

Bulletin #25

Procedure for Managing Complaints

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I. Introduction

This Bulletin outlines the process for addressing Complaints of all types received by India Ratings. Complaints will be logged and classified into one of the five categories below (II through VI) by the group head receiving the Complaint either directly from a third party or referred to the group head by another India Ratings employee. Once classified, a determination of the Validity of a Complaint will be made by the responsible party designated within each category. Operational and documentation steps are also outlined by each type of Complaint.

- A. **Complaint is defined as** an objection made to India Ratings either verbally or in writing from a third party regarding a perceived breach in India Ratings' policies, and/or procedures, laws, regulation, or Code of Conduct and the other India Ratings policies comprising the Code of Ethics ("**Complaint**"). Complaints will typically fall into one of five categories:
1. Alleging violations of law or regulation, including securities laws, or any policies which comprise India Ratings' Code of Ethics,
 2. Related to the Ratings of a Rated Entity,
 3. Failure to follow operational processes in India Ratings' Procedures and Policies,
 4. Application of criteria or models, or the analytical performance of an analyst, and
 5. Fees or unsolicited ratings assignment.
- B. Any Complaint alleging a violation of law or regulation, including securities laws, or any policies comprising India Ratings' Code of Ethics should be referred immediately to the Chief Compliance Officer ("**CCO**") or his/her designee. The CCO or his/her designee shall notify the Legal Department of any Complaint alleging a violation of the law.
- C. Any person receiving an oral Complaint regarding the failure to follow operational processes, application of criteria or models or fees and unsolicited ratings assignments should request the party (complainant) to provide a written description of the basis of his/her Complaint. This ensures clarity for understanding the issues. An analyst that receives a Complaint should immediately refer it to the group head in their sector. The group head, or a designee, receiving the Complaint assesses the type of Complaint, categorizes the Complaint as to Validity and takes appropriate actions as indicated below.

- D. A paper trail of all Complaints in B. and written Complaints in C, the decisions surrounding their Validity, dates and resolutions should be maintained by each group responsible for reviewing the Complaint in the absence of a central location for all Complaints. Tracking of decisions and time limits should also occur and is a responsibility of the Group Head (“GH”) for Complaints for types 2 and 3. The GH should also maintain documents regarding the initiation and referrals for types 4 and 5.
- E. Any Complaint threatening legal action against India Ratings must be referred immediately to the Legal Department in addition to being otherwise addressed under this policy.
- F. Consultation with the Credit Policy, Compliance, or Legal groups is welcome regarding any of the statements above.
- G. Copies of any Complaint regarding must be also provided to the CEO.

II. Any Complaint alleging a violation of regulation or laws including securities laws, or the policies which comprise India Ratings’ Code of Ethics must be immediately referred by the GH to the CCO.

- A. All Complaints must be treated by the GH as Valid and immediately forwarded to the CCO or his/ her designee. The CCO or his/her designee shall notify the Legal Department of any Complaint alleging a violation of the law.

III. Complaints related to the Ratings of a Rated

Entity A. Valid Complaints

1. Complaints concerning the rating level, the Outlook or Watch status made by the Issuer, or its agents are addressed by the Appeal process as described in Ratings’ Process Manuals (**RPM**). Time limits are addressed in these RPMs.
2. If an additional Valid Complaint arises after the completion of the Appeal process, the Valid Complaint should be forwarded to Chief Credit Officer (**CCrO**) and to the CCO as described in IV below. Any other Complaints from an investor or Issuer that occurs away from communication of immediate rating actions should be forwarded to the CCrO for review under IV.

B. Non-Valid Complaints

1. The GH may determine that a Complaint is a Non-Valid Complaint (“**Non-Valid Complaint**”) based on his/her judgment that there is either no analytical basis for the Complaint, the complainant is being unreasonable, the complainant is posturing or the complainant is trying to manipulate the system (i.e. inappropriately slowing the ratings process, making allegations that are unrelated to the analytic processes used to assign a rating, etc.).

IV. Failure to follow operational procedures in India Ratings’ Procedures and Policies will be addressed by the Group Head within the analytical group receiving the Complaint.

A. Valid Complaints

1. Non-compliance with any of India Ratings’ policies regarding processes or procedures, even if previously approved internally as an exception, are considered Valid Complaints. Examples include insufficient time in providing ratings actions and/or rationale to the issuer before publication or disclosure of confidential information.
2. The GH will then determine whether any corrective action is necessary, and provide a summary response to the complainant as appropriate.
3. Responses to complainants and corrective action should be completed within 10 business days after receipt of the Complaint.
4. The GH must maintain all records regarding the Complaint and the review. In addition, exceptions are maintained in the Exception log and should include exceptions arising from Valid Complaints. All exceptions are monitored by Credit Policy and classified as presenting low, medium or high risk to India Ratings. Exceptions are monitored for type, frequency, analyst and approver, and reported to the Board on a quarterly basis.

B. Non-Valid Complaints

1. Complaints that allege untimely publications of credit analysis or actions that negatively impact bond prices are Non-Valid Complaints. India Ratings publishes RACs on rating actions with timelines addressed as appropriate according to the Ratings’ Process Manuals (RPM). Any other publications are at India Ratings’ discretion.
2. Bond or issue prices are a function of the market and out of India Ratings’ control. Complaints regarding the impact of ratings actions on bond prices are Non-Valid Complaints.
3. At the GH’s discretion, the GH may respond to the complainant, or may determine not to respond.

V. Complaints as to misapplication of criteria, models, or analytical performance of an analyst

- A. Complaints related to the misapplication of criteria, models (including concerns on assumptions), or analytical performance of an analyst must be immediately referred by the GH to the applicable CCrO for review.
1. The CCrO will acknowledge the receipt of the Complaint within 48 business hours from the GH. The acknowledgement will be sent via email to the complainant. The CCrO will log the Complaint into Credit Policy's Complaint Log.
- B. Valid Complaints arise if the CCrO believes a potential misapplication of criteria or model has occurred or the analyst may have inappropriately analysed information.
1. The CCrO shall immediately initiate a review of Valid Complaints in accordance with India Ratings' Code of Conduct.
 2. Notification of a review will be made to the GH passing the Complaint on as well as the CCO.
 3. The CCrO will review the matter, speak to all relevant parties, and take any actions deemed appropriate.
 4. The CCrO will prepare a written summary of the review (the **Report**) detailing the relevant Complaint,
 - a. How the review was conducted, and the conclusions reached.
 - b. Any recommendations for remedial action; and,
 - c. Send the summary to the appropriate GH and the CCO.
 5. The Report and all related documents gathered during the Review (the **Complaint Documents**) shall be retained by the CCrO in accordance with India Ratings' File Maintenance and Recordkeeping Policy (Bulletin 11).
 6. The relevant GH, or a designate, shall acknowledge receipt of the final report by email within two weeks, respond to the Report's conclusions, agree to the remedial action or propose an alternative and provide a timeline for completion of any remedial action and report that all was completed by the due date.

7. The GH shall complete his/her response to the CCrO within 30 days of receiving the Report.
 - a. Any dispute between recommended actions by the CCrO and proposed by the GH will be discussed and final action agreed amongst the CCrO, and CCO.
 - b. Actions may include rerating an issuer or issuance. In these instances, a Rating Watch may be appropriate prior to completing a full ratings assessment.
8. The GH shall confirm in writing to the CCrO and CCO when the remedial actions, if any, are fully implemented and the CCrO shall add such confirmation to the Complaint Documents and log.

C. Non-Valid Complaints

If the CCrO determines the Complaint is a Non-Valid Complaint, an explanation will be noted in the Complaint log maintained by Credit Policy. The CCrO will save a copy of this written acknowledgment within Credit Policy records. The CCrO will communicate the conclusions to the complainant in writing shortly after completing the review.

VI. Any Complaint regarding a fee or unsolicited rating assignment should be referred to Business Relationship Management (BRM)

- A. All such Complaints in this category should be forwarded to the relevant GH in BRM within two days of receipt.
- B. BRM will determine any response or action to be taken. If BRM determines that any Complaint regarding assignment of an unsolicited rating actually relates to a potential breach in India Ratings' analytical process (as opposed to Complaints questioning why the issuer was selected for an unsolicited rating), the Complaint should be referred back to the GH by BRM. The GH will consider whether the Complaint then falls into II, III, or IV above and follow those procedures.