

WHAT RATINGS ISSUED BY VIS MEAN?

An Entity rating is opinion by VIS of the general creditworthiness of a company's senior unsecured debt. A rating of an issue denotes its creditworthiness with respect to a particular debt security based on relevant risk factors. VIS maintains separate rating scales for ratings/rankings of insurer financial strength, governance, mutual funds and management quality of asset management companies.

Medium to long-term credit ratings (a horizon of 2 to 3 years) range from 'AAA', reflecting the strongest credit quality, to 'C', reflecting the lowest. Long-term ratings from 'AA' to 'B' may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the rating categories. A short-term credit rating is an assessment of an issuer's credit quality with respect to an entity or an instrument considered short-term (up to 1 year). Short-term ratings range from 'A-1+' for the highest-quality obligations to 'C' for the lowest. The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). However, an outlook is not necessarily a precursor of a rating change.

VIS breaks the spectrum of credit quality into two main segments: "Investment Grade" and "Non Investment Grade". The medium to long term "Investment Grade" range has four categories i.e., 'AAA', 'AA', 'A' and 'BBB'. The medium to long term "Non Investment Grade" range has five main categories i.e., 'BB', 'B', 'CCC', 'CC' and 'C'. The short term "Investment Grade" range has four main categories i.e., 'A-1+', 'A-1', 'A-2' and 'A-3'. The short term "Non Investment Grade" range has two categories i.e., 'B' and 'C'.

If a company defaults on any obligation it is awarded a 'D' signifying that an event of default has occurred.

Validity of Ratings

Our ratings are valid till withdrawn, suspended or changed.