

## **ICRA NEPAL'S POLICY ON WITHDRAWAL OF CREDIT RATING**

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

Under regulation 23 of Credit Rating Regulations, 2011, a Credit Rating cannot be withdrawn so long as the obligations under the Rated security are outstanding, except in case the company whose security is Rated is wound up or merged or amalgamated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 of Credit Rating: Debt Instruments/Programmes/Bank**

The additional grounds for withdrawal of Credit Rating are as follows:

- (i) The Rating is normally withdrawn when the Rated instrument/ Bank Lines: (a) is extinguished or fully repaid; or (b) has not been issued and the issuer company has sought withdrawal of the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 company shall have to apply for Rating withdrawal to ICRA Nepal in writing. In case of bank loans, 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.
- (iii) If the company whose Debt Instrument/Programme/ Bank Loans is Rated is liquidated, the Credit Rating is withdrawn by ICRA Nepal.
- (iv) If the company whose Debt instrument/Programme are Rated does not cooperate and the ICRA Nepal is confirmed on that Rating being meaningless without such cooperation ,then such Rating may be withdrawn. Withdrawal of Rating assigned should be notified to the SEBON and general public under the condition that review being done once on the basis of available maximum information and keep it on watch for the period of six months. If the condition is not improved upon subsequent monitoring, then Rating Agency may withdraw the Rating.
- (v) In case the company whose Debt Instrument/Programme/Bank Loans is Rated is amalgamated, merged or demerged, the Credit Rating may be withdrawn unless: (a) the transferee/merged/demerged company acquires the liability of the Rated Debt Instrument/Programme; and (b) the transferee/merged/demerged company is bound under Court Order to honour all contracts, agreements, etc. relating to such debt.
- (vi) If the terms and conditions of the Rated Debt Instrument/Programme/Bank Loans are changed significantly following restructuring of debt with the consent of the majority of the investors, ICRA Nepal 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/Bank Loans Rated, ICRA Nepal would need a fresh Credit Rating mandate from the company.