transaction, deviates significantly from that mentioned by ICRA in its rating communication letter.
- (x) The parties to the transaction (including the Trustee) do not fulfil their respective duties/obligations as stated in ICRA's rating communication letter or in the transaction documentation.



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