

## POLICY ON WITHDRAWAL OF ESG RATINGS

June 2024

This document outlines ICRA ESG Ratings Limited's (ICRA ESG) (formerly known as Pragati Development Consulting Services Limited) policy on withdrawal of the Environmental, Social, Governance (ESG) Ratings and is aligned with the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 and the master circular for the ESG Rating Providers *SEBI/HO/DDHS/POD3/P/CIR/2024/45* dated May 16, 2024, as amended from time to time.

### Grounds for Withdrawal of ESG Ratings

#### In case of ESG Ratings for debt instruments

An ESG Rating for debt instruments (such as bonds and non-convertible debentures etc.) can be withdrawn if there are no obligations outstanding against the rated instruments. ICRA ESG relies on the confirmation received from the debenture trustees, auditors, or other sources to determine if the rated instruments have been repaid fully.

An ESG Rating for a debt instrument can be withdrawn, even without an explicit request by the rated entity, in case the rated instrument is transferred to another entity by the rated entity, as confirmed by the debenture trustee.

An ESG Rating for a debt instrument can be withdrawn, even without an explicit request by the rated entity, if ICRA ESG has information that suggests that the rated instrument has been extinguished or closed.

#### Other indicative grounds for withdrawing ESG Ratings

An ESG Rating for a debt instrument/ entity can be withdrawn, even without an explicit request by the rated entity, in case the rated entity is wound up, or the rated entity is merged/ amalgamated with another entity.

#### Notes

- a. While withdrawing an ESG rating, ICRA ESG reviews the same and may even revise it, if the circumstances so warrant. At the time of withdrawal of an ESG Rating, if incremental information is not available to carry out a review, ICRA ESG's rating rationale would disclose this aspect. A review of the ESG Rating is not required if there are no obligations outstanding against the rated instrument. Also, in case of the transfer of the rated instrument to another entity, a review of the ESG Rating is not carried out. Further, if an ESG Rating is withdrawn upon the winding-up of the rated entity, or upon its merger or amalgamation with another entity, a review of the ESG Rating is not carried out as the same would not be meaningful for an entity that ceases to exist.
- b. The rating rationale published by ICRA ESG mentions the reason(s) for withdrawal of the ESG Rating.
- c. The withdrawal of rating(s) may be subject to the clearance of the fee due to be paid by the rated entity to ICRA ESG.

**Note : ESG Ratings are different from credit ratings.**

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## About ICRA ESG Ratings Limited:

ICRA ESG Ratings Ltd (ICRA ESG), is a Category-I ESG Ratings Provider (ERP) licensed by the Securities and Exchange Board of India. ICRA ESG provides comprehensive ESG assessments, offering a holistic view of an entity's state and progress towards sustainability. Our approach covers not only the conventional metrics but also incorporates a nuanced evaluation of an entity's commitment to and transition towards sustainability.

ICRA ESG is a wholly owned subsidiary of ICRA Limited (ICRA), one of India's leading Credit Rating Agencies, with a track record of over three decades. The ultimate parent company of international Credit Rating Agency Moody's Investors Service is the indirect largest shareholder of ICRA.

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ESG Ratings are different from credit ratings.

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