

CARE's Confidentiality Policy

[In supersession of "CARE's Confidentiality Policy" dated [April 2017](#)]

A. Introduction

CARE is committed to maintain confidentiality of all non-public information (including that received from a rated entity, obligor, or originator, or the underwriter or arranger of a rated obligation), and non-public information about a credit rating action.

It is important that CARE protects and safeguards the confidential information that it gathers, creates and possesses. Loss or misuse of confidential information could harm the company's reputation, lead to loss of clients and have legal implications.

All employees working at CARE are legally and morally bound to protect confidentiality of any non-public information that they may come into contact with during the course of their work. An employee will not, at any time during his/her employment with the Company or thereafter, divulge any of the affairs of the Company to any other company, person or persons, without previous written consent of the Company. He or she shall also not use or attempt to use any information acquired by him or her in the course of his/her employment for personal benefit in any manner.

B. Applicability of CARE's Confidentiality Policy

CARE's Confidentiality Policy shall be applicable to all employees of CARE, unless specifically excluded.

C. Definitions

The terms/abbreviations which are used in this Policy shall have the following meanings / descriptions:

- CARE or “the Company”** : Means CARE Ratings Limited (Formerly known as Credit Analysis & Research Ltd.), a public limited company incorporated under the Companies Act, 1956 and a Credit Rating Agency registered with the Securities and Exchange Board of India.
- Client** : Means any Issuer whose securities/debt facilities are rated by CARE and includes any such assignment related to grading, valuation of equity, debt instruments or market-linked debentures, or research activities done by CARE.
- Issuer** : Means a person whose securities/debt facilities are proposed to be rated by CARE and includes any such assignment related to grading, valuation of equity, debt instruments or market-linked debentures, or research activities done by CARE.
- Securities** : Has the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 and also includes instruments and loans / facilities provided by banks as clarified by SEBI vide circular no CIR/MIRSD/3/2012 dated March 01, 2012.
- Rating** : Means an opinion regarding securities/debt facilities, expressed in the form of standard symbols or in any other standardized manner, assigned by a credit rating agency and used by the issuer of such securities/debt facilities.
- Grading products** : These include products which are different from credit rating products and have different grading/rating scales. These are essentially driven by the market's need and involve relative assessment within a particular industry.
- RBI** : Reserve Bank of India
- SEBI** : Securities and Exchange Board of India
- Employee** : Shall include:
- a) All the Directors of the Company
 - b) All the employees
 - c) Trainees
 - d) Employees on deputation and
 - e) Any other person as specified from time to time

- Director** : Means a member of the Board of Directors of the Company
- Disclosure** : Includes any implicit or explicit written or oral communication of information in the possession of the Company and/or employee

D. Maintaining confidentiality of issuer/client data and of the rating process

During the rating process CARE's employees receive confidential and non-public information from issuers or clients. It is imperative that all employees who come in contact with such information maintain its confidentiality.

Employees shall use the information only for the purpose of rating/grading activities and for such other services as provided by CARE. They shall take all reasonable steps to protect confidential and/or material non-public information from fraud, theft, misuse, or inadvertent disclosure. Further, the employees shall disclose the information to other employees only on a **"need-to-know" basis**. Recipients of such information must also respect that the information has been given to them in confidence.

Confidential information about issuer/client shall also not be disclosed to any employee of CARE's group companies (including subsidiaries, associates, and joint ventures of CARE).

The following specific practices shall be adopted by all employees:

- 1. Employees shall not discuss confidential information in a manner that they can be heard by others.** Employees shall especially take precautions while conducting discussions in public places, which inter alia include buses, taxis, autos, trains, airplanes, elevators, subways, malls, restaurants etc. Further, employees will also exercise caution while talking on mobile phones while in public places.
- 2. Employees shall ensure that all issuer/client data, their analytical notes and workings are appropriately maintained so that the same are not subject to fraud, theft, misuse or inadvertent disclosure.** Employees should file all data available in hard copy in the respective issuer's/client's files and store the hard files at the designated locations; data available in soft form shall be maintained on the server in the appropriate locations.

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password. Employees shall follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time in consultation with the person in charge of the IT department.

Further, employees shall not leave loose sheets of data on their desks and also lock their laptops/ desktops/ tablets with passwords when not in use.

3. **Rating data shall not be shared with the non-rating employees of CARE.**
4. **No employee shall disclose issuer/client data to any third party without the written permission of the Company and issuer/client as the case may be.** However, any information can be disclosed to a judicial, legislative or regulatory authority like SEBI, RBI, Government authorities, court of law etc. if they so desire. In such cases, the **information shall be disclosed to the judicial, legislative or regulatory authority only under the supervision of the Compliance Officer.**
5. **Employees are prohibited from disclosing their views on rating/ rating recommendations to the issuer/client and any third party.**

Employees are also prohibited from disclosing any information about the rating committee deliberations, including, but not restricted to, the opinion of the individual rating committee members or the fact that they agreed/disagreed with the analyst recommendations etc. Only the final rating decision of the rating committee shall be communicated to the issuer/client (in all cases) and disseminated to the public at large as per the Company's standard policy.

6. **No employee of CARE shall disclose any unaccepted ratings (except the details which are published by CARE on its website) and unpublished accepted ratings or unpublished rating actions to any third party.** Such information can only be disclosed to a judicial, legislative or regulatory authority like SEBI, RBI, Government authorities, court of law etc. if they so desire. In such cases, the **information shall be disclosed to the judicial, legislative or regulatory authority only under the supervision of the Compliance Officer.**

- 7. Only authorized employees can discuss the rationale behind any rating action which is in public domain with the investors, media or other third parties.** While doing so, care should be taken that discussion pertains to only the information which is in public domain. No employee is allowed to disclose non-public information about any issuer/client to the investors, media or other third parties.

At times investors, media or other third parties may approach CARE's employees to find out the impact of a latest development on the rating of an issuer/a client. **Employees are prohibited from giving any indication or assurance as to what the rating action will be, including the timelines of the rating action.** Further, if a rating action has already been taken, but has not been disseminated to the public by CARE, employees are prohibited from disclosing such information to the investors, media or other third parties.

- 8. Employees are prohibited from using any unpublished issuer/client information or unpublished rating actions for any personal benefits or for the benefit of others. Employees must strictly adhere to the "Code of Conduct for Directors and Employees of CARE".**
- 9. No confidentiality agreements may be signed with the issuers/clients without first consulting the Compliance Officer.**

E. Maintaining confidentiality of non-public information pertaining to CARE

Please refer "Code of Conduct for Directors and Employees of CARE" for details on the same.

F. Use of personal electronic devices and email accounts

Employees are prohibited from using their personal electronic devices or email accounts for storing, transferring or disclosing any confidential issuer/client data or data pertaining to the rating process or data pertaining to CARE, except as laid out in the IT Policy.

G. Clarification/ interpretation of CARE's Confidentiality Policy

In case of any clarifications/ interpretation of this policy, the employees should contact the Compliance Officer.

H. Violation of CARE's Confidentiality Policy

Any violation of the above policy will be viewed very seriously and stern action may be taken, which may, inter-alia, include summary suspension from the services of CARE.

[Last updated on June 21, 2017]

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable.

CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.