



Brickwork Ratings

Issuer Non Co-Operation Policy

July 2022

Policy on Issuer Non-Co-Operation

Ratings Surveillance/Review

BWR maintains ongoing surveillance of all its ratings for the life of the rated issue/facility and conducts a Rating review at least on an annual basis for NCD/bonds and Bank Loan Ratings. BWR requires the co-operation of the client for periodically providing all information, financial statements, advising any significant developments, management changes etc. On receipt of required information, Bankers and Trustees feedback etc. as the case may be, a rating review is carried out and the rating is disclosed to the client and also published. A rating review is conducted at a shorter interval if the situation so warrants.

Rating overdue for review and Issuer Non-cooperation

All ratings assigned by BWR are reviewed at least once every 12 months but can be reviewed anytime earlier if the conditions so warrant. The following actions will be taken if BWR is unable to receive the necessary information from the issuer during the review of ratings:

- a) Where Annual Review of the Ratings assigned to Bond Issue/NCD Issue/Bank Loans, cannot be undertaken in time for any reasons, an advisory "Delay in Periodic Review" would be published on the BWR website immediately on the next working day. The "Rating Advisory" would state the reasons for delay.
- b) However, even after further follow up by BWR, if there is no progress, then a review will be undertaken based on available information and a suitable rating will be assigned. In such cases the credit rating symbol shall be accompanied by the suffix "ISSUER NOT COOPERATING" in the same font size. The suffix shall be explained below and shall read as 'Issuer did not cooperate; based on best available information'.
- c) For capital market instruments (NCDs / CPs / FDs), the movement to INC (Issuer Not Cooperating) post completion of the 12 month's rating validity period, may be done within a month of the rating advisory unless a further delay is explainable due to circumstances beyond the control of the issuer.
- d) For bank loan instruments, the movement to INC may be done before the completion of 15 months from previous rating (in line with regulations), unless the client has clearly refused to cooperate, in which case the INC action can be taken any time after the publication of rating advisory but not later than completion of the 15 months from the previous review date..
- e) An issuer/client is required to submit a "No Default Statement" (NDS) every month, which has to be submitted to BWR at the beginning of the ensuing month for the previous month. Failure to submit the NDS for 3 consecutive months would be considered as an act of Non-Cooperation.
- f) An issuer/client is required to pay fee agreed for providing specified rating services. Failure to pay such fee would be considered as an act of Non-cooperation.

BWR may take a Rating action as deemed necessary by it, in case of non-cooperation by the issuer/client.

- 1) If an issuer has all the outstanding ratings as non-cooperative for more than 6 months then the rating assigned to the instrument of such issuer shall be downgraded to non-investment grade with Issuer Not Cooperating [INC] status. If non-cooperation by the issuer continues for further 6 months from the date of downgrade to non-investment grade, The Credit Rating Agency shall not assign any new ratings to such issuer until the issuer resumes cooperating or the rating is withdrawn.
- 2) Even after moving a rating to 'INC (Issuer Not Co-operating) Category', if the issuer provides surveillance mandate and the required information, fresh review can be done. Further, even when a rating is continuing under 'INC Category', if public information is available on any material events, BWR will take Suo-moto notice and initiate appropriate rating action.