

Date: June 30, 2021
SE/2020-21/20

To,

The General Manager The Corporate Relation Department Bombay Stock Exchange Limited Phiroza Jeejeebhoy Towers 14 TH Floor, Dalal Street Mumbai 400 001 Scrip Code: 534804	The National Stock Exchange India Ltd. Listing Department Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code: CARERATING
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Dear Sir,

Sub: Submission of Annual Secretarial Compliance Report for the financial year ended 31st March, 2021 under Reg. 24A

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019 please find enclosed copy of Annual Secretarial Compliance Report dated 30th June 2021 for the financial year 2020-21 issued by M/s A.K. Jain & Co., Practising Company Secretaries.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

For CARE Ratings Limited

Nehal Shah



Nehal Shah

Company Secretary & Compliance Officer

Encl : As above

CARE Ratings Ltd.

**Annual Secretarial Compliance Report of CARE Ratings Limited
For the year ended 31st March, 2021**

We have examined:

- (a) all the documents and records made available to us and explanation provided by **CARE Ratings Limited** ("The Listed Entity" or "the Company"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable during the review period**);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable during the review period**);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the review period**);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (**Not Applicable during the review period**);
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999.

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the review period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in the matter specified below:



Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	<p>Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 states that 'The listed entity shall disclose to stock exchange(s) of all the events, as specified in Part A of Schedule III as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information'</p> <p>Part A Para B Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30): (8) Litigation(s) / dispute(s) / regulatory action(s) with impact.</p>	In term of Regulation 30 and Schedule III Part A Para B Company required to submit disclosure on receipt of SEBI order dated 22 th September, 2020 for enhancing penalty from Rs.25 lakhs to Rs.100 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 07 th September, 2018.	The Company has not submitted disclosure with respect to SEBI order for enhancing penalty from Rs.25 lakhs to Rs.100 lakhs in term of Regulation 30 and Schedule III Part A Para B.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1.	Securities and Exchange Board of India (SEBI)	The Company has received Show cause notice (SCN) from SEBI dated 07 th September, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing penalties by Adjudicating Officer) Rules, 1995 on the matter relating to alleged that company	SEBI, vide its adjudication order 24 th July, 2020, imposed a penalty of Rs.100 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 07 th September, 2018.	SEBI concluded its adjudication proceedings against the Company and vide its order dated 24 th July, 2020, imposed a penalty of Rs.100 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 07 th September, 2018. Thereafter the Company



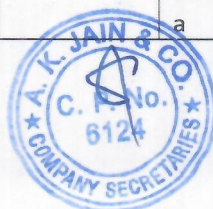
		is in violation of regulation 15(1) and clause 3 and 8 of Code of Conduct for Credit Rating Agencies read with Regulation 13 of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of NCD issue of one of its client.		has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 09 th December, 2020 and as per the direction of the SAT the Company has deposited Rs.20 lakhs with SEBI till the appeal is decided. The said appeal was pending as on 31 st March, 2021.
2.	Securities and Exchange Board of India (SEBI)	The Company has received show cause notice ("SCN") from SEBI dated 17 th December, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter relating to alleged that company is in violation of the provision of Regulation 13 and 24 (7) read with clause (4) and (8) of the Code of Conduct for Credit Rating Agencies as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of various NCD issue of one of its client and its subsidiary.	SEBI, vide its adjudication order dated 26 th December, 2019, imposed a penalty of Rs.25 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect of the SCN dated 17 th December, 2018. SEBI has further issued a SCN dated 28 th January, 2020 under Section 15-I (3) of SEBI Act, 1992, for enhancement of said penalty amount in respect of the initial SCN. Subsequently, the SEBI vide its order dated 22 nd September, 2020, has enhanced the penalty for an amount to Rs. 1 crore on the Company under Section 15HB of SEBI Act, 1992	SEBI concluded its adjudication proceedings against the Company and vide its order dated 26 th December, 2019, imposed a penalty of Rs.25 lakhs on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN. Further, SEBI issued a SCN dated 28 th January, 2020 under Section 15-I (3) of SEBI Act, 1992, enquiring that why the penalty amount should not be enhanced in respect of the initial SCN. The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI. The said appearance could not happen on 23 rd March, 2020 due to COVID-19 lockdown. Management of the Company also advised that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT"). SEBI vide its order dated 22 nd September, 2020, has enhanced the



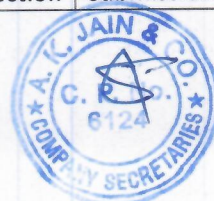
				<p>penalty for an amount to Rs. 1 crore on the Company under Section 15HB of SEBI Act, 1992</p> <p>Subsequently, the Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31st March, 2021.</p>
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- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Company has received Show cause notice from SEBI dated 07 th September, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing penalties by Adjudicating Officer) Rules, 1995 on the matter relating to alleged that company is in violation of regulation 15(1) and clause 3 and 8 of Code of Conduct for Credit Rating Agencies read with Regulation 13 of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of NCD issue of one of its client.	2018-19	The Company has filed reply to the SEBI and had sought time for personal appearance for hearing.	The Company has filed reply to the SEBI.
2	The Company has received show cause notice ("SCN") from SEBI dated 17 th December, 2018 under Rule 4 (1) of SEBI	2018-19	SEBI, vide its adjudication order dated 26 th December 2019, imposed a penalty of	SEBI concluded its adjudication proceedings against the Company and vide its order dated 26 th December, 2019, imposed a penalty of

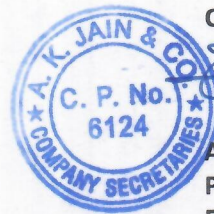


	<p>(Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter relating to alleged that company is in violation of the provision of Regulation 13 and 24 (7) read with clause (4) and (8) of the Code of Conduct for Credit Rating Agencies as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of various NCD issue of one of its client and its subsidiary.</p>		<p>Rs.25 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 17th December, 2018.</p> <p>SEBI has further issued a SCN dated 28th January, 2020 under Section 15-I (3) of SEBI Act, 1992, for enhancement of said penalty amount in respect of the initial SCN.</p>	<p>Rs.25 lakhs on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN.</p> <p>Further, SEBI issued a SCN dated 28th January, 2020 under Section 15-I (3) of SEBI Act, 1992, enquiring that why the penalty amount should not be enhanced in respect of the initial SCN.</p> <p>The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI. The said appearance could not happen on 23rd March, 2020 due to COVID-19 lockdown.</p> <p>Management of the Company also advised that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT").</p>
3	<p>The Company has received show cause notice ("SCN") from SEBI dated 17th December, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter relating to alleged that company is in violation of the provision of Regulation 13 and 24 (7) read with clause (4) and (8) of the Code of Conduct for Credit Rating Agencies as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 in the</p>	2019-20	<p>SEBI, vide its adjudication order dated 26th December, 2019, imposed a penalty of Rs.25 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 17th December, 2018.</p> <p>SEBI has further issued a SCN dated 28th January, 2020 under Section</p>	<p>SEBI concluded its adjudication proceedings against the Company and vide its order dated 26th December, 2019, imposed a penalty of Rs.25 lakhs on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN.</p> <p>Further, SEBI issued a SCN dated 28th January, 2020 under Section 15-I (3) of SEBI Act, 1992, enquiring that why the penalty amount should not be enhanced in respect of the initial SCN. The Company had made submission and</p>



	<p>matter of rating of various NCD issue of one of its client and its subsidiary.</p>		<p>15-I (3) of SEBI Act, 1992, for enhancement of said penalty amount in respect of the initial SCN.</p>	<p>requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI. The said appearance could not happen on 23rd March, 2020 due to COVID-19 lockdown. Management of the Company also advised that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT").</p>
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For A. K. Jain & Co.
Company Secretaries



(Signature)
Ashish Kumar Jain
Proprietor

FCS: 6058, CP: 6124

UDIN: F006058C000548127

Place: Mumbai

Date: 30th June, 2021