

## **CRISIL's Policy for withdrawal of ratings**

Debt instruments rated by CRISIL are under continuous surveillance over the life of the instrument. CRISIL's policy for withdrawal of ratings stipulates that ratings on securities/facilities that have scheduled repayment dates (such as bonds, or term loans), may be withdrawn only on redemption/maturity of the rated facilities. The ratings may also be withdrawn if obligations on these instruments are pre-paid by the borrower, with the lender's consent, before maturity. In such instances, CRISIL relies on independent confirmation from the banks or auditors or any other independent sources on whether the obligations have been repaid in full.

Ratings on bank loan facilities can also be withdrawn by CRISIL after receiving request for withdrawal from the client/borrower along with No Objection Certificate (NOC) from all the lending bank(s) and on clearance of fees due (if any) to CRISIL.

The designated bank authority for signing the NOC should preferably be Chief Manager or above. The designation and contact details should be clearly captured and visible in the NOC furnished.

The NOC will be required from all the banks in case the rated bank loan facilities have been availed by the borrower from multiple/ consortium banks.

Ratings on open ended debt mutual fund can be withdrawn by CRISIL after receiving request for withdrawal from the Asset Management Company (AMC), however such ratings will be placed on notice of withdrawal for 30 days. The period of notice of withdrawal will begin from the date of publishing the rating rationale of Notice of Withdrawal.

At the time of withdrawal, in case of rating of mutual funds and for bank loan facilities, where the obligations are still outstanding, CRISIL will review the outstanding rating based on the information provided by the borrower or best available information as the case may be and also publish the reason for withdrawal.

Corporate credit rating, which is the credit rating of the issuer rather than an instrument, can be withdrawn upon the written request of the issuer.

For fixed deposit (FD) instruments, withdrawal of rating may take place in any of the following four ways:

- Redemption of instrument as per original terms
- Prepayment of all outstanding FD obligations directly to the investors or through an escrow account with independent certification of the same
- The issuer gives request for withdrawal and confirms non-usage of rating for raising fresh FDs. The rating is placed on notice of withdrawal for a period of 3 years, after which the rating is withdrawn
- Rated entity is in default category (rating of 'CRISIL D') for more than three years, the rating is placed on notice of withdrawal for a period of 90 days, after which the rating is withdrawn

In case the instrument/facility is not placed by the issuer, the ratings can be withdrawn on receipt of request for withdrawal from the issuer.

# Ratings

**CRISIL**

An S&P Global Company

Ratings on an instrument/facility can also be withdrawn where the company whose instrument/facility is rated is wound up or merged or amalgamated with another company. In such case, the issuer shall provide a copy of the order of the Court/statutory authority or confirmation from any other independent source.

CRISIL's withdrawal policy is in line with the recent SEBI circular titled 'Enhanced Standards for Credit Rating Agencies (CRAs)' that is applicable for all Credit Rating Agencies.

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