CRAF's Policy on Withdrawal and Suspension of Ratings

[Issued in December 2025]

CareEdge RATINGS AFRICA

A subsidiary of CARE Ratings Limited, India

Background

The ratings assigned by CareEdge Africa (CRAF) are not a one-time exercise and are kept under surveillance till the time the obligations under such facilities/instruments are fully extinguished or the ratings are withdrawn, in the situations explained in detail in this document.

1. **CRAF withdraws a credit rating under the following situations:**

- **Full redemption:** On full redemption of the rated instrument/facility, i.e., on confirmation by the rated entity and lender/trustee that the full maturity value of the instrument/facility has been paid off and there is no amount outstanding on the rated instrument/facility.
- **Proposed debt rated but not placed:** On receipt of confirmation from the rated entity to CRAF that the rating awarded has not been used for mobilising funds, and as such, no amount is outstanding against the rated instrument/facility.
- **Merger/Amalgamation/Liquidation:** On merger/amalgamation/liquidation of the rated entity, wherein it may no longer be useful or necessary for CRAF to maintain a rating on the rated entity's obligations.
- **Withdrawal in case of provisional ratings:**
  Please refer to Policy for assigning Provisional Ratings on our www.careratingsafrica.com.
- **Withdrawal in case of ratings based on credit enhancement:**
  For ratings based on credit enhancement, if during the tenure of the instrument, the credit enhancement ceases to exist or there is a change in terms (in concurrence with the lender), CRAF would review the ratings for withdrawal of the same and simultaneously assign a new rating based on the changed terms. However, the practice of withdrawal and simultaneous reassignment of the rating would not be followed if the credit enhancement fails to work as anticipated. In such cases, CRAF would take an appropriate rating action.

  For example, if CRAF has relied on a corporate guarantee and assigned a 'SO rating' to an issue and the corporate guarantee ceases to exist, the rating would be reviewed for withdrawal and a new standalone rating would be assigned simultaneously. On the other hand, if CRAF has relied on a corporate guarantee and assigned a 'SO rating' to an issue and there is a missed payment without the guarantee being invoked, the rating would be revised downwards in accordance with CRAF' 'Policy on Default Recognition' available on www.careratingsafrica.com

Apart from the above, CRAF would withdraw the ratings of specific instruments/facilities as mentioned below:

- **Bank facilities:** The ratings of all types of bank loans/facilities can be withdrawn at the request of the issuer, subject to receipt of No Objection Certificates (NOCs) from all the lending banks. NOCs from the banks should be on the bank's official letterhead, duly signed and stamped and specifically mentioning that the NOCs are being issued for such withdrawal of the rating of the facility being availed from the bank.

  Further bank facility Credit Enhanced (SO) ratings can be withdrawn if the issuer seeks an option to withdraw the rating in consideration of the proposed change in the rating in adherence to the guidance note, based on request for withdrawal from the issuer. In such cases, CRAF shall issue a press release communicating the reason for withdrawal and the standalone rating of the issuer (without factoring explicit support) as per CRAF' assessment.
- **Fund Rating:** The ratings of Funds being perpetual in nature and having no specified maturity can be withdrawn upon the receipt of the request for withdrawal from the asset management company (AMC). The ratings would be placed on 'Notice of Withdrawal' for 30 days before being withdrawn at the end of such notice period for withdrawal.
- **Issuer Ratings:** Issuer ratings can be withdrawn upon receipt of the request for withdrawal from the rated entity. The ratings would be placed on 'Notice of Withdrawal' for 30 days before being withdrawn at the end of such notice period for withdrawal.
- **Money Market Instrument:** CRAF withdraws outstanding ratings for money market instruments, such as commercial papers, certificates of deposit, etc., upon the receipt of the request for withdrawal from the issuer, if the instrument is not placed or there are no obligations outstanding against the rated instruments. In this regard, CRAF relies on confirmation from the issuers and also takes confirmation from issuing and paying agents or auditors or other sources to satisfy itself that the rated obligations have been repaid fully and there is no outstanding against the same.
- **Security Receipts (SRs):** The ratings of security receipts can be withdrawn at the request of the issuer, subject to receipt of no objection certificates (NOCs) from all the investors. The NOCs from the investors should be duly signed and stamped and specifically mentioning that the NOCs are being issued for such withdrawal of the rating of the SRs.
- **Fixed Deposits:** Withdrawal of rating in case of Fixed Deposits raised by corporates:

Sr. No.	Scenario	Procedure for Withdrawal
a)	**If no funds have been mobilised** by the corporate using CRAF's FD rating and as such no amount is outstanding against the rated FD.	CRAF withdraws the rating after receiving the confirmation from the company to this effect.
b)	If the funds mobilised by the corporate using CRAF' FD rating have been **repaid** by the company.	CRAF withdraws the rating after receiving the withdrawal request from the company AND certificate from the auditor that all investors have been paid off (in case of unsecured FD)/ a certificate from the trustee that all investors have been paid off (in case of secured FD).
c)	If the funds have been mobilised by the corporate using CRAF' FD rating but have **not been repaid** by the corporate.	CRAF withdraws the rating after receiving the withdrawal request from the company, the auditor's certificate certifying the list of investors, and the amount due to them, confirmation from the company that the rating assigned by CRAF has not been used with effect from the date of auditor's certificate, AND

Sr. No.	Scenario	Procedure for Withdrawal
		NOC* from all the investors (in case of unsecured FD) /trustee (in case of secured FD). In case, the company has set aside an amount for repayment (equivalent to principal and interest) in an escrow account and informed the depositors accordingly to accept withdrawal of deposits, CRAF shall, at the request of the company and also on furnishing of the auditors' certificate about adequacy of deposit amount in escrow account, withdraw the rating. CRAF withdraws the rating if it is rated 'CARE MAU D' continuously for three years.

*Note: The NOC should specifically mention that the investor has no objection to the withdrawal of the rating

While withdrawing any outstanding credit rating including the ratings placed on notice of withdrawal, CRAF shall also review the rating and reaffirm or suitably revise the rating based on the available information before withdrawing the outstanding rating, except where there are no outstanding obligations under the security/instrument/facility rated, or the company whose security/instrument/facility is rated is wound up or merged or amalgamated with another company.

The withdrawal of the ratings under different situations mentioned above is subject to clearance of fees payable by the clients to CRAF.

2. Policy on Suspension of Rating

The assessment of the credit quality of an issuer / entity encompasses detailed analysis of the business, management, financial and industry risk associated with the issuer. Hence, to assign and monitor the ratings, it is important to have access to adequate and reliable information about the issuers on a continuous basis.

While assigning ratings, CRAF relies on data / information furnished by the issuers as well as publicly available information that it considers to be reliable. The reliance on data / information provided by the issuers is even more pronounced for the unlisted issuers where there is limited information available in the public domain. As such, cooperation from the issuers in terms of providing adequate and timely information is extremely critical for assignment and continuous monitoring of the ratings.

CRAF believes that the purpose of credit ratings is best served if there is a transparency in the information sharing and discussions between the rated issuers and CRAF, so that all the non-public information can be suitably incorporated for conducting a proper credit risk assessment. This assumes importance as information sharing is not a one-time exercise but an ongoing and continuous process which is critical to the review of the ratings. On the contrary, for the issuers who do not share information or engage into discussions with CRAF, the credit risk assessment is solely based on public information, and that too, only to the extent this information is accessed by CRAF. Hence, typically, such ratings are based on the past performance analysed from old or outdated datapoints and hence lack a holistic assessment, which may not reflect the true robustness of ratings that enjoy the benefit of full cooperation from the issuers. It is a continuous endeavour of CRAF to elicit cooperation from its rated issuers for the rating review process to the best possible extent.

In the absence of the sufficient information, it is not possible, in a reasonable manner, to arrive at the credit quality of an instrument/facility being rated. In the absence of information considered by CRAF as critical, CRAF can suspend the rating.

CRAF do not monitor the ratings suspended. However, the same can be reinstated on the submission of sufficient information to review the ratings.

[Reviewed in December 2025. Next Review due in December 2026]

CARE RATINGS (AFRICA) PRIVATE LIMITED
Corporate Office: 5th FLOOR, MTML SQUARE, 63, CYBER CITY, EBENE MAURITIUS
CIN: 127054 I BRN: C14127054 I FSC License No.: CR14000001

Connect:

Locations: Ebene

Saurav Chatterjee
Director & Chief Executive Officer
+ 230 5862 6551
+ 230 5955 3060

Vidhyasagar Lingesan, CFA, FRM
Chief Rating Officer
+ 230 5273 1406
+ 230 5955 3060

Naveen Kumar Dhondy
Rating Head
+230 5511 0811
+ 230 5955 3060

About:

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.