

Date: May 28, 2024
SE/2024-25/19

To,

BSE Limited The General Manager Corporate Relation Department Phiroze Jeejeebhoy Towers 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,

Sub: Submission of Annual Secretarial Compliance Report for the financial year ended 31st March 2024 under Reg. 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed copy of Annual Secretarial Compliance Report dated 28th May 2024 for the financial year 2023-24 issued by A.K. Jain & Co., Practising Company Secretaries.

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

Thanking you,

Yours faithfully,
For CARE Ratings Limited

Nehal Shah
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.
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**Annual Secretarial Compliance Report of CARE Ratings Limited
For the year ended 31st March, 2024**

To
The Board of Director
CARE Ratings Limited
Godrej Coliseum, 4th Floor, Somaiya Hospital Road
Off Eastern Express Highway, Sion East
Mumbai 400022

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **CARE Ratings Limited** (hereinafter referred as "the Company" or 'the listed entity'), having its Registered Office at Godrej Coliseum, 4th Floor, Somaiya Hospital Road, off Eastern Express Highway, Sion (East), Mumbai 400022. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended as on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined:

- (a) all the documents and records made available to us and explanations provided by the Listed Entity,
- (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 Report,

for the financial year ended 31st March, 2024 ("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;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not Applicable during the review period**);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable during the review period**);
- (g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
- (i) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

and circulars/guidelines issued thereunder;

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in the matter as specified in **Annexure "A"**.
- (b) The listed entity has taken the following actions to comply with the observations made in previous reports as specified in **Annexure "B"**.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as	Yes	



	notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.		
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/ circulars /guidelines issued by SEBI 	<p style="text-align: center;">Yes</p> <p style="text-align: center;">Yes</p>	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website 	<p style="text-align: center;">Yes</p> <p style="text-align: center;">Yes</p> <p style="text-align: center;">Yes</p>	
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as	<p style="text-align: center;">(a) NA</p> <p style="text-align: center;">(b) Yes</p>	<p style="text-align: center;">(a) The Listed entity does not have any Material Subsidiary</p>



	other subsidiaries		
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees on an annual basis as prescribed in SEBI Regulations.</p>	Yes	
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) In case no prior approval obtained, the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee.</p>	<p>(a) Yes</p> <p>(b) NA</p>	<p>(b) The listed entity has obtained prior approval of Audit Committee for all related party transactions</p>
9.	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	



11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.</p>	No	Refer Annexure "A"
12.	<p>Resignation of statutory auditors from the listed entity or its material subsidiaries:</p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.</p>	NA	There was no resignation of the Statutory Auditors from the listed entity during the reporting period.
13.	<p>Additional Non-compliances, if any:</p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	Yes	

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the listed entity.



4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Mumbai
Date: 28th May, 2024



For A. K. Jain & Co.
Company Secretaries

A handwritten signature in blue ink, appearing to read "Ashish Kumar Jain".

Ashish Kumar Jain
Proprietor

Peer Review Certificate No.1485/2021
FCS: 6058, CP: 6124
UDIN: F006058F000472414

ANNEXURE "A"

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ CircularNo.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Compliance requirements under the SEBI (Credit Rating Agencies) Regulations, 1999 (CRA Regulations)	CRA Regulations	Certain deviations/ discrepancies of compliance requirements of CRA Regulations	SEBI	Administrative Warning vide letter dated December 14, 2023.	Following deviations/ discrepancies of compliances of CRA Regulations were highlighted during the inspection of the Company conducted by the SEBI for the period December 01, 2021 to April 30, 2023 Non-inclusion of mandatory clauses in rating agreement; Inconsistency in disclosure of applicable criteria in press release and rating note;	Not Applicable	Upon inspection of the Company as a Credit Rating Agency, SEBI had communicated their findings on the same and advised the Company to submit their responses against every finding. The Company submitted a detailed response on the same. After	Company took the necessary corrective steps on the deviations/ discrepancies (wherever applicable) and also placed details of the same before its Board of Directors. The Board of Directors took note of both SEBI's administrative warning and corrective steps taken by the Company. Necessary	-



						Incorrect information in rating committee note with respect to rating model output; Delay in periodic review of ratings in case of one of the client; Updation of Rating Information on Centralised Database of corporate bonds jointly created and hosted by the Depositories.		analysing the responses submitted by the Company, SEBI issued an administrative warning for deviations/ discrepancies highlighted under the inspection.	response in this regard has been submitted to SEBI on December 15, 2023 and January 12, 2024.	
2.	Clause 1(B) of SEBI Circular on Monitoring and Review of Ratings Material Events requiring a review: CRAs shall carry out a review of the ratings upon the occurrence of an announcement/ news of material	Clause 1(B) of SEBI Circular SEBI/HO/ MIRSD/MI RSD4/CIR /P/2017/7 1 on Monitoring and Review of Ratings by CRAs dated June 30, 2017 and Clause 8 of Third	Company has failed to carry out a review of the ratings upon the occurrence of an announcement/ news of material events and publish the ratings action on its website.	SEBI	Show Cause Notice dated January 18, 2024 issued by SEBI.	Company has failed to carry out a review of the ratings upon the announcement/ news of material events (extension of tenure of the NCDs) for one of the client and not issued press release with respect to its ratings action within 7 days of the said event.	-	SEBI conducted inspection of the Company to check compliance with regulatory provisions of CRA Regulations and applicable Circulars issued thereunder,	The Company had filed response to the above mentioned Show Cause Notice on February 14, 2024 to SEBI. Thereafter, Adjudicating Hearing was held on March 13, 2024. The Company also filed Settlement	-



	<p>events and publish on their website press release regarding the rating action, if warranted, immediately, but not later than 7 days of occurrence of the said event.</p> <p>Code of Conduct for CRA's</p> <p>A credit rating agency shall keep track of all important changes relating to the client companies and shall develop efficient and responsive systems to yield timely and accurate ratings.</p>	<p>Schedule - Code of Conduct read with Regulation 13 of CRA Regulations</p>					<p>for the period beginning from December 01, 2021 to April 30, 2023. SEBI had communicated their findings on the same and advised the Company to submit their responses against every finding. The Company submitted a detailed response on the same. After analysing the responses submitted by the Company, SEBI issued Show Cause Notice dated January 18, 2024 on 'Delay in review of</p>	<p>Application on March 04, 2024 and the hearing of the same was not yet scheduled as on March 31, 2024.</p>	
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								rating and publishing press release on its website in case of a Material Event in one of the Client.		
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ANNEXURE "B"

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

S. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports) (PCS)	Observations made in the secretarial compliance report for the financial year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1.	-	2018-19	-	Company has received Show Cause Notice ("SCN") from SEBI dated 17 th December, 2018 under Rule 4 (1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 on 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.	The Company has made a settlement Application on 18 th February, 2019 under the SEBI (Settlement Proceedings) Regulation, 2018.	Company has requested to the SEBI for inspection of documents and the Company has made a settlement Application on 18 th February, 2019 under the SEBI (Settlement Proceedings) Regulation, 2018.



2.	-	2019-20	-	<p>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 of rating of various NCD issue of one of its client and its subsidiary.</p>	<p>SEBI 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.</p> <p>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.</p> <p>The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member, which was approved by SEBI.</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>	<p>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.</p> <p>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.</p> <p>The Company had made submission and requested SEBI for personal appearance before SEBI's Whole Time Member.</p> <p>Management of the Company are in view that the Company may file an appeal challenging the original order and revised order, if any before the Securities Appellate Tribunal ("SAT").</p>
3.	-	2020-21	-	<p>The Company has received Show Cause Notice ("SCN") from SEBI dated 17th December, 2018 under Rule 4</p>	<p>SEBI vide its order dated 22nd September, 2020, has enhanced the penalty for an amount to Rs.1 crore on the Company under</p>	<p>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</p>



				<p>(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter of rating of various NCD issue of one of its client and its subsidiary.</p>	<p>Section 15HB of SEBI Act, 1992</p> <p>Subsequently, the Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided.</p>	<p>SCN.</p> <p>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.</p> <p>Further SEBI vide its order dated 22nd September, 2020, has enhanced the penalty for an amount to Rs.1 crore on the Company under Section 15HB of SEBI Act, 1992</p> <p>Subsequently, the Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31st March, 2021.</p>
4.	-	2021-22	-	<p>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 of rating of various NCD issue of one of its client and its subsidiary.</p>	<p>The Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31st March, 2022.</p>	<p>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.</p> <p>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.</p> <p>Further SEBI vide its order dated 22nd September, 2020, has enhanced the penalty for an amount to Rs.1 crore on the Company under Section 15HB of SEBI Act, 1992</p>



						Subsequently, The Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11 th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31 st March, 2022.
5.	-	2022-23	-	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 of rating of various NCD issue of one of its client and its subsidiary.	The Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11 th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31 st March, 2023.	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. Further SEBI vide its order dated 22 nd September, 2020, has enhanced the penalty for an amount to Rs.1 crore on the Company under Section 15HB of SEBI Act, 1992 Subsequently, The Company has filed an appeal before the Securities Appellate Tribunal (SAT) which has been admitted on 11 th January, 2021. As per the direction of the SAT Company has deposited Rs.25 lakhs with SEBI till the appeal is decided, and the said appeal was pending as on 31 st March, 2023.

