

Date: August 03, 2022
SE/2022-23/30

To,

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

Sub: Postal Ballot Notice - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In line with the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we enclose herewith Notice of Postal Ballot dated Tuesday, July 26, 2022, seeking approval of Members for Approval for Buyback of Equity Shares of the Company.

Date of events relevant to Postal Ballot are as below:

Sr. No	Particulars	Dates
1.	Date of completion of dispatch of Notice (by electronic means) to members whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, July 22, 2022	Wednesday, August 03, 2022
2.	Date of Commencement of e-Voting	Thursday, August 04, 2022 at 9.00 A.M.
3.	Date of Ending of e-Voting ("Last Date")	Friday, September 02, 2022 at 5.00 P.M.
4.	Results of Postal Ballot	On or Before Saturday, September 3, 2022

Postal Ballot Notice, along with the Explanatory Statement, is uploaded on the website of the Company at www.careedge.in and on the website of National Securities Depository Limited at www.evoting.nsdl.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For CARE Ratings Limited

Nehal Shah
Company Secretary & Compliance Officer

Encl.: As above

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in



CARE Ratings Limited

CIN: L67190MH1993PLC071691

Reg. Off.: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,

Off Eastern Express Highway, Sion (East), Mumbai 400022

Phone: +91 - 22 - 67543456; Email.: investor.relations@careedge.in

Website: www.careedge.in

POSTAL BALLOT NOTICE

To the Members of the Company,

Notice is hereby given that pursuant to Section 108 read with Section 110 of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014 (“the Rules”) as amended from time to time and other applicable provisions of the Act and the Rules, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17 / 2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39 / 2020 dated December 31, 2020, General Circular No. 10 / 2021 dated June 23, 2021, General Circular No.20/2021 dated December 8, 2021 and General Circular No.03/2022 dated May 5, 2022 (“the MCA Circulars”) issued by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), that CARE Ratings Limited (the “Company”) is seeking the approval of its Members by way of special resolution for the matter more specifically provided in the appended resolution proposed to be passed by way of Postal Ballot through the remote e-voting only (“remote e-voting”).

In compliance with the requirements of the MCA Circulars, the Company will send Postal Ballot Notice by email to all its eligible Members who have registered their email addresses with the Company or depositories / depository participants and the communication of assent / dissent of the Members will take place through the remote e-voting system. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot. Please refer to detailed instructions for remote e-voting explained in notes to the Notice.

The Explanatory Statement pursuant to Section 102 of the Act pertaining to the said resolution, setting out material facts and the reasons for the Resolution, is also annexed. You are requested to peruse the proposed Resolution, along with the Explanatory Statement and thereafter record your assent or dissent through Postal Ballot by remote e-voting facility provided by the Company.

The Board of Directors of the Company has appointed Mr. Ashish Kumar Jain proprietor of A.K. Jain & Co., Company Secretary in Practice, Membership No. 6058 and CP No. 6124, as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as Scrutinizer for the said purpose.

The Scrutinizer will submit his report to the Chairman of the Company or any person authorised by him, after completion of the scrutiny of remote e-voting. The results of Postal Ballot will be announced on or before Saturday, September 3, 2022. The results of the Postal Ballot along with the Scrutinizer's Report will be posted on the Company's website viz. www.careedge.in and National Securities Depository Limited ("NSDL") website viz. www.evoting.nsdl.com and will also be communicated to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

SPECIAL BUSINESS:

Approval for Buy-back of Equity Shares of the Company

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Article 75 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the **"Companies Act"**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **"Listing Regulations"**) and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended including any statutory modifications and amendments from time to time (the **"Buy-back Regulations"**), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed to by the board of directors of the Company (the **"Board"**, which expression shall include committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent of the Members, be and is hereby accorded for the buy-back by the Company of up to 23,68,000 fully paid-up equity shares of face value of ₹10/- (Rupees Ten only) each (**"Equity Shares"**) (representing 7.99% of the total issued and paid-up equity share capital of the Company) at a price of ₹515/- (Rupees Five Hundred and Fifteen only) per Equity Share (the **"Buy-back Offer Price"**) payable in cash for an aggregate amount not exceeding ₹1,21,95,20,000/- (Rupees One Hundred Twenty One Crore Ninety Five Lakhs and Twenty Thousand only) (excluding any expenses incurred or to be incurred for the buy-back such as fee payable to the Securities and Exchange Board of India (**"SEBI"**), advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction

costs viz. brokerage, applicable taxes such as **Buy-back** tax, securities transaction tax, goods and services tax, stamp duty, etc. and other incidental and related expenses), (the **“Maximum Buy-back Size”**), which is 19.30% and 19.39% of the fully paid-up equity share capital and free reserves (including securities premium) as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, to be sourced out of free reserves and securities premium of the company and/or such other source as may be permitted by the Buy-back Regulations and the Companies Act, from the shareholders of the Company as on the record date, on a proportionate basis, through a “tender offer” as prescribed under the Buy-back Regulations (the **“Buy-back”**).”

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buy-back using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force.

RESOLVED FURTHER THAT the Buy-back shall be made by the Company from the free reserves and securities premium of the Company and on such terms and conditions as the Board may decide from time to time in the absolute discretion of the Board as it may deem fit.

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from banks and financial institutions for paying the consideration to the equity shareholders who have tendered their Equity Shares in the Buy-back.

RESOLVED FURTHER THAT the Company may buy-back Equity Shares from the shareholders holding Equity Shares of the Company on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buy-back or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buy-back Regulations.

RESOLVED FURTHER THAT the Company shall not buy-back the locked-in Equity Shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the Equity Shares or other specified securities become transferable.

RESOLVED FURTHER THAT the Buy-back from non-resident shareholders, Overseas Corporate Bodies, Foreign Institutional Investors, Foreign Portfolio Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India

(“RBI”) under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any, and that such approvals shall be required to be taken by such shareholders themselves.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred hereinabove as it may in its absolute discretion deem fit, to any Committee of Director(s)/any one or more Director(s)/Officer(s)/Authorised Representative(s) (“**Buy-back Committee**”) of the Company in order to give effect to this resolution, including:

- a. To decide the specified date / record date and entitlement ratio for the purpose of Buy-back;
- b. To enter into escrow arrangements as required in terms of the Buy-back Regulations;
- c. To appoint, authorize, enter into agreements/letters with and issue necessary instructions to the merchant banker, registrar, custodian, bankers, solicitors, escrow agents, brokers, lawyers, depository participants, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as required, for the implementation of the Buy-back and decide and settle the remuneration for such persons/ advisors/ consultants/ intermediaries/ agencies including by the payment of commission, brokerage, fee, charges etc.
- d. To decide the ‘designated stock exchange’ for the Buy-back;
- e. To open, operate and close the necessary accounts including bank accounts and escrow accounts required, if any, and to enter into escrow and other agreements with and to give instructions to the bankers in connection therewith, and provide bank guarantee(s) as may be required on such terms as deemed fit and to decide authorized signatories to such accounts including bank accounts and escrow accounts;
- f. To open, operate and close one or more depository account/ trading account / buyer broker account and to open, operate and close special trading window account with the designated stock exchange and to decide the authorized signatories for depository account/trading account/buyer broker account/special trading window account;
- g. To authorize bankers to act upon the instructions of the Merchant Banker as required under the Buy-back Regulations;
- h. To adopt text of and to make Public Announcement, Draft Letter of Offer, Letter of Offer and all offer documents with respect to the Buy-back, whether before or after the Buy-back (“**Buy-back Offer Documents**”) and any revision thereto;
- i. To file the Buy-back Offer Documents, the certificate for declaration of solvency with SEBI, the stock exchanges, the Registrar of Companies, Maharashtra at Mumbai and other appropriate authorities, and all necessary certificates, returns, declarations, undertakings, confirmations and all other documents required to be filled in connection with the

Buy-back with appropriate authorities;

- j. To decide on opening date for commencing of offer for Buy-back and closing date thereof;
- k. To decide on the time-table from the opening of the offer till the extinguishment of the shares;
- l. To issue, furnish and make disclosures, certificates, returns, confirmations etc. as may be required under the Companies Act, Buy-back Regulations, Listing Regulations or other applicable law and to file such documents with the relevant persons as may be required under the Companies Act, Buy-back Regulations, Listing Regulations or other applicable law;
- m. To seek necessary regulatory/statutory approvals, if any including of SEBI for implementing the Buy-back including making all applications to the appropriate authorities for their requisite approvals;
- n. To sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the Members for the implementation of the Buy-back, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buy-back to the SEBI, RBI, Registrar of Companies, stock exchanges, depositories, SEC and/or other authorities, institutions or bodies;
- o. To obtain all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- p. To verify offer/acceptances received, to finalize basis of acceptance, to pay to the Members consideration for shares bought back pursuant to the Buy-back;
- q. To extinguish dematerialized shares and destroy physical share certificates in respect of the Equity Shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buy-back on behalf of the Company and/or the Board.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any Members to offer and/or any obligation on the part of the Company or the Board or the Buy-back Committee to Buy-back any shares, and/or impair any power of the Company or the Board or the Buy-back Committee to terminate any process in relation to such Buy-back, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and the Buy-back Committee be and are hereby empowered and authorised severally on behalf of the Company to accept and make any alteration(s)/modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy-back, in accordance with the statutory requirements or any conditions laid down by any regulatory or other authority while giving its approval as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and/or any person authorised by the Board of Directors may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buy-back without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By the Order of Board of Directors

Place: Mumbai
Date: July 26, 2022

Sd/-
Nehal Shah
Company Secretary & Compliance Officer
ACS:18077

Registered Office:
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East),
Mumbai- 400 022

Notes:

1. A statement as required under Section 102 of the Companies Act (“the Act”) in respect to the Resolution setting out all material facts relating to the Resolution mentioned in this Notice is annexed.
2. Pursuant to the provisions of Section 110 of the Act read with the Rules and the MCA Circulars, your Company has an option to seek the approval of the Members through Postal Ballot (via remote e-voting) for the abovementioned resolution, instead of getting the same passed at a General Meeting. Accordingly, if the resolution is approved by the Members through Postal Ballot via remote e-voting, it shall be deemed to have been passed as if the same has been passed at a General Meeting of the Members convened in this regard.

3. Dispatch of Postal Ballot Notice through electronic mode

In accordance with Section 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars, physical copies of the Notice will not be sent to the Members.

This Notice is being sent electronically to all the Members whose names appear in the Register of Members/ List of Beneficial Owners maintained by the Company/ Depositories respectively as at close of business hours on Friday, July 22, 2022 (the “**cut-off date**”) and who have registered their email address with the Company and/ or with the Depositories/ Depository Participants.

Members who have not registered their e-mail addresses either with the Company or the Depositories / Depository Participants are requested to register the same with the Company or the Depositories/ Depository Participants, in accordance with the process specified herein below:

Process for registration of e-mail address:

- Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agents of the Company KFin Technologies Limited (“**KFintech**”) at inward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, scanned copy of the share certificate (front and back), self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member.
- Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

- In case of any queries / difficulties in registering the e-mail address, Members may write to einward.ris@kfintech.com
4. The Notice is being uploaded on the website of the Company i.e www.careedge.in and on the website of stock exchanges i.e. BSE Limited and the National Stock Exchange of India Limited and NSDL at <https://www.evoting.nsdl.com>
 5. All material documents referred to in the Explanatory Statement shall be made available on request for electronic inspection from 10:00 a.m. to 5:00 p.m. (IST) on all working days till the last date of voting. Members seeking to inspect such documents can send an e-mail to investor.relations@careedge.in.
 6. Members would be able to cast their votes and convey their assent or dissent to the proposed resolution only through the remote e-voting process. Voting Rights shall be in proportion to Member's shareholding in the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, July 22, 2022**. Only those Members whose names are recorded in the Register of Members of the Company or in the list of Beneficial Owners maintained by the Depositories as on cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a Member as on cut-off date, should treat this Notice for information purpose only.
 7. The Resolution, if passed with requisite majority by the Members through Postal Ballot will be deemed to be passed on the last date of the e-voting period i.e. on **Friday, September 2, 2022**.
 8. In compliance with provisions of Section 108 and 110 of the Act read with the Rules made thereunder and Regulation 44 of Listing Regulations and the MCA Circulars, the Company is pleased to offer remote e-Voting facility to its Members to enable them to cast their votes electronically. For this purpose, the Company has engaged the services of NSDL for facilitating remote e-voting. The facility to exercise vote through remote e-voting will be available during the following period:

Commencement of e-voting: From 09.00 a.m. on Thursday, August 4, 2022

Conclusion of e-voting: At 05:00 p.m. on Friday, September 2, 2022

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast vote again.

9. The process and manner for remote e-Voting is explained below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ul style="list-style-type: none"> <li data-bbox="548 898 1461 1409">i. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. <li data-bbox="548 1457 1461 1598">ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>iv. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<p>i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p>

Individual Shareholders holding securities in demat mode with CDSL.	<p>iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will

force you to change your password.

- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
- ii. Select "EVEN" of company for which you wish to cast your vote during the remote

e-Voting period.

- iii. Now you are ready for e-Voting as the Voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- v. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to einward.ris@kfintech.com.
 - ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to einward.ris@kfintech.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
 - iii. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
 - iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
10. Members of the Company including Institutional Investors are encouraged to vote on the resolution proposed in this notice.

11. General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to investor.relations@careedge.in with a copy marked to evoting@nsdl.co.in
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre or Mr. Amit Vishal at evoting@nsdl.co.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The Board of Directors of the Company, at its meeting held on July 20, 2022 (“**Board Meeting**”) has, pursuant to the provisions of Article 75 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the “**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended, including any statutory modifications and amendments from time to time (the “**Buy-back Regulations**”) and subject to the approval of the Members of the Company by way of Special Resolution and subject to such other approvals permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the board of directors of the Company (the “Board”, which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), approved buyback of up to 23,68,000 fully paid-up equity shares of face value of ₹10 (Rupees Ten) each (“Equity Shares”), (representing 7.99% of the total issued and paid-up equity share capital of the Company), at a price of ₹515/- (Rupees Five Hundred and Fifteen only)

per Equity Share (“Buy-back Offer Price”) payable in cash for an aggregate amount not exceeding ₹1,21,95,20,000/- (Rupees One Hundred Twenty One Crore Ninety Five Lakhs and Twenty Thousand only) excluding any expenses incurred or to be incurred for the buy-back such as fee payable to the Securities and Exchange Board of India (“SEBI”), advisors’ fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc. and other incidental and related expenses) (“Maximum Buy-back Size”), which is 19.30% and 19.39% of the fully paid-up equity share capital and free reserves (including securities premium) as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, to be sourced out of free reserves and securities premium of the Company and/or such other source as may be permitted by the Buy-back Regulations and the Companies Act, from the shareholders of the Company, as on the record date, on a proportionate basis through a “tender offer” as prescribed under the Buy-back Regulations (the “**Buy-back**”).

The Buy-back is within 25% of the aggregate of paid-up equity share capital and free reserves (including securities premium) of the Company as per latest audited standalone and consolidated financial statements for the financial year ended March 31, 2022 (i.e. the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buy-back). The Maximum Buy-back Size of the Buy-back constitutes 19.30% and 19.39% of the aggregate fully paid-up equity share capital and free reserves (including securities premium) as per latest audited standalone and consolidated financial statements for the financial year ended March 31, 2022, respectively, which is within the prescribed limit of 25% and represents 7.99% of the total issued and paid-up equity share capital of the Company.

Since the Buy-back is more than 10% of the total paid-up equity share capital and free reserves (including securities premium) of the Company, in terms of Section 68(2)(b) of the Companies Act, it is required to obtain the consent of the Members of the Company, for the Buy-back, by way of a Special Resolution. Accordingly, the Company is seeking your consent by means of postal ballot for the aforesaid proposal as contained in the Resolution provided in this Postal Ballot Notice.

Certain figures contained in this Postal Ballot Notice have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points.

Requisite details relating to the Buy-back are given below:

a. Date of the Board Meeting at which the proposal for Buy-back was approved by the Board of Directors of the Company:

July 20, 2022

b. Rationale/Necessity of the Buy-back

The Buy-back is being undertaken by the Company to return surplus funds to its Shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost-efficient manner. Additionally, the Company's management strives to increase Shareholders' value and the Buy-back would result in, amongst other things:

- (i) optimising returns to shareholders;
- (ii) enhancing overall shareholder value;
- (iii) achieving optimum capital structure;
- (iv) mitigating the effects of short-term market volatility; and
- (v) enhancing shareholders' confidence.

c. Maximum number of securities that the Company proposes to Buy-back

The Company proposes to Buy-back up to 23,68,000 (Twenty Three Lakhs Sixty Eight Thousand) fully paid-up Equity Shares of face value of ₹10/- (Rupees Ten only) each of the Company.

d. Buy-back Price and basis of determining the price of the Buy-back

The Equity Shares of the Company are proposed to be bought back at a price of ₹515/- (Rupees Five Hundred and Fifteen only) per share ("Buy-back Offer Price"). The Buy-back Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") i.e. the stock exchanges, where the Equity Shares of the Company are listed, impact on net worth, price earnings ratio, earnings per share and other financial parameters.

The Buy-back Offer Price represents:

- (i) premium of 11.50% and 10.35% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 3 (three) months period preceding July 12, 2022, being the date of intimation to the Stock Exchanges regarding the Board Meeting Date ("Intimation Date");
- (ii) premium of 22.61% and 22.62% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 2 (two) weeks preceding the Intimation Date;
- (iii) premium of 23.99% and 24.11% over the closing price of the Equity Shares on the BSE and the NSE respectively, as on the Intimation Date and

- (v) premium of 9.87% and 9.91% over the closing price of the Equity Share on BSE and NSE, respectively, as on July 20, 2022, being the Board Meeting Date.

The closing market price of the Equity Shares as on the Intimation Date was ₹415.35 and ₹414.95 and as on the Board Meeting Date was ₹468.75 and ₹468.55 on the BSE and the NSE, respectively.

As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up capital and free reserves after the Buy-back both on the audited standalone and consolidated financial statements of the Company as on March 31, 2022.

e. Maximum amount required for Buy-back, its percentage of the total paid-up capital and free reserves and sources of funds from which Buy-back would be financed

The maximum amount required for Buy-back will not exceed ₹1,21,95,20,000/- (Rupees One Hundred Twenty One Crore Ninety Five Lakhs and Twenty Thousand only) excluding any expenses incurred or to be incurred for the buy-back such as fee payable to SEBI, advisors' fees, public announcement, publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc. and other incidental and related expenses. The said amount works out to 19.30% and 19.39% of the aggregate fully paid-up equity share capital and free reserves (including securities premium) as per latest audited standalone and consolidated financial statements for the financial year ended March 31, 2022, respectively, which is within the prescribed limit of 25%.

The funds for the implementation of the Buy-back will be sourced out of free reserves and securities premium of the company and/or such other source as may be permitted by the Buy-back Regulations or the Companies Act.

The Company shall transfer from its free reserves and securities premium, a sum equal to the nominal value of the Equity shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

The funds borrowed, if any, from banks and financial institutions will not be used for purpose of the Buy-back.

f. Method to be adopted for the Buy-back

The Buy-back shall be on a proportionate basis, through the "Tender Offer" route, as prescribed under the Buy-back Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars.

The Buy-back will be implemented in accordance with the Companies Act read with the rules framed thereunder, the Buy-back Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buy-back Regulations, the Company will announce a record date (“Record Date”) for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buy-back (“Eligible Shareholder(s)”). Consequent to the approval of the Buy-back, Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- (i) Reserved category for small shareholders; and
- (ii) General category for all other shareholders.

As defined in Regulation 2(i)(n) of the Buy-back Regulations, a “small shareholder” is a shareholder who holds Equity Shares having market value, based on closing price of shares on Stock Exchanges having highest trading volume as on the Record Date, of not more than ₹2,00,000 (Rupees Two Lakh only).

In accordance with Regulation 6 of the Buy-back Regulations, 15% (Fifteen percent) of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buy-back.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buy-back. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs.

In accordance with Regulation 9(ix) of the Buy-back Regulations, to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buy-back. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical, the Company will club together the Equity Shares held in such cases. Similarly, in case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the Equity Shares held in such cases where the sequence of name of joint shareholders is

identical.

Shareholders' participation in Buy-back will be voluntary. Eligible Shareholder(s) holding Equity Shares can choose to participate and get cash in lieu of shares to be accepted under the Buy-back or they may choose not to participate. Eligible Shareholder(s) holding Equity Shares may also accept a part of their entitlement. Eligible Shareholder(s) holding Equity Shares also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by Eligible Shareholder(s) holding Equity Shares as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations. The settlement of the tenders under the Buy-back will be done using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy-Back and Delisting" notified by SEBI Circulars.

Detailed instructions for participation in the Buy-back (tender of Equity Shares in the Buy-back) as well as the relevant timetable will be included in the Letter of Offer to be sent to the Eligible Shareholder(s).

g. Time limit for completing the Buy-back

The Buy-back, subject to the regulatory consents and approvals, if any, is proposed to be completed within 12 months from the date of passing of Special Resolution by the Members as contemplated in this Postal Ballot Notice.

h. Compliance with Section 68(2)(c) of the Companies Act

The aggregate paid-up Share Capital and free reserves (including securities premium) as on March 31, 2022 is ₹631.88 crore and ₹628.93 crore as per latest audited standalone and consolidated financial statements of the Company i.e. March 31, 2022, respectively. Under the provisions of the Companies Act, the funds deployed for the Buy-back cannot exceed 25% of the aggregate fully paid-up equity share capital and free reserves (including securities premium) of the Company as per latest audited standalone and consolidated financial statements for the financial year of the Company as on March 31, 2022. The maximum amount proposed to be utilized for the Buy-back, is not exceeding ₹1,21,95,20,000/- (Rupees One Hundred Twenty One Crore Ninety Five Lakhs and Twenty Thousand only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves (including securities premium) as per the audited standalone and consolidated financial statements of the Company as on March 31,

2022 (the last audited financial statements available as on the date of Board Meeting recommending the proposal for the Buy-back).

i. Details of holding and transactions in the shares of the Company

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosures as required as per paragraph (vii) of the Schedule I of the Buy-back Regulations is not applicable.

Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on Postal Ballot Notice i.e. July 26, 2022:

Sr. No.	Name	Designation	Number of Equity Shares held	% Shareholding
1	Mr. Mehul Pandya	Interim Chief Executive Officer (Key Managerial Personnel)	18,855	0.06

Note: Except Mr. Mehul Pandya, none of the Directors or other KMP's hold any equity shares of the Company as on the date of the Postal Ballot Notice i.e. July 26, 2022.

None of the Directors or KMPs of the Company as on the date of this notice purchased or sold (either through the stock exchanges or off market transactions) any Equity Shares of the Company during a period of six months preceding the date of the Board Meeting till the date of this Notice for Buy-back.

j. Intention of Promoter and Promoter Group to participate

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Hence, requirements under Schedule I (vii) and (viii) of the Buy-back Regulations are not applicable.

k. Confirmations from Company as per the provisions of Buy-back Regulations and Companies Act

- i. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of expiry of the Buy-back period;
- ii. The Company shall not raise further capital for a period of one year, from the expiry of the Buy-back period, except in discharge of subsisting obligations;
- iii. The Company shall not withdraw the Buy-back after the draft letter of offer is filed with SEBI or the public announcement of the offer for the Buy-back is made;
- iv. The Company shall not buyback locked-in equity shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;

- v. The Company shall transfer from its free reserves and securities premium a sum equal to the nominal value of the Equity shares purchased through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements;
- vi. All the Equity Shares of the Company are fully paid-up;
- vii. Since the Company does not have any promoter, promoter group or persons in control, the confirmation pertaining to public shareholding post buyback not falling below the minimum level required as per Regulation 38 of the Listing Regulations is not applicable to the Company.
- viii. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- ix. The Company, as per the provisions of Section 68(8) of the Companies Act, will not issue same kind of shares or other securities including allotment of new shares under clause (a) of sub-section (1) of Section 62 or other specified securities within a period of 6 months after the completion of the Buy-back except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- x. The Company shall not buy-back its Equity Shares so as to delist its Equity Shares from the stock exchanges;
- xi. The Company shall not buy-back out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities;
- xii. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buy-back based on both the audited standalone and consolidated financial statements of the Company as on March 31, 2022;
- xiii. The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- xiv. The Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-back;
- xv. There are no defaults subsisting in the repayment of deposits or interest thereon, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend or repayment of any term loans or interest payable thereon to any shareholder or financial institution or banking company, as the case may be;

- xvi. That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- xvii. That funds borrowed from banks and financial Institutions, if any, will not be used for the Buy-back;
- xviii. The maximum amount of the Buy-back i.e. ₹1,21,95,20,000/- (One Hundred Twenty Crore Ninety Five Lakhs and Twenty Thousand only) does not exceed 25% of the total paid-up equity share capital and free reserves (including securities premium) as per audited standalone and consolidated financial statements of the Company as on March 31, 2022;
- xix. The maximum number of Equity Shares proposed to be purchased under the Buy-back (up to 23,68,000 Equity Shares), does not exceed 25% of the total number of Equity Shares in the paid-up equity share capital as per the audited standalone balance sheet as on March 31, 2022;
- xx. The Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of buyback period of the preceding offer of buy-back, if any.

I. Confirmation from the Board

The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- (i) Immediately following the date of the Board Meeting and the date on which the result of the members resolution passed by way of Postal Ballot (“Special Resolution”), will be declared, approving the Buy-back, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) As regards the Company’s prospects for the year immediately following the date of the Board Meeting as well as for the year immediately following the Special Resolution, and having regard to the Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting as also from the date of Special Resolution;
- (iii) In forming its opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, and the Insolvency and Bankruptcy Code, 2016, as amended from time to time, as applicable.

m. Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency

The text of the Report dated July 20, 2022 of B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

The Board of Directors
CARE Ratings Limited
4th Floor Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai- 400022

Dear Sirs

Independent Auditor's Report in respect of the proposed buy back of equity shares by CARE Ratings Limited in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended

1. This Report is issued in accordance with the terms of our engagement letter dated 12 October 2021 and addendum to engagement letter dated 20 July 2022 with CARE Ratings Limited (hereinafter referred to as the "**Company**").
2. The Board of Directors of the Company have approved a proposed buy-back of equity shares by the Company at its meeting held on 20 July 2022, in pursuance of the provisions of Section 68 of the Companies Act, 2013 ('the **Act**') read with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("**SEBI Buy-back Regulations**").
3. The accompanying "Statement of Permissible Capital Payment as at March 31, 2022" ('Annexure A') (hereinafter referred to as the "**Statement**") is prepared by the management of the Company, which we have initialled for identification purposes only.

Management's Responsibility for the Statement

4. The preparation of the Statement in compliance with Section 68 of the Act and the Regulation 4(i) of the SEBI Buy-back Regulations and compliance with the SEBI Buy-back Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the

preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide reasonable assurance whether:
 - i. we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at March 31, 2022;
 - ii. the amount of permissible capital payment as stated in Annexure A for the proposed buy-back of equity shares has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2022 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buy-back Regulations; and
 - iii. the Board of Directors of the Company in their meeting dated 20 July 2022, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buy-back Regulations on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from that date.
 - iv. we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The audited standalone and consolidated financial statements for the year ended March 31, 2022, have been audited by us, on which we issued unmodified audit opinions vide our reports dated 28 May 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. Our engagement involves performing procedures to obtain sufficient appropriate evidence, as applicable. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:

- i. Inquired into the state of affairs of the Company with reference to the audited standalone and consolidated financial statements as at March 31, 2022;
 - ii. Examined authorization for buyback from the Articles of Association of the Company;
 - iii. Examined that the amount of permissible capital payment for the buy back as detailed in Annexure A is in accordance with Regulation 4(i) of the SEBI Buy-back Regulations;
 - iv. Traced the amounts of paid-up equity share capital, retained earnings and general reserves as mentioned in Annexure A from the audited standalone and consolidated financial statements as at March 31, 2022;
 - v. Verified the arithmetical accuracy of the amounts mentioned in Annexure A; and
 - vi. Examined that the ratio of secured and unsecured debts owed by the Company, if any, is not more than twice the capital and its free reserve after such buy-back on a standalone as well as consolidated basis for the year ended March 31, 2022;
 - vii. Read the resolutions passed in the meeting of the Board of Directors dated 20 July 2022;
 - viii. Read the Director's declarations for the purpose of buy back and solvency of the Company as detailed in Annexure B;
 - ix. We have not performed any procedures as regards the projections as approved by the Board of Directors and accordingly do not certify the same
 - x. Obtained appropriate representations from the management of the Company.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

11. Based on inquiries conducted and our examination as above, we report that:

- i. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at March 31, 2022;
- ii. The amount of permissible capital payment towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Regulation 4(i) of the SEBI Buy-back Regulations. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at March 31, 2022;
- iii. The Board of Directors of the Company, in their meeting held on 20 July 2022 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buy-back Regulations, on reasonable grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.

Based on representations made by the management, and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

12. This report has been issued at the request of the Company and is addressed to the Board of Directors of the Company pursuant to the requirements of the SEBI Buy-back Regulations, solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and SEBI Buy-back Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository

Services (India) Limited, National Securities Depository Limited and (iii) for providing to the manager to the buyback, and should not be used by any other person or for

any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Partner

Membership No: 067114

UDIN: 22067114ANICQU8097

Mumbai

Date : 20 July 2022

Annexure A - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Companies Act, 2013 (“the Act”) and Regulation 4(i) Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, based on annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022.

(Rupees in Crore)

Particulars		Standalone	Consolidated
Paid up equity share capital as on March 31, 2022 (2,96,46,547 equity shares of Rupees 10/- each)	(A)	29.65	29.65
Free Reserves:*			
Securities Premium		73.70	73.70
General reserve		221.51	221.48
Retained Earnings		307.02	304.11
Total Free Reserves	(B)	602.23	599.29
Total	C=(A+B)	631.88	628.93
Maximum amount permissible towards buy-back in accordance with Section 68(2) (c) of the Companies Act, 2013 (i.e. 25% of the total Paid up equity share capital and free reserves)	C*25%	157.97	157.23
Maximum amount permissible for buy-back under Regulation 4(i) of the SEBI Buy-back Regulations, i.e. 25% of the total paid up capital and free reserves	C*25%	157.97	157.23
Maximum amount permitted by the Board resolution dated July 20, 2022 approving the buy back, subject to shareholders' approval		121.952	

*As defined under Companies Act, 2013

For **CARE Ratings Limited**

Sd/-
Authorised Signatory
Mumbai
20 July 2022

DECLARATION BY THE BOARD OF DIRECTORS OF CARE RATINGS LIMITED

The Board of Directors of the Company (“**Board**”) has made full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- i. Immediately following the date of the Board meeting i.e. July 20, 2022 and the date on which the result of the members resolution passed by way of Postal Ballot (“**Special Resolution**”) will be declared approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- ii. As regards the Company’s prospects for the year immediately following the date of this Board meeting as well as for the year immediately following the Special Resolution, and having regard to the Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of Special Resolution;
- iii. In forming its opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended from time to time, as applicable.

The declaration has been made and issued under the authority of the Board in terms of the resolution passed at its meeting dated July 20, 2022.

For and on behalf of the Board of Directors of the Company**Sd/-**

Adesh Kumar Gupta
Non-Executive Independent Director
DIN: 00020403

Sd/-

V. Chandrasekaran
Non-Executive Non-Independent Director
DIN: 03126243

Place: Mumbai**Date: July 20, 2022**

In the opinion of the Board, the proposal for Buy-back is in the interest of the Company and its Members holding Equity Shares of the Company. The Board, therefore, recommends the Special Resolution as set out in the accompanying Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

By the Order of Board of Directors

Place: Mumbai
Date: July 26, 2022

Sd/-
Nehal Shah
Company Secretary & Compliance Officer
ACS:18077

Registered Office:

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai 400022,
Maharashtra, India
CIN:L67190MH1993PLC071691,
Tel: +91 22 67543456
E-mail: investor.relations@careedge.in
Website: www.careedge.in