

## POLICY FOR RATING REVIEW:

This policy encompasses all types of rating reviews, including initial, preliminary, semi-annual, annual review, and interim.

Ratings may undergo any of the following types of reviews:

- Initial Rating
- Preliminary Rating
- Final Rating
- Surveillance
- Annual Review
- Interim Review

### INITIAL RATING:

An “Initial” rating may be assigned in the following scenarios:

- When a rating is assigned for the first time.
- When a private rating transitions to a public rating.
- When a withdrawn rating is reviewed and assigned a rating under a new agreement.

### PRELIMINARY RATING

Preliminary rating with the suffix 'plim', may be assigned to entities/issuers or debt instruments in the circumstances described below:

- Preliminary rating may be assigned to debt instruments pending receipt of final documentation and/or legal opinion.
- Preliminary rating may be assigned to entities/issuers that are being formed or that are in the process of being independently established when, in VIS' opinion, documentation is close to finalization. Preliminary rating may also be assigned to the debt instruments of these entities.

### FINAL RATING

A “Final” rating may be assigned once the conditions or documents stipulated in the preliminary rating have been fulfilled and/or executed. VIS reserves the right not to issue a final rating. Moreover, if a final rating is issued, it may differ from the preliminary rating.

### SURVEILLANCE

All credit ratings are subject to continuous monitoring and evaluation. This includes the ongoing review of newly available financial data, economic indicators, and other relevant developments. VIS' surveillance process is dynamic and proactive, ensuring that analysts remain informed about current events and emerging trends that could impact the creditworthiness of rated entities. By maintaining a vigilant approach, rating team aims to provide timely updates and

maintain the integrity and relevance of our ratings. Public dissemination of any ratings will be made only in case of any change in the outstanding ratings.

In addition, a rating review may be conducted under the following scenarios:

- When a potential change in the rating is anticipated due to an event related to the issuer, security arrangement, industry, or similar factors.
- Upon request from the Company, or when a significant event occurs that necessitates a review.
- Upon becoming aware of information that could reasonably be expected to lead to a rating change.
- When there are changes to criteria/methodologies and /or models, that may necessitate a rating review.

Rating team employs a range of surveillance methods to ensure they stay updated on any changes relevant to the outstanding ratings, including:

- Regularly updating and analyzing client financial information on a period-over-period basis, using the most recently released financial reports. If any critical developments or discrepancies are observed, the client may be asked to provide further information for a more comprehensive assessment.
- Maintaining regular communication with key stakeholders. Analysts make periodic calls to clients, issuers, debt trustees, and investment agents to gather updates and verify any changes that might impact the rating.
- Monitoring various information sources to stay informed about industry developments and client specific updates. These sources include newspapers, regulatory and industry websites, web-based economic and business research reports, and other secondary data. Analysts may identify significant events or trends that may influence the rating or outlook.

When an analyst identifies a significant event from these sources, they assess its impact on the client's risk profile. If necessary, additional information is obtained from the client, and, in consultation with rating team, it is determined whether a formal review is warranted. The analyst then prepares a brief report highlighting the event's effect on the client's business and financial risk, which is subsequently discussed at the rating committee level. The rating committee then advises the final rating action.

## ANNUAL REVIEW

In accordance with the regulatory framework and surveillance routine, all outstanding ratings must undergo an annual review. For public ratings, the outcome of the annual review must be disclosed via a press release and rating report.

Ratings may be subject to the following actions:

- Reaffirmed- When previous rating and outlook remains unchanged.
- Maintained- When previous rating remains unchanged, however there is a change in outlook.
- Upgrade- When rating is upgraded from the previous one.
- Downgrade- When rating is downgraded from the previous one.
- Update-When rating is reviewed within six months of suspension.
- Rating Watch- When an event or deviation from an expected trend occurs or is expected, requiring additional information before taking rating action.

- Harmonized- When rating is aligned with updated rating methodology, criteria, and /or scale.

**Under Review-** In the event that rating review is not completed due to pending information from the Company which is necessary to complete the rating review, the ratings will be placed "Under Review" for a period of 30 days, during which the review is to be completed.

## RATING REVIEW PROCESS:

VIS rating review process entails the following:

- **Information Gathering:** The rating team acquires all relevant public and non-public information related to the rating assessment for both the industry and entity. Information is gathered through questionnaires addressed to the client, as well as from other credible sources. If the entity that is issuing the instrument is already a VIS rating client, then, limited additional information may be solicited. The type and quantity of information requested from the client may vary based on the Company's complexity, its operations and industry, as well as the availability of information from other public sources.
- **Assessment:** Analysts prepare risk evaluation documents using the collected data. This step ensures a comprehensive understanding of the client's business, financial standing, and industry environment.
- **Due Diligence Meeting:** The due diligence meeting is held with the client's management to discuss current challenges and future strategic plans and the same is incorporated into the assessment. A site visit may be conducted as required. Post initial or preliminary rating, site visit may be conducted periodically.
- **Preliminary Analysis and Drafting:** The rating team conducts a preliminary analysis of the gathered information and insights and prepares an initial draft rating report incorporating analysts indicative rating. For all new ratings or rating band changes, the assessment and indicative ratings are reviewed by an internal Quality Control Committee, consisting of senior management.
- **Review by Rating Committee:** The draft report is circulated to the Rating Committee for feedback and evaluation. The committee assesses the findings and provides input and conveys their final decision to the rating team. The committee also considers formal appeals from clients who seek a reassessment of their assigned ratings. If a request for reconsideration is submitted, it allows clients to present additional information or clarify existing data, ensuring that all relevant factors are thoroughly evaluated before a final determination is made again.
- **Client Engagement:** After incorporating the committee's feedback, the draft report is shared with the client. In case of public rating, a draft press release is also shared. The client is given an opportunity to review for factual accuracy and assess the disclosure of any confidential information.
- **Issuance of Rating:** Post client review, the press release and rating report are formally issued to the client and simultaneously released in the public domain. In case rating is not a public rating, the rating report is privately shared with the client.