Policy on Minimum Information Requirement of Rating Assignments for NCD/Bonds/Issuer Ratings

1. Introduction and Objective

ACER is India's newest SEBI-registered credit rating agency, committed to delivering independent and transparent credit ratings. Our purpose is to empower investors, lenders, and businesses with ratings they can trust-enabling informed decisions and fostering confidence in India's financial markets. With a clear vision to support India's economic growth story, ACER upholds the highest ethical and analytical standards, combining deep domain expertise, advanced analytics, and rigorous processes to ensure every rating is objective, consistent, and insightful. At ACER, we are not just rating credit, we are fueling India's journey towards a stronger and more resilient economy.

The objective of this policy is to define the **minimum information requirements** necessary for conducting an initial credit rating, as well as subsequent reviews and surveillance.
The policy ensures that ACER's rating opinions are based on **comprehensive, reliable, and timely information**, in line with SEBI's Master Circular for Credit Rating Agencies from time to time.Any exceptions to this Code or related policies and procedures shall be approved in writing by the CEO/Chairman of ACER.

2. Scope and Applicability

This policy applies to:

I. All entities seeking or undergoing a credit rating from ACER.

II. Non-convertible debentures (NCD) and Bond rating categories — including long-term, short-term, structured, and hybrid instruments.

III. All Issuer Ratings

IV. All rating stages — initial assignment, surveillance, and interim review.

3. Information Obligation of the Rated Entity

By entering into a **Rating Agreement** with ACER, the rated entity (issuer) undertakes to:

- Furnish all relevant information proactively, including confidential data as necessary for assessment.

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- Ensure continuous availability of updated information for ongoing monitoring and surveillance.
- Facilitate access to management, bankers, auditors, debenture trustee, and other relevant parties to validate information.

Access to complete and accurate data enables ACER to form a credible and timely credit opinion.

4. Minimum Information Required

To complete the rating process, the rated entity shall provide the information or documents including but not limited to the following:

A. Mandatory Documents

- **Annual Reports / Audited Financial Statements** for the last **five financial years**, or since incorporation (if incorporated within the last 5 years).
- **Provisional / Unaudited Financial Statements** for the latest period (Quarterly / Half-Yearly).
- **No Default Statement (NDS)** in the prescribed format, and details of any past and/or current defaults or delays in meeting debt obligations
- **Bank Statements** for the last 12 months for all major loan and cash credit accounts.

B. Additional Information (as applicable)

- Financial Projections for the next 3 years, along with key assumptions and year-to-date performance.
- Latest Sanction Letters and amendments, if any, from banks or financial institutions.
- Details of Ongoing or Planned Projects / Capital Expenditure.
- Top 10 Customers (based on quantity sold, amount, item sold) and Top 10 Suppliers Details — contribution to revenue and purchase base.
- Future Business Plans or Corporate Actions, including proposed mergers, acquisitions, restructurings, etc.
- Changes in Ownership or Organisational Structure.
- Reasons and Clarifications for any non-cooperation or suspension by previous credit rating agencies, if applicable.
- Project-wise Cash Flow Statements (applicable to real estate or project-based entities).
- Term Loan and NCD repayment schedule

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- Month-wise working capital limits (Fund-based CC) and non-fund-based (BG/LC/Others), and utilisation (%) for the past 12 months. Month-wise sanctioned limit, drawing power, maximum utilization, average utilization for fund-based limits.
- Hedging policy and forex contracts o/s if any.
- Latest Contact details of Bankers and Auditor (Name, designation, land line no, cell no and email)

13. Details of Group structure

14. Details of litigations and material impact, if any

15. Critical agreements and concessionaire agreements, if any.

16. Sector-specific details to be sought in due course

Notwithstanding anything mentioned above, the list of documents provided is an indicative list required for the purpose of assigning the rating. ACER reserves the right to seek any additional information or documents from its clients as may be required for assigning the rating(s).

5. Mode of Information Collection

ACER may obtain information through one or more of the following modes:

- E-mails and official correspondence
- Telephonic discussions or video conferences shall be recorded followed by minutes
- Site visits or management meetings
- Regulatory filings and public disclosures
- Information obtained from lenders, auditors, and market sources

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