

Policy on Provisional Ratings

Where a rating is prefixed as [Provisional], it indicates that a full rating has been assigned based upon the agency's expectations regarding final documentation or certain steps pending, typically based upon a review of the final draft documentation provided by the issuer. If such final documentation is received or steps pending are executed as expected, the provisional rating will typically be converted to a final rating.

Provisional ratings are not conditional upon receipt of further analytical information. By the time a provisional rating is assigned to a transaction, no change is anticipated to that opinion other than in exceptional circumstances. While provisional ratings typically convert to final ratings within a short time, determined by timing of transaction closure, in the period between assignment of a provisional rating and a final rating, provisional ratings may be raised, lowered or placed on Rating Watch or withdrawn, as with final ratings.

Provisional nature of the ratings are prominently disclosed in all communications at every stage, including the rating letter, rating rationale, rating press release etc. stating the steps/documents pending which the rating assigned is provisional. Subsequently, conversion of provisional rating to the final rating is also disclosed in all communications.

India Ratings policy on Provisional Ratings is in compliance with Securities and Exchange Board of India (SEBI) directive dated May 6, 2015 viz. "Standardising the term, rating symbol, and manner of disclosure with regard to conditional/provisional/in principle ratings assigned by CRAs".

India Ratings policy for withdrawal of provisional ratings is separate for capital market instruments and bank loan facilities. The distinction is made as bank loan borrowers take longer for finalizing the bank and obtaining a sanction.

Capital market instruments

India Ratings may withdraw a provisional rating which is no longer expected to convert to final ratings and are outstanding for 90 days or longer. However, if a provisional rating is expected to convert to final rating, it may not be withdrawn once the 90 day period is over and can be reviewed through a rating committee.

Bank Loan facilities

India Ratings may withdraw a provisional rating which is no longer expected to convert to final ratings and are outstanding for 180 days or longer. However, if a provisional rating is expected to convert to final rating, it may not be withdrawn once the 180 day period is over and can be reviewed through a rating committee.