

Rating Committees / Sub-Committees

1. Eligibility

a. External Rating Committee

Members of the External Rating Committee shall be persons of repute who have long experience in the fields of finance, Banking, Management etc.

b. Internal Rating Committees

Officers who have significant experience in finance, banking and Management are eligible to be members of senior level rating committees as well as to Chair such Committees. The senior rating analysts may also chair the lower level rating committees. Rating analysts who are well qualified/ have professional qualification and have reasonable exposure to finance and Banking are eligible to be members of lower level rating committees.

c. Appeal Committees

Appeal Committees deal with cases where the client makes an appeal against the rating assigned by a Rating Committee in the usual course of business. The Committee dealing with appeals against rating decision of Committees other than External Rating Committee shall consist of 3 members, out of whom one will be an independent member, and two of the members (majority) shall not have been part of the previous rating decision.

The Committee dealing with appeals against rating decision of External Rating Committee shall consist of 3 members, out of whom two are independent members, and at least two of the three members (majority) shall not have been part of the previous rating decision.

The independent members shall be persons of repute having top management experience in the fields of Finance, Banking, Management, etc. They shall not derive any pecuniary interest from the Rating Agency.

2. Composition

Each Rating committee will have minimum three members including designated chairpersons.

3. Quorum

All committees require a minimum quorum of three. In case of External Rating Committee, the quorum shall consist of a minimum of two external members and

further, a decision which has the majority voting of the external members shall prevail.

4. Duties of committee members

The Rating Committee members are expected to critically evaluate the proposal, be unbiased, exercise appropriate judgment and take an overall view and help the Committee arrive at a reasonable and fair rating. If they have a conflict of interest in respect of any agenda they should declare the nature of such interest and recuse themselves from participating in the meeting relating to that subject. They are also expected to point out deficiencies if any in the presentation of the case and may seek additional information and ensure a well informed decision is taken by the Committee.

5. System of voting

Before commencing the agenda in the Rating Committee, the chairman will record the attendance of eligible members, ensure requirement of quorum is met. The Chairman shall ensure compliance with aspects of conflict of interest before taking up the subject. If the decision of the committee on a subject is unanimous, it shall be recorded accordingly. However, in case any member/members express dissent, the decision shall be put to vote and shall be decided on the majority voting. The Chairman shall record the number of members voting for the proposal, the number voting against and the number, if any, who abstained from voting. The name of the dissenting member/s and the reasons for dissent shall be duly recorded. Similarly the name of member who abstained from voting shall also be recorded. The Chairman shall ensure that proceedings in the meeting are appropriately captured in the minutes.

6. Managing conflict of interest in the Rating Committee

The Chairperson will call the meeting to order and confirm if any one present has conflict of interest before taking up any agenda. Any member/participant who has any conflict of interest in the subject to be taken up, shall disclose the nature of his interest and recuse himself from participating in the meeting. Accordingly, the Chairman shall ensure that conflict of interest issue, if any, is appropriately captured in the minutes.