

Date: July 28, 2020
SE/2020-21/031

To,

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


Sub: Submission of Annual Secretarial Compliance Report under Reg.- 24A of SEBI (LODR), 2015 for the financial year ended March 31, 2020

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019 and SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated June 25, 2020, please find enclosed copy of Annual Secretarial Compliance Report dated July 28, 2020 for the FY 2019-20 issued by M/s A.K. Jain & Co., Practising Company Secretaries.

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

Thanking you,

Yours faithfully,
For CARE Ratings Limited


Navin Kumar Jain
Company Secretary

Encl : As above

CARE Ratings Ltd.

**Annual Secretarial Compliance Report of CARE Ratings Limited
For the year ended 31st March, 2020**

We have examined:

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

for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

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

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

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

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

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.



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

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
1.	Securities and Exchange Board of India (SEBI)	The Company has received show cause notice ("SCN") from SEBI dated 17 December, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter relating to alleged that company is in violation of the provision of Regulation 13 and 24 (7) read with clause (4) and (8) of the Code of Conduct for Credit Rating Agencies as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of various NCD issue of one of its client and its subsidiary.	SEBI, vide its adjudication order dated 26 December, 2019, imposed a penalty of Rs.25 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect of the SCN dated 17 December, 2018. SEBI has further issued a SCN dated 28 January, 2020 under Section 15-I (3) of SEBI Act, 1992, for enhancement of said penalty amount in respect of the initial SCN.	SEBI concluded its adjudication proceedings against the Company and vide its order dated 26 December, 2019, imposed a penalty of Rs.25 lakhs on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN. Further, SEBI issued a SCN dated 28 January, 2020 under Section 15-I (3) of SEBI Act, 1992, enquiring that why the penalty amount should not be enhanced in respect of the initial SCN. The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI. The said appearance could not happen on 23 March, 2020 due to COVID-19 lockdown. Management of the Company also advised that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT").

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:



Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Company has received Show cause notice from SEBI dated 07 th September, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing penalties by Adjudicating Officer) Rules, 1995 on the matter relating to alleged that company is in violation of regulation 15(1) and clause 3 and 8 of Code of Conduct for Credit Rating Agencies read with Regulation 13 of SEBI (Credit Rating Agencies Regulations, 1999 in the matter of rating of NCD issue of one of its client.	2018-19	The Company has filed reply to the SEBI and had sought time for personal appearance for hearing.	The Company has filed reply to the SEBI.
2	The Company has received show cause notice ("SCN") from SEBI dated 17 December, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter relating to alleged that company is in violation of the provision of Regulation 13 and 24 (7) read with clause (4) and (8) of the Code of Conduct for Credit Rating Agencies as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 in the matter of rating of various NCD issue of one of its client and its subsidiary.	2018-19	SEBI, vide its adjudication order dated 26 December 2019, imposed a penalty of Rs.25 lakhs on the Company under Section 15HB of SEBI Act, 1992 in respect the SCN dated 17 December, 2018. SEBI has further issued a SCN dated 28 January, 2020 under Section 15-I (3) of SEBI Act, 1992, for enhancement of said penalty amount in respect of the initial SCN.	SEBI concluded its adjudication proceedings against the Company and vide its order dated 26 December, 2019, imposed a penalty of Rs.25 lakhs on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN. Further, SEBI issued a SCN dated 28 January, 2020 under Section 15-I (3) of SEBI Act, 1992, enquiring that why the penalty amount should not be enhanced in respect of the initial SCN. The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI. The said appearance




				<p>could not happen on 23 March, 2020 due to COVID-19 lockdown.</p> <p>Management of the Company also advised that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT").</p>
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- (e) The company has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the Company.

Place: Mumbai
Date: 28th July, 2020

For A. K. Jain & Co.
Company Secretaries




Ashish Kumar Jain
Proprietor
FCS: 6058, CP: 6124
UDIN: F006058B000515811