



Lanka Rating Agency

Rating Report

Fixed Income Investment II (Pvt) Ltd - Trust 2 - T Bond Securitization - LKR 03Bn

Report Contents

1. Rating Analysis
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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
29-Nov-2023	A	-	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

Fixed Income Investment II (Pvt) Ltd – Trust 02 is a Special Purpose Vehicle that securitizes treasury bonds of up to LKR 2,975,810,218 Face Value. The rating reflects the robust securitization structure that ensures regular interest and principal repayments to the investors. The credit risk is considered minimal as the securitization is for Government of Sri Lanka's long-term fixed rate treasury bonds (less than 10 years maturity). The Tbond securitization is resilient to the recent domestic debt optimization in Sri Lanka. The interest rate fluctuation can impact the value of the bond and give rise to market risk. However, this risk, along with early repayment, will be undertaken by the investors as clearly mentioned in the offering document. With declining interest rates, the bonds have strong demand, reducing the market risk. The entire transaction will be routed through a trustee to ensure timely and secured payments. Further, LRA has taken into account the ability of the Tbond securitization promoter (Capital Alliance Holdings Limited Rated A- by LRA). The promoter's past experience in managing funds and Capital Markets will facilitate its smooth execution.

There is a built-in curing period (3 days), in case a payment is missed. The investors will receive fixed return only if they hold their positions until maturity and not in case of early redemption. Every approximate 100 days, the investors will have the option to roll over or pre-terminate the bond at market value. The average return on the trust certificates offered by the T-Bond securitization stands at of 14.0245% (net of fees) will be provided only if the instrument is held to maturity and all settlements would be made through the Fixed Income Investment II (Pvt) Ltd – Trust 02 account maintained with the Trustee (Peoples Bank). All settlements would be under the direct supervision of the trustee. Until all the agreed payments are made to the trust receipt owners, any excess will not be withdrawn. The Trustee will ensure timely payments and other legal aspects of the transaction.

Disclosure

Name of Rated Entity	Fixed Income Investment II (Pvt) Ltd - Trust 2 - T Bond Securitization - LKR 03Bn
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology Debt Instrument Rating(Jun-22)
Related Research	Sector Study Capital Markets(May-23)
Rating Analysts	Tharika Prabashwari Kodikara tharika@lra.com.lk +92-42-35869504



Issuer Profile

Profile Fixed Income Investment II (Pvt) Ltd – Trust 02 (FII II – Trust 02) is the legal entity that will be borrowing funds from investors by way of trust receipts which are collateralized with treasury bonds. This arrangement is considered as a true securitization.

Ownership FII II – Trust 02 is a 100% owned subsidiary of Capital Alliance Holdings Limited (CALH)

Governance Mr. Tharindra Kulasinghe has been appointed as the Director by CALH. KPMG will be the external auditors and Nithya Partners are the lawyers. Peoples Bank will be the trustee/custodian to the issue.

Management Management of the Company will be steered by CALH.

Business Risk During FY23, the interest rates have picked up a reverse trajectory. The bond is expected to receive strong demand considering the declining interest rates has begun. Since there is a voluntary domestic debt optimization program underway, the possible potential haircuts on the Government securities will have an impact on bond's yield and maturity. The management has incorporated measures to minimize the capital loss arising due to this. In case of a restructuring, the offering documents shall also reflect accordingly.

Financial Risk The Company bears minimal credit risk as the securitization is for the Government of Sri Lanka's long-term fixed rate treasury bonds, that is around less than 10 years maturity. The interest rate fluctuation can impact the value of the bond and give rise to market risk. The interest rate and market risk will remain with the trust certificate investor in case of early redemption. The tranche's simple annualized return is approximately 14.02% which can be obtained only if the certificates are held to maturity. The existence of curing period provides support to the structure.

Instrument Rating Considerations

About The Instrument Fixed Income Investment II (Pvt) Ltd – Trust 02 will buy T bonds and securitize them. The Company will issue trust receipts to investors against these securitized bonds. The total size of the securitization is LKR 2.975Bn with an average gross return of 14.02% on the trust certificates, net of fees, if held to maturity.

Relative Seniority/Subordination Of Instrument The instrument is secured senior debt.

Credit Enhancement There will be no credit enhancement furthered since it is already secured via treasury bonds.

Regulatory and Supplementary Disclosure

Nature of Instrument	Size of Issue (LKR)	Tenor	Security	Quantum of Security	Nature of Assets	Trustee	Book Value of Assets (LKR mn)
T-bond Securitization	LKR 2,975,810,218	until 01-05-2027 15-09-2027 01-05-2028 15-01-2028 01-08-2026 01-07-2028 (Maturities of the T-bonds)	Treasury bonds (Maturities - 01-05-2027 15-09-2027 01-05-2028 15-01-2028 01-08-2026 01-07-2028)	LKR 2,975,810,218	Government of Sri Lanka issued treasury bonds will be the underlying asset to this transaction	People's Bank	LKR 2,962,442,670.71

Name of Issuer	Fixed Income Investment II (Pvt) Ltd- Trust 02
Issue Date	24th November 2023
Maturity	01-05-2027 15-09-2027 01-05-2028 15-01-2028 01-08-2026 01-07-2028
Coupon Basis	The papers are in maturity of less than 100 days. At the end of each paper, the investor has the ability to decide whether to sell the T-bonds and get the repayment (at which it will be sold in the market at market rates and the selling value will be paid to the investors net of any due fees), or the investor has the ability to rollover to the next paper.
Repayment	Repayment of trust certificats is possible at any given time (Not just at maturity) after the investors request, once the investors request for repayment comes, the trustee will sell the underlying tbond asset and send the full proceeds net of fees, to the investor.
Option	

Fixed Income Investment II (Pvt) Ltd- Trust 02

FV: 400,000,000 **Maturity: 15-Sep-27**

Due Date Principal	Opening Principal (LKR)	Coupon Due Date	Gross Rate	LKR					
				Interest earned	Cash inflow from coupons	Costs to be paid out of securitization	Interest earned (to be paid to investors)	Net cashflow	Capital Outstanding at the end of maturity
24-Nov-23	468,800,000.00	15-Mar-24	14.0459%	20,205,090.41	-	-	-	-	450,443,600
15-Mar-24	450,443,600.00	13-Jun-24	14.8132%	16,452,800.00	40,000,000	1,438,510	20,205,090.41	18,356,400.00	450,443,600
13-Jun-24	466,896,400.00	15-Sep-24	12.9014%	15,512,899.02	-	-	16,452,800.00	(16,452,800.00)	466,896,400
15-Sep-24	444,722,400.00	14-Dec-24	15.0636%	16,518,400.00	40,000,000	2,313,101	15,512,899.02	22,174,000.00	444,722,400
14-Dec-24	461,240,800.00	15-Mar-25	13.1125%	15,078,681.40	-	-	16,518,400.00	(16,518,400.00)	461,240,800
15-Mar-25	438,566,000.00	13-Jun-25	14.8131%	16,018,800.00	40,000,000	2,246,519	15,078,681.40	22,674,800.00	438,566,000
13-Jun-25	454,584,800.00	15-Sep-25	12.9015%	15,103,892.84	-	-	16,018,800.00	(16,018,800.00)	454,584,800
15-Sep-25	431,940,800.00	14-Dec-25	15.0632%	16,043,200.00	40,000,000	2,252,107	15,103,892.84	22,644,000.00	431,940,800
14-Dec-25	447,984,000.00	15-Mar-26	13.1129%	14,645,648.88	-	-	16,043,200.00	(16,043,200.00)	447,984,000
15-Mar-26	424,811,600.00	13-Jun-26	14.8131%	15,516,400.00	40,000,000	2,181,951	14,645,648.88	23,172,400.00	424,811,600
13-Jun-26	440,328,000.00	15-Sep-26	12.9014%	14,630,123.95	-	-	15,516,400.00	(15,516,400.00)	440,328,000
15-Sep-26	417,139,600.00	14-Dec-26	15.0633%	15,493,600.00	40,000,000	2,181,476	14,630,123.95	23,188,400.00	417,139,600
14-Dec-26	432,633,200.00	15-Mar-27	13.1127%	14,143,616.84	-	-	15,493,600.00	(15,493,600.00)	432,633,200
15-Mar-27	408,884,000.00	13-Jun-27	14.5307%	14,650,000.00	40,000,000	2,107,183	14,143,616.84	23,749,200.00	408,884,000
13-Jun-27	423,534,000.00	15-Sep-27	13.1718%	14,367,047.78	-	-	14,650,000.00	(14,650,000.00)	423,534,000
15-Sep-27	-	-	-	-	440,000,000	2,098,952	14,367,047.78	423,534,000.00	-
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FV: 200,000,000 **Maturity: 01-May-2028**

Due Date Principal	Opening Principal LKR	Coupons Due Date	Gross Rate	Principal Outstanding					
				LKR					
				Interest earned	Cash inflow from coupons	Costs to be paid out of securitization	Interest earned (to be paid to investors)	Net cashflow	Capital Outstanding at the end of maturity
24-Nov-23	162,000,800.00	22-Feb-24	14.9794%	5,983,600	-	-	-	-	167,984,400
22-Feb-24	167,984,400.00	1-May-24	12.6571%	4,019,386	-	-	5,983,600	(5,983,600.00)	167,984,400
1-May-24	163,720,800.00	30-Jul-24	14.8132%	5,980,000	9,000,000	717,014	4,019,386	4,263,600.00	163,720,800
30-Jul-24	169,700,800.00	1-Nov-24	12.9016%	5,638,467	-	-	5,980,000	(5,980,000.00)	169,700,800
1-Nov-24	167,180,000.00	30-Jan-25	15.0631%	6,209,400	9,000,000	840,733	5,638,467	2,520,800.00	167,180,000
30-Jan-25	173,389,400.00	1-May-25	13.1124%	5,668,289	-	-	6,209,400	(6,209,400.00)	173,389,400
1-May-25	170,902,200.00	30-Jul-25	14.8134%	6,242,400	9,000,000	844,511	5,668,289	2,487,200.00	170,902,200
30-Jul-25	177,144,600.00	1-Nov-25	12.9015%	5,885,789	-	-	6,242,400	(6,242,400.00)	177,144,600
1-Nov-25	174,908,000.00	30-Jan-26	15.0631%	6,496,400	9,000,000	877,611	5,885,789	2,236,600.00	174,908,000
30-Jan-26	181,404,400.00	1-May-26	13.1127%	5,930,451	-	-	6,496,400	(6,496,400.00)	181,404,400
1-May-26	179,218,400.00	30-Jul-26	14.8135%	6,546,200	9,000,000	883,549	5,930,451	2,186,000.00	179,218,400
30-Jul-26	185,764,600.00	1-Nov-26	12.9013%	6,172,084	-	-	6,546,200	(6,546,200.00)	185,764,600
1-Nov-26	183,857,000.00	30-Jan-27	15.0635%	6,829,000	9,000,000	920,316	6,172,084	1,907,600.00	183,857,000
30-Jan-27	190,686,000.00	1-May-27	13.1122%	6,233,645	-	-	6,829,000	(6,829,000.00)	190,686,000
1-May-27	188,848,400.00	30-Jul-27	14.8136%	6,898,000	9,000,000	928,755	6,233,645	1,837,600.00	188,848,400
30-Jul-27	195,746,400.00	1-Nov-27	12.9011%	6,503,632	-	-	6,898,000.00	(6,898,000.00)	195,746,400
1-Nov-27	194,219,800.00	30-Jan-28	14.6967%	7,038,200	9,000,000	969,768	6,503,632	1,526,600.00	194,219,800
30-Jan-28	201,258,000.00	1-May-28	13.3177%	6,755,821	-	-	7,038,200.00	(7,038,200.00)	201,258,000
1-May-28	-	-	-	-	209,000,000	986,179	6,755,821	201,258,000.00	-

FV: 200,000,000	Maturity: 01-May-2028
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Due Date Principal	Opening Principal LKR	Coupons Due Date	Gross Rate	Principal Outstanding					
				LKR					
				Interest earned	Cash inflow from coupons	Costs to be paid out of securitization	Interest earned (to be paid to investors)	Net cashflow	Capital Outstanding at the end of maturity
24-Nov-23	162,000,800.00	22-Feb-24	14.9794%	5,983,600					
22-Feb-24	167,984,400.00	1-May-24	12.6571%	4,019,386			5,983,600	(5,983,600.00)	167,984,400
1-May-24	163,720,800.00	30-Jul-24	14.8132%	5,980,000	9,000,000	717,014	4,019,386	4,263,600.00	163,720,800
30-Jul-24	169,700,800.00	1-Nov-24	12.9016%	5,638,467	-		5,980,000	(5,980,000.00)	169,700,800
1-Nov-24	167,180,000.00	30-Jan-25	15.0631%	6,209,400	9,000,000	840,733	5,638,467	2,520,800.00	167,180,000
30-Jan-25	173,389,400.00	1-May-25	13.1124%	5,668,289	-		6,209,400	(6,209,400.00)	173,389,400
1-May-25	170,902,200.00	30-Jul-25	14.8134%	6,242,400	9,000,000	844,511	5,668,289	2,487,200.00	170,902,200
30-Jul-25	177,144,600.00	1-Nov-25	12.9015%	5,885,789	-		6,242,400	(6,242,400.00)	177,144,600
1-Nov-25	174,908,000.00	30-Jan-26	15.0631%	6,496,400	9,000,000	877,611	5,885,789	2,236,600.00	174,908,000
30-Jan-26	181,404,400.00	1-May-26	13.1127%	5,930,451	-		6,496,400	(6,496,400.00)	181,404,400
1-May-26	179,218,400.00	30-Jul-26	14.8135%	6,546,200	9,000,000	883,549	5,930,451	2,186,600.00	179,218,400
30-Jul-26	185,764,600.00	1-Nov-26	12.9013%	6,172,084	-		6,546,200	(6,546,200.00)	185,764,600
1-Nov-26	183,857,000.00	30-Jan-27	15.0635%	6,829,000	9,000,000	920,316	6,172,084	1,907,600.00	183,857,000
30-Jan-27	190,686,000.00	1-May-27	13.1122%	6,233,645	-		6,829,000	(6,829,000.00)	190,686,000
1-May-27	188,848,400.00	30-Jul-27	14.8136%	6,898,000	9,000,000	928,755	6,233,645	1,837,600.00	188,848,400
30-Jul-27	195,746,400.00	1-Nov-27	12.9011%	6,503,632	-		6,898,000.00	(6,898,000.00)	195,746,400
1-Nov-27	194,219,800.00	30-Jan-28	14.6967%	7,038,200	9,000,000	969,768	6,503,632	1,526,600.00	194,219,800
30-Jan-28	201,258,000.00	1-May-28	13.3177%	6,755,821	-		7,038,200.00	(7,038,200.00)	201,258,000
1-May-28					209,000,000	986,179	6,755,821	201,258,000.00	-

FV 860,810,218	Maturity: 15-Jan-28
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Due Date Principal	Opening Principal	Coupons Due Date	Gross Rate	Principal Outstanding					
				LKR					
				Interest earned	Cash inflow from coupons	Costs to be paid out of securitization	Interest earned (to be paid to investors)	Net cashflow	Capital Outstanding at the end of maturity
24-Nov-23	990,117,685.71	15-Jan-24	13.6064%	19,192,914					
15-Jan-24	933,248,258.65	14-Apr-24	14.8823%	34,246,474	77,472,919.62	1,410,579	19,192,914	56,869,427.06	933,248,258.65
14-Apr-24	967,494,732.37	15-Jul-24	12.9448%	31,567,476	-		34,246,474	(34,246,473.72)	967,494,732.37
15-Jul-24	926,329,066.12	13-Oct-24	14.7179%	33,617,221	77,472,919.62	4,739,777	31,567,476	41,165,666.25	926,329,066.12
13-Oct-24	959,946,287.57	15-Jan-25	12.8052%	31,656,844	-		33,617,221	(33,617,221.45)	959,946,287.57
15-Jan-25	918,886,500.98	15-Apr-25	14.9659%	33,909,036	77,472,919.62	4,756,290	31,656,844	41,059,786.59	918,886,500.98
15-Apr-25	952,795,537.09	15-Jul-25	13.0156%	30,917,999	-		33,909,036	(33,909,036.11)	952,795,537.09
15-Jul-25	910,881,826.76	13-Oct-25	14.7176%	33,055,973	77,472,919.62	4,641,210	30,917,999	41,913,710.33	910,881,826.76
13-Oct-25	943,937,799.94	15-Jan-26	12.8057%	31,130,150	-		33,055,973	(33,055,973.18)	943,937,799.94
15-Jan-26	902,272,002.96	15-Apr-26	14.9656%	33,295,278	77,472,919.62	4,676,973	31,130,150	41,665,796.98	902,272,002.96
15-Apr-26	935,567,281.38	15-Jul-26	13.0155%	30,358,894	-		33,295,278	(33,295,278.42)	935,567,281.38
15-Jul-26	893,010,545.82	13-Oct-26	14.7178%	32,407,783	77,472,919.62	4,557,290	30,358,894	42,556,735.56	893,010,545.82
13-Oct-26	925,418,328.91	15-Jan-27	12.8054%	30,518,628	-		32,407,783	(32,407,783.09)	925,418,328.91
15-Jan-27	883,049,249.98	15-Apr-27	14.9657%	32,585,971	77,472,919.62	4,585,213	30,518,628	42,369,078.93	883,049,249.98
15-Apr-27	915,635,220.78	15-Jul-27	13.0156%	29,712,246	-		32,585,971	(32,585,970.80)	915,635,220.78
15-Jul-27	872,334,745.20	13-Oct-27	14.4391%	31,058,033	77,472,919.62	4,460,198	29,712,246	43,300,475.58	872,334,745.20
13-Oct-27	903,392,777.86	15-Jan-28	13.0721%	30,412,852	-		31,058,033	(31,058,032.66)	903,392,777.86
15-Jan-28					938,283,137.62	4,477,508	30,412,852	903,392,777.86	-
					-			-	-

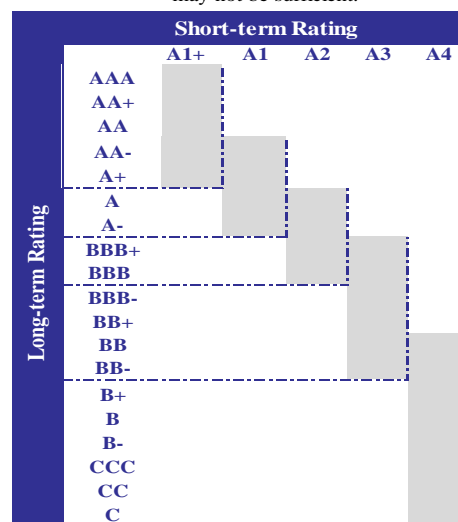
FV: 1,000,000,000	Maturity: 01-Jul-2028
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Due Date Principal	Opening Principal LKR	Coupone Due Date	Gross Rate	Principal Outstanding					
				LKR					
				Interest earned	Cash inflow from coupons	Costs to be paid out of securitization	Interest earned (to be paid to investors)	Net cashflow	Capital Outstanding at the end of maturity
24-Nov-23	833,393,000.00	1-Jan-24	12.8971%	11,891,358					
1-Jan-24	801,152,000.00	31-Mar-24	14.1083%	29,686,000	45,000,000	867,642	11,891,358	32,241,000.00	801,152,000
31-Mar-24	830,838,000.00	1-Jul-24	12.1687%	27,412,390	-		29,686,000	(29,686,000.00)	830,838,000
1-Jul-24	817,320,000.00	29-Sep-24	13.9525%	29,950,000	45,000,000	4,069,610	27,412,390	13,518,000.00	817,320,000
29-Sep-24	847,270,000.00	1-Jan-25	12.0374%	28,255,680	-		29,950,000	(29,950,000.00)	847,270,000
1-Jan-25	834,723,000.00	1-Apr-25	14.1876%	31,104,000	45,000,000	4,197,320	28,255,680	12,547,000.00	834,723,000
1-Apr-25	865,827,000.00	1-Jul-25	12.2348%	28,410,142	-		31,104,000	(31,104,000.00)	865,827,000
1-Jul-25	853,454,000.00	29-Sep-25	13.9525%	31,274,000	45,000,000	4,216,858	28,410,142	12,373,000.00	853,454,000
29-Sep-25	884,728,000.00	1-Jan-26	12.0376%	29,504,115	-		31,274,000	(31,274,000.00)	884,728,000
1-Jan-26	873,615,000.00	1-Apr-26	14.1874%	32,553,000	45,000,000	4,382,885	29,504,115	11,113,000.00	873,615,000
1-Apr-26	906,168,000.00	1-Jul-26	12.2350%	29,734,667	-		32,553,000	(32,553,000.00)	906,168,000
1-Jul-26	895,316,000.00	29-Sep-26	13.9523%	32,807,000	45,000,000	4,413,333	29,734,667	10,852,000.00	895,316,000
29-Sep-26	928,123,000.00	1-Jan-27	12.0376%	30,952,137	-		32,807,000	(32,807,000.00)	928,123,000
1-Jan-27	918,673,000.00	1-Apr-27	13.9365%	34,232,000	45,000,000	4,597,863	30,952,137	9,450,000.00	918,673,000
1-Apr-27	952,905,000.00	1-Jul-27	12.4828%	31,268,043	-		34,232,000	(34,232,000.00)	952,905,000
1-Jul-27	943,814,000.00			34,584,000	45,000,000	4,640,957	31,268,043	9,091,000.00	943,814,000
29-Sep-27	978,398,000.00			32,629,077	-		34,584,000	(34,584,000.00)	978,398,000
1-Jan-28	970,874,000.00			35,294,000	45,000,000	4,846,923	32,629,077	7,524,000.00	970,874,000
31-Mar-28	1,006,168,000.00			33,901,969	-		35,294,000	(35,294,000.00)	1,006,168,000
1-Jul-28					1,045,000,000	4,930,031	33,901,969	1,006,168,000.00	-

Credit Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Long-term Rating		Short-term Rating	
Scale	Definition	Scale	Definition
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments	A1+	The highest capacity for timely repayment.
AA+		A1	A strong capacity for timely repayment.
AA	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
AA-		A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A+		A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.
A	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.		
A-			
BBB+			
BBB	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.		
BBB-			
BB+	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.		
BB			
BB-			
B+			
B	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.		
B-			
CCC	Very high credit risk. Substantial credit risk “CCC” Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. “CC” Rating indicates that default of some kind appears probable. “C” Ratings signal imminent default.		
CC			
C			
D	Obligations are currently in default.		



*The correlation shown is indicative and, in certain cases, may not hold.

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. ‘Stable’ outlook means a rating is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.	Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
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Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

- a) Broker Entity Rating
- b) Corporate Rating
- c) Debt Instrument Rating
- d) Financial Institution Rating
- e) Holding Company Rating
- f) Independent Power Producer Rating
- g) Microfinance Institution Rating
- h) Non-Banking Finance Companies Rating

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