

Before Amir M. Khan Afridi, Director/HOD (Adjudication-I)

In the matter of Show Cause Notice issued to VIS Credit Rating Company Limited

Dates of Hearing

June 20, 2022

Order-Redacted Version

Order dated July 06, 2022 was passed by Director/Head of Department (Adjudication-I) in the matter of VIS Credit Rating Company Limited. Relevant details are given as hereunder:

Nature	Details
1. Date of Action	Show cause notice dated April 28, 2022.
2. Name of Respondent	VIS Credit Rating Company Limited. (the Company and / or the Respondent)
3. Nature of Offence	Alleged contraventions of <u>Regulation 10(2) of the Credit Rating Companies Regulations, 2016 (the Regulations)</u> read with <u>Section 150(2) of the Securities Act, 2015 (the Act)</u> .
4. Action Taken	<p>Key findings were reported in the following manner:</p> <p>I have reviewed the facts of the case and considered both the written and verbal submissions made by the Respondent, in light of the relevant provisions of the law and state that:</p> <ol style="list-style-type: none">i. Mr. Ansari was appointed as an independent director of Shakargarj which shows that he did not have any association or relationship with the Shakarganj;ii. under regulation 12(2)(a) of the Regulations, director of rating agency cannot be part of the rating process, therefore, again the issue of conflict of interest does not arise;iii. the inspection also does not highlight any contravention of the said regulation 12 (2)(a) of the Regulations;iv. Mr. Ansari was appointed as director on the board of the Respondent almost after 18 months of initial rating of Shakarganj; andv. Subsequent entity rating and sukuk rating of Shakarganj were downgraded based on the outlook of Shakarganj. If Mr. Ansari would have role in issuance of the rating, then the rating would not have been downgraded. <p>Keeping in view the afore-mentioned facts of the case, contravention of regulation 10(2) of the Regulations cannot be</p>

	established against the Respondent hence, no action is warranted under Section 150(2) of the Act, I hereby, conclude the proceedings without issuance of an adverse order.
5. Penalty Imposed	No Adverse Order
6. Current Status of Order	No Appeal has been filed by the respondents.