

Bulletin #: 6

Protocol for Responding to Tips Related to India Ratings Rated Entities

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Version: 2

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I. Introduction

A. What is a Tip?

From time to time, India Ratings is contacted on a confidential basis with various information (or “tips” to use the colloquial term) related to a India Ratings rated entity. Generally, the contact relates to some non-public, negative piece of information regarding that entity’s conduct or business practices. India Ratings, for example, may receive certain information about a company that would appear to have negative repercussions for its reputation and/or financial condition, if made public and/or proven true. As a result, this allegation could very well have adverse credit implications. As a practical matter, the contact with India Ratings may be via written correspondence, through a phone call or during a conversation at a meeting or a conference, and may or may not be done anonymously.

B. Tip vs. Market Rumor

Tips, as used in the context of this bulletin, are distinct from market rumors. Tips are considered explicit and overt contact initiated by a third party, whereas a market rumor is generally well circulated, but not documented. Analysts are reminded that while we do not expressly comment on market rumors, India Ratings must respond to them in an appropriate manner (i.e. confirmation with issuer or with one or more independent third parties). Market rumors could ultimately have ratings implications should it cause a liquidity issue, which is certainly a risk for confidence sensitive issuers such as banks, broker dealers, or industrials that are heavily reliant on the commercial paper markets.

II. Responsibility upon receiving a Tip

While it is not India Ratings’ responsibility, nor does India Ratings have the authority or the capacity, to formally investigate such allegations to the extent of a law enforcement agency, as part of our ongoing surveillance of an issuer, we must consider the veracity of the allegations and their potential credit impact. We must not ignore such allegations or tips, and they must always be treated seriously and addressed immediately in accordance with this protocol. At the same time, we must not assess the credit impact of such allegations until we have completed the various inquiries outlined below, understanding that India Ratings does not have the authority or capacity formally to investigate the truthfulness of the response to the tip presented to us about the rated entity. Due to the sensitivity of most allegations, the allegations must (other than as described in the next paragraph), be treated as highly confidential while they are being reviewed.

III. India Ratings Protocol

- A. We reserve our right to protect the name/identity of any source (whether or not the source has come to India Ratings on a confidential basis).. If an analyst is contacted with an allegation against an issuer, he or she must document all pertinent information by creating a written record, in English (the “Tip Memo”, an outline of which is attached hereto as Attachment 1) of the nature of the claim (for example, by taking detailed notes of any conversations with a caller), the caller’s name and number (unless anonymous), the date received and anything else of relevance (e.g. any documents provided by the source must be retained). In the event allegations of this type are left on India Ratings voice mail, these messages must not be deleted. Instead, the analyst must forward the voice mail to the analyst’s group head and to the Compliance Officer in the Compliance Department (the “Compliance Officer”) if technologically possible. In addition, the analyst must (i) make as close to a verbatim written record of the content of the voice mail as possible and (ii) make this record part of the Tip Memo so that the content of the voice mail is preserved in writing.
- B. Upon receiving a tip, analysts are immediately to contact their group head and the Compliance Officer to discuss the allegations. Analysts must forward all information related to the allegation including the Tip Memo to their group head and provide a copy to the Compliance Officer and the Head of Credit Policy Group of India Ratings.
- C. If any analyst, or any other employee, receives any information or allegation that could constitute a Tip that does not relate to a credit that analyst or employee covers, that analyst or employee must immediately contact the Group Head who will then contact either the lead analyst responsible for the subject of the Tip or the Compliance Officer. In the event that the tip is forwarded to the Compliance Officer, the Compliance Officer will be responsible for involving the appropriate lead analyst or group head, which analyst or group head will then be responsible for the tip as if it had been communicated directly to them.
- D. Analysts are to work with the Compliance Officer and the Head of Credit Policy Group to organize a plan to address the allegations including conducting necessary factual inquiries and reviews and, if appropriate, formulating questions for the rated entity designed to address both the specific and general concerns that the tip raises. After any appropriate initial inquiries are completed, the analysts (with or without the Compliance Officer, as they both shall determine appropriate) must then follow-up on the allegations or claims by contacting the rated entity to inquire as to their knowledge of the allegations, without divulging the source of the tip. The rated entity’s response, whether oral or written must be maintained as part of the rating file for the entity.

- E. It is the responsibility of the Compliance Officer to record the tip in the tip log maintained by the Compliance Department (the “Tip Log”) and to file the Tip Memo and all related materials in the files maintained by the Compliance Department for such purpose. Where applicable, the Compliance Officer must also indicate on the Tip Log the date of any rating action published resulting from the tip. It is the responsibility of the group head to review the allegation, the results of all inquiries made with respect to the allegation and any response provided by the rated entity and to then convene a Rating committee if, in his or her judgement, the allegations have merit and there are concerns that the information could have credit implications, whether or not it is made public.
 - F. Upon the conclusion of the analysis of the tip, the analyst must complete a memo, in English, an outline of which is attached hereto as Attachment 2, summarizing the incident and its resolution (the “Conclusion Memo”). In accordance with Bulletin 11 (File Maintenance and Recordkeeping Policy for Analysts), the Conclusion Memo, along with all of the related documentation, must be retained and filed with the credit file to which the tip relates and copies provided to the Compliance Officer and the Head of Credit Policy Group. The Compliance Officer must note on the Tip Log the date on which the Compliance Officer receives the Conclusion Memo and retain such memo in the files maintained by the Compliance Department for such purpose. It is the responsibility of the Compliance Officer to ensure that the analyst produces a Conclusion Memo for each tip.
 - G. The analyst may record both the Tip Memo and the Conclusion Memo in the form of an email so long as all of the information required in Attachments 1 and 2 respectively is included in such email and the email is retained in accordance with Bulletin 11.
 - H. For questions or issues concerning this Policy, please contact the Compliance Department.
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Attachment 1

FORM OF TIP MEMO

To: Group Head, Compliance Officer and the Head of Credit Policy Group

From: [Name of India Ratings Analyst]

Date: [Date of Tip Memo]

Re: [Receipt of Tip concerning [Name of Subject Credit]]

1. Date and time tip received
 2. India Ratings employee informed
 3. Informant (if identity known) including, if available: phone number, address, connection to Subject Credit
 4. Name of Subject Credit
 5. Responsible rating group
 6. Person in such group to whom the tip was referred (if other than drafter of Tip Memo)
 7. Name of rating group Head
 8. Complete summary of tip (please attach any document(s) provided by Informant)
 9. Date tip referred to Group Head
 10. Name of Compliance Officer
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Attachment 2

FORM OF TIP CONCLUSION MEMO

To: Group Head, Compliance Officer and the Head of Credit Policy Group

From: [Name of India Ratings Analyst]

Date: [Date of Conclusion Memo]

Re: [Receipt of Tip concerning [Name of Subject Credit]]

Summary of the Tip:

- 1. Date of Tip**
- 2. Nature of Tip**
- 3. Summary of the Tip**

Credit Section

1. Does India Ratings rate the Subject Credit?
 2. Would the tip, if true, have a credit impact?
 3. Describe actions taken to follow-up on tip including: (i) describing the plan created in concert with the Compliance Officer and the Head of Credit Policy Group to address the allegations, (ii) attaching copies of documents reviewed and (iii) summarizing discussions with the Subject Credit, if any
 4. After the initial investigation, did the group head determine that the allegations have merit and a rating committee was needed? If so, what were the results of the committee?
 5. Was a RAC issued?
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