General nature of compensation arrangements with rated entities

CRISIL Ratings receives compensation for assigning credit ratings. Such compensation is paid by the issuers of the securities/facilities being rated. The general nature of CRISIL Ratings compensation arrangements with rated entities is presented below:

1. **Standardisation of fee arrangements**. Fee structures are summarized in fee schedules which are communicated and finalised before the rating assignment. CRISIL Ratings charges an initial rating fee at the time of the initial rating exercise and an annual surveillance fee subsequently for such time as the rating remains outstanding. Precise fee amounts are determined by various factors including, but not limited to, the principal amount of the securities/facilities rated and the complexity of the assignment. CRISIL Ratings may consider using an alternative fee structure for volume issuers, groups and such other entities. The rating fees in all cases are negotiated by the business development team and this team is not involved in analytical or the rating committee processes.

2. **Creation of analytical firewalls.** CRISIL Ratings is dedicated to preserving the objectivity, integrity and independence of its ratings. The analytical firewalls are created to ensure that rating analysts are not involved in the sourcing of assignments, negotiations of fees or collection of fee from the issuers. The fee CRISIL Ratings receives is not a factor in its analysis or rating opinion. Further the fee amount is not disclosed to the analysts.

3. **Dissemination of all rating actions free of cost**. CRISIL Ratings does not receive payments from issuers or investors for disseminating ratings, publishing the ratings and Press Releases / Rating Rationales on its website, www.crisilratings.com.

Within the general nature of compensation arrangements with rated entities CRISIL Ratings reserves the right to charge specific fees to issuers. Fee schedules are available to issuers upon request.

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