

## **Policy on general nature of compensation arrangement with rated entities**

India Ratings receives fees from borrowers for obtaining ratings for their debt instruments, bank loans and credit facilities. It receives an initial rating fee for assigning the rating. In addition, an annual surveillance fee is charged for monitoring the rating over the life of the rated instrument.

The fees depend on a variety of factors including the industry type and the complexity of the rating. India Ratings may consider different pricing arrangements for frequent and large volume borrowers and other such entities. For registered micro and small enterprises, minimum bank loan rating fees will include the unit's contribution towards the Performance Credit Rating scheme announced by National Small Industries Corporation. India Ratings makes suitable modifications to the above fee schedule for bulk deals, and bidding for tenders, etc.

There is no linkage between rating fee and rating outcome. There is a separation of functions at India Ratings between the Business Relationship Management team and the analytical team. The Business Relationship Management team negotiates the commercial terms of the assignment. The analytical team conducts credit analysis and provides credit opinions.

ALL INDIA RATINGS & RESEARCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://INDIARATINGS.CO.IN/UNDERSTANDINGCREDITRATINGS](http://indiaratings.co.in/understandingcreditratings) IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.INDIARATINGS.CO.IN](http://WWW.INDIARATINGS.CO.IN). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

Copyright © 2012 by India Ratings & Research Pvt. Ltd. and its subsidiaries. Wockhardt Towers, West Wing, Level 4, Bandra Kurla Complex, Bandra East, Mumbai 400051 India. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings, INDIA RATINGS relies on factual information it receives from issuers and underwriters and from other sources INDIA RATINGS believes to be credible. INDIA RATINGS conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of INDIA RATINGS's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of INDIA RATINGS's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information INDIA RATINGS relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to INDIA RATINGS and to the market in offering documents and other reports. In issuing its ratings INDIA RATINGS must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind. An INDIA RATINGS rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that INDIA RATINGS is continuously evaluating and updating. Therefore, ratings are the collective work product of INDIA RATINGS and no individual, or group of individuals, is solely responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. INDIA RATINGS is not engaged in the offer or sale of any security. All INDIA RATINGS reports have shared authorship. Individuals identified in an INDIA RATINGS report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a INDIA RATINGS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed anytime for any reason in the sole discretion of INDIA RATINGS. INDIA RATINGS does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. INDIA RATINGS receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, INDIA RATINGS will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by INDIA RATINGS shall not constitute a consent by INDIA RATINGS to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, INDIA RATINGS research may be available to electronic subscribers up to three days earlier than to print subscribers.