



Infomerics
Credit Rating Nepal Ltd

POLICY OF WITHDRAWAL OF RATINGS

Any credit rating assigned by Infomerics Nepal to any debt instrument and/or bank loans/facilities of an entity shall not generally be withdrawn by the company. However, in case the debt instrument is redeemed in full by the Issuer, then Infomerics Nepal shall withdraw the rating based on a written application of the issuer to that effect accompanied by the Certificate from the Statutory Auditor/ Debenture Trustee/Registrar of the Issuer certifying that the rated Instrument has been redeemed in full and further certifying that there are no claims against and/or dues pending or outstanding by the Issuer in respect of the rated Instrument.

Infomerics Nepal shall also withdraw the rating assigned to a debt instrument on a written application made by the Issuer, if

- i) The Issuer does not propose to issue the rated debt instrument;
- ii) The Issuer is wound up or merged or amalgamated with another Company.
- iii) In the event of non-cooperation by the rated entity (such as, not providing the information required for review/surveillance of rating, NDS (generally for two consecutive quarters) and non-payment of annual surveillance fee), Infomerics Nepal shall alert the investors/public by placing the ratings on watch and/or Notice of withdrawal for a period of 6 months. In case non-cooperation continues, such ratings would be withdrawn after the expiry of the six months as above.

In case of bank loans/facilities, Infomerics Nepal shall withdraw the rating(s) assigned based on a written application of the rated entity in the following circumstances:

- If the bank loans/facilities are liquidated fully, duly certified by the banker(s) of the rated entity, and the rated entity does not want to avail of the bank facilities any more and has surrendered such facilities;
- The rated entity is wound up or merged or amalgamated with another entity

In all circumstances except iii) above, Infomerics Nepal shall withdraw the rating(s) provided the Issuer/rated entity shall have paid all the surveillance and rating fees and other amounts in full that are due and payable to Infomerics Nepal. The ratings shall not be withdrawn to avoid negative rating actions.



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The Analyst shall prepare a note bringing out the reasons justifying the withdrawal of rating and put it up at the Rating Committee. Such withdrawal shall be disseminated to the public by way of press release.

Disclaimer:

Ratings assigned by Infomerics Nepal are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics Nepal reserves the right to change, suspend or withdraw the credit ratings at any point in time. Ratings assigned by Infomerics Nepal are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics Nepal is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.