

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY WAY OF POSTAL BALLOT THROUGH REMOTE E-VOTING PROCESS BY MEMBERS OF THE CARE RATINGS LIMITED ON FRIDAY, SEPTEMBER 2, 2022, AT 05.00 P.M., CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 RESULT OF WHICH WAS DECLARED ON SEPTEMBER 2, 2022

Approval for Buy-back of Equity Shares of the Company

"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.

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

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

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

- 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

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



RATINGS

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.

**CERTIFIED TRUE COPY
For CARE Ratings Limited**

Nehal Shah
Company Secretary & Compliance Officer
M.No.:- A18077
Place: Mumbai
Date: September 6, 2022

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

CIN-L67190MH1993PLC071691



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.

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

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

CARE Ratings Limited

(iv) 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

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

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.

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

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	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.

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

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

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

- 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.

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

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:

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

- 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.

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

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

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

CIN-L67190MH1993PLC071691

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

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

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

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

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

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.

CERTIFIED TRUE COPY
For CARE Ratings Limited

Nehal Shah
Company Secretary & Compliance Officer
M.No.:- A18077
Place: Mumbai
Date: September 6, 2022

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

