



ICRA Rating Feature

General Nature of Compensation Arrangements with Rated Entities

ICRA is generally appointed and compensated by Rated Entity for rating their instruments/ debt obligations. In some cases, ICRA may be appointed and compensated by investors, intermediaries or third parties for the same. The rating compensation (rating fee) has no bearing on the Credit Rating assigned, or on the processes, analytical or otherwise, associated with the Credit Rating Action.

ICRA maintains separation between its rating and commercial activities (includes sales & marketing activities) to prevent commercial considerations from compromising the integrity or independence of its Credit Ratings. ICRA maintains integrity of its businesses by ensuring objectivity, confidentiality and proper use of client information. Analysts are involved in rating process or development of procedures/methodologies used for providing Credit Rating. Commercial employees are responsible for business development, sales & marketing and discussions on rating fees with existing/ prospective clients. Commercial employees do not participate in the Credit Rating process.

The rating fee consists of an initial rating fee, which is determined and charged up front (prior to Credit Rating being assigned), and an annual surveillance fee, which is charged for monitoring the assigned Credit Rating over the life of the rated instrument / debt obligations or till such time that the Credit Rating is withdrawn, whichever is earlier. The annual surveillance fee is payable if the initial Credit Rating is accepted by the concerned Rated Entity.

ICRA's rating fee is based on factors including the type, size and complexity of the instrument/ debt obligation being rated. ICRA may consider using an alternative fee structure for volume issuers and such other Rated Entities. For rating of debt obligations that have a unique/complex structure or require considerably greater analytical effort, ICRA reserves the right to charge a fee higher than that charged for other products of similar size. ICRA makes its fee schedule available to clients on request. ICRA reserves the right to modify its fee schedule when circumstances so warrant.

Currently, ICRA does not charge any fee or receive any compensation from its Rated Entities for disseminating their Credit Ratings. Such dissemination is done through channels including, but not limited to ICRA's website and its publications besides the media.

Defined Terms

Credit Rating

A Credit Rating is an opinion on the relative credit risk of the issuer/ borrower/ instrument / borrowing limit expressed in the form of standard symbols or in any other standardised manner, assigned by ICRA and used by the issuer of instrument/ debt obligation, to comply with the requirements specified under regulations.

Credit Rating Action

A Credit Rating Action is any one of the items below:

1. the assignment of a Credit Rating to a Rated Entity or obligation, including subsequent Credit Ratings;
2. a change in a Credit Rating (i.e., upgrade or downgrade);
3. placing a Credit Rating on review or watch or changing the direction of an existing review;
4. the assignment or change in an outlook associated with a Rated Entity or one or more Credit Ratings;
5. an affirmation of a Credit Rating; and
6. a withdrawal of a Credit Rating.

ICRA

ICRA Limited under this policy shall be referred to as "ICRA" as that term is used throughout this policy.

Rated Entity (ies)

A Rated Entity means any entity rated by ICRA or any entity that issues instrument/ raises debt obligations rated by ICRA or any entity that is seeking a Credit Rating from ICRA.



ICRA Limited

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