

**CODE OF CONDUCT IN COMPLIANCE WITH THE SECURITIES AND
EXCHANGE BOARD OF INDIA (CREDIT RATING AGENCIES)
REGULATIONS, 1999**

1. ICRA shall make all efforts to protect the interests of investors.
2. ICRA, in the conduct of its business, shall observe high standards of integrity, dignity and fairness in the conduct of its business.
3. ICRA shall fulfill its obligations in a prompt, ethical and professional manner.
4. ICRA shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment in order to achieve and maintain objectivity and independence in the rating process.
5. ICRA shall have a reasonable and adequate basis for performing rating evaluations, with the support of appropriate and in depth rating researches. It shall also maintain records to support its decisions.
6. ICRA shall have in place a rating process that reflects consistent and international rating standards.
7. ICRA shall not indulge in any unfair competition nor shall it wean away the clients of any other rating agency on assurance of higher rating.
8. ICRA shall keep track of all important changes relating to the client companies and shall develop efficient and responsive systems to yield timely and accurate ratings. Further ICRA shall also monitor closely all relevant factors that might affect the creditworthiness of the issuers.
9. ICRA shall disclose its rating methodology to clients, users and the public.

10. ICRA shall, wherever necessary, disclose to the clients, possible sources of conflict of duties and interests, which could impair its ability to make fair, objective and unbiased ratings. Further it shall ensure that no conflict of interest exists between any member of its rating committee participating in the rating analysis, and that of its client.
11. ICRA shall not make any exaggerated statement, whether oral or written, to the client either about its qualification or its capability to render certain services or its achievements with regard to the services rendered to other clients.
12. ICRA shall not make any untrue statement, suppress any material fact or make any misrepresentation in any documents, reports, papers or information furnished to the board, stock exchange or public at large.
13. ICRA shall ensure that the Securities and Exchange Board of India is promptly informed about any action, legal proceedings etc., initiated against it alleging any material breach or non-compliance by it, of any law, rules, regulations and directions of the Securities and Exchange Board of India or of any other regulatory body.
14. ICRA shall maintain an appropriate level of knowledge and competence and abide by the provisions of the Act, regulations and circulars, which may be applicable and relevant to the activities carried on by the credit rating agency. ICRA shall also comply with award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003.
15. ICRA shall ensure that there is no misuse of any privileged information including prior knowledge of rating decisions or changes.

16. (a) ICRA or any of his employees shall not render, directly or indirectly any investment advice about any security in the publicly accessible media.

(b) ICRA shall not offer fee-based services to the rated entities, beyond credit ratings and research.
17. ICRA shall ensure that any change in registration status/any penal action taken by board or any material change in financials which may adversely affect the interests of clients/investors is promptly informed to the clients and any business remaining outstanding is transferred to another registered person in accordance with any instructions of the affected clients/investors.
18. ICRA shall maintain an arm's length relationship between its credit rating activity and any other activity.
19. ICRA shall develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in the carrying out of their duties within the credit rating agency and as a part of the industry. Such a code may extend to the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance of conflict of interests, disclosure of shareholdings and interests, etc. Such a code shall also provide for procedures and guidelines in relation to the establishment and conduct of rating committees and duties of the officers and employees serving on such committees.
20. ICRA shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.
21. ICRA shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.

22. ICRA shall ensure that good corporate policies and corporate governance are in place.

23. ICRA shall not, generally and particularly in respect of issue of securities rated by it, be party to or instrumental for—
 - (a) creation of false market;
 - (b) price rigging or manipulation; or
 - (c) dissemination of any unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange, unless required, as part of rationale for the rating accorded.