CareEdge-ESG Policies

Policy on Withdrawal of ESG Rating by a Rated Issuer

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The policy document outlines CARE ESG Ratings Limited (CareEdge-ESG) withdrawal policy with respect to the ESG Ratings in line with the Securities and Exchange Board of India (SEBI) (Credit Rating Agencies (CRA)) Regulations, 1999, SEBI Master Circular for ESG Ratings Providers (ERPs) **SEBI/HO/DDHS/ POD3/P/CIR/2024/45** dated May 16, 2024 and clarificatory and procedural changes issued to aid and strengthen ESG Rating Providers (ERPs) vide circular no. **SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/59** dated April 29, 2025.

ESG ratings assigned by CareEdge-ESG are not a one-time exercise and are kept under surveillance until the ratings are withdrawn. ESG Ratings can be withdrawn if there is a formal request for withdrawal has been received from the rated issuer/ entity.

CareEdge-ESG withdraws an ESG rating of an issuer/security under the following situations:

- In case of ESG rating of a security, the CareEdge-ESG may withdraw the ESG rating subject to the ERP having rated the security continuously for 3 years or 50 % of the tenure of the security, whichever is higher, and having received NOC from 75% of the bondholders by value.
- In case of ESG rating of an issuer/entity, the ERP may withdraw the ESG rating subject to the ERP having rated the issuer/entity continuously for 3 years.
- In case of ESG Rating for debt instruments (such as bonds and non-convertible debentures etc), CareEdge-ESG may withdraw the ESG rating, if there are no obligations outstanding against the rated instruments. CareEdge-ESG shall rely on the confirmation received from the debenture trustees, auditors, or other sources to determine if the rated instruments have been repaid fully.
- The ESG rating of rated issuer/security can be withdrawn in the event of merger/amalgamation/liquidation of the rated issuer, wherein it may no longer be useful or necessary for CareEdge-ESG to maintain a rating on the rated entity.
- The withdrawal of ratings under different situations mentioned above is subject to clearance of fees payable to CareEdge-ESG by the issuer.

An ESG Rating for a debt instrument can be withdrawn, even without an explicit request by the rated entity, in case the rated instrument is transferred to another entity by the rated entity, as confirmed by the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 or if CareEdge-ESG has information that suggests that the rated instrument has been extinguished or closed. An ESG Rating for an 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.

If the rated issuer or the issuer whose securities are rated by CareEdge-ESG, refuses to co-operate with the ESG rating provider regarding the review of the ESG rating, despite being under a contractual obligation to do so, and does send a formal request to withdraw the ESG rating, CareEdge-ESG shall review the ESG rating on the basis of the best available information, in such manner as specified by the Board, from time to time.

Further, upon withdrawal of the ESG rating, records shall be maintained for 5 years from the date of withdrawal. While withdrawing any outstanding ESG rating including the ratings placed under Issuer Not Cooperating (INC), CareEdge-ESG shall review the rating and reaffirm or suitably revise the rating based on the available information before withdrawing rating, except where there are no outstanding obligations under the security, or the company rated is wound up or merged or amalgamated with another company.

While withdrawing an ESG rating, CareEdge-ESG shall review the outstanding rating and may revise it, if circumstances warrant. At the time of withdrawal of an ESG Rating, if incremental information is not available to carry out a review, CareEdge-ESG's rating rationale would disclose the same. CareEdge-ESG rating rationale shall mentions the reason(s) for withdrawal of the ESG Rating. The withdrawal of rating(s) may be subject to the clearance of the fee due to be paid by the rated entity/issuer to CareEdge-ESG.

Please note: ESG Ratings are different from credit ratings

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About Us:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360 degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision making capabilities for all stakeholders.