

Date: January 28, 2022
SE/2021-22/68

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 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: Outcome of the Board Meeting of CARE Ratings Limited ("Company") held on January 28, 2022

Pursuant to Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), kindly note that the Board of Directors of the Company at their meeting held today i.e., on Friday, January 28, 2022, have *inter alia* transacted the following businesses:

1. Considered and approved the Unaudited Standalone & Consolidated Financial Results ("Unaudited Financial Results") for the quarter and nine months ended December 31, 2021, along with Limited Review Report issued by B S R & Co. LLP, the Statutory Auditors of the Company.

A copy of the Unaudited Financial Results together with the Limited Review Report on the said Unaudited Financial Results are enclosed.

2. Adopted a revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The revised Code is enclosed herewith as **Annexure**.

The meeting of the Board of Directors of the Company commenced at 2.30 p.m. and concluded at 8.00 p.m.

The above information is also being made available on the Company's website i.e. www.careedge.in.

Please take note of the above.

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

Regd. Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.
Website: www.careratings.com | Email: investor.relations@careratings.com

Statement of Consolidated Unaudited Financial Results for the quarter ended December 31, 2021 and year to date results for the period from April 1, 2021 to December 31, 2021

SN.	Particulars	Quarter Ended			Nine months Ended		(₹ in Lakhs)
		December, 31 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	5,616.59	7,638.59	5,560.19	18,175.14	16,886.03	24,844.69
II	Other Income	679.28	589.95	811.86	2,001.45	2,562.75	3,129.36
III	TOTAL INCOME (I + II)	6,295.87	8,228.54	6,372.05	20,176.59	19,448.78	27,974.05
IV	EXPENSES						
	Employee Benefits Expense	3,234.95	3,182.79	3,008.31	9,676.97	8,498.36	11,986.14
	Depreciation and Amortisation Expense	189.33	182.65	203.22	557.26	607.12	780.22
	Finance cost	10.15	11.32	17.68	34.42	57.10	61.75
	Other Expenses	884.77	1,102.58	725.69	2,784.43	1,865.28	3,281.24
	TOTAL EXPENSES (IV)	4,319.20	4,479.34	3,954.90	13,053.08	11,027.86	16,109.35
V	Profit before Exceptional Items and Tax (III)-(IV)	1,976.67	3,749.20	2,417.15	7,123.51	8,420.92	11,864.70
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,976.67	3,749.20	2,417.15	7,123.51	8,420.92	11,864.70
VIII	Tax Expenses:						
	Current Tax	542.79	1,055.00	427.66	2,342.86	1,829.05	2,427.42
	Deferred Tax	(56.11)	(12.88)	95.58	(571.30)	144.05	340.71
	Total Tax Expense	486.68	1,042.12	523.24	1,771.56	1,973.10	2,768.13
IX	Net Profit for the period (VII - VIII)	1,489.99	2,707.08	1,893.91	5,351.95	6,447.82	9,096.57
	Profit for the period attributable to:						
	Non-Controlling interest	35.21	45.34	30.57	131.15	103.41	144.99
	Owners of the Parent	1,454.78	2,661.74	1,863.34	5,220.80	6,344.41	8,951.58
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit & Loss	1.42	20.18	(2.02)	(67.85)	121.30	290.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.54)	(5.13)	0.59	16.80	(30.34)	(73.10)
	B (i) Items that will be reclassified to profit & Loss	(5.04)	0.18	19.56	(14.02)	3.76	(1.19)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.27	(0.05)	(4.92)	3.53	(0.95)	0.30
	Other Comprehensive Income for the period	(2.89)	15.18	13.21	(61.54)	93.77	216.47
	Other Comprehensive Income for the period attributable to:						
	Non-Controlling interest	(0.84)	0.03	3.23	(2.31)	0.62	(0.20)
	Owners of the Parent	(2.05)	15.15	9.98	(59.23)	93.15	216.67
XI	Total Comprehensive Income for the period (IX + X)	1,487.10	2,722.26	1,907.12	5,290.41	6,541.59	9,313.04
	Total Comprehensive Income for the period attributable to:						
	Non-Controlling interest	34.38	45.37	33.80	128.84	104.03	144.80
	Owners of the Parent	1,452.72	2,676.89	1,873.32	5,161.57	6,437.56	9,168.24
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,963.65	2,946.12	2,946.12	2,963.65	2,946.12	2,946.12
	Other Equity						55,935.96
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised for the quarters & half year ended)						
	Basic (₹)	4.93	9.03	6.32	17.72	21.53	30.38
	Diluted (₹)	4.74	8.63	6.31	17.49	21.52	30.33



Statement of Standalone Unaudited Financial Results for the quarter ended December 31, 2021 and year to date results for the period from April 1, 2021 to December 31, 2021

(₹ In Lakhs)

SN	Particulars	Standalone					
		Quarter Ended			Nine months ended		Year ended
		December, 31 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	4,865.44	6,929.98	4,650.65	15,972.82	15,094.61	21,966.45
II	Other Income	679.14	652.75	832.45	2,096.89	2,601.88	3,211.57
III	TOTAL INCOME (I +II)	5,544.58	7,582.73	5,483.10	18,069.71	17,696.49	25,178.02
IV	EXPENSES						
	Employee Benefits Expense	2,730.18	2,687.66	2,606.36	8,185.30	7,287.28	10,323.88
	Depreciation and Amortisation Expense	178.44	166.05	178.39	510.56	537.47	708.90
	Finance cost	9.28	10.31	13.61	30.98	44.17	56.68
	Other Expenses	642.06	722.34	579.44	2,062.89	1,510.51	2,815.47
	TOTAL EXPENSES (IV)	3,559.96	3,586.36	3,377.80	10,789.73	9,379.43	13,904.93
V	Profit before Exceptional Items and Tax (III)-(IV)	1,984.62	3,996.37	2,105.30	7,279.97	8,317.06	11,273.09
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,984.62	3,996.37	2,105.30	7,279.97	8,317.06	11,273.09
VIII	Tax Expenses:						
	Current Tax	545.68	1,027.14	405.24	2,280.32	1,749.88	2,318.45
	Deferred Tax	(50.81)	(7.08)	118.80	(555.82)	193.41	371.93
	Total Tax Expense	494.87	1,020.06	524.04	1,724.50	1,943.29	2,690.38
IX	Net Profit for the period (VII - VIII)	1,489.75	2,976.31	1,581.26	5,555.47	6,373.77	8,582.71
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit & Loss	(6.41)	18.47	1.29	(78.82)	128.41	272.74
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.61	(4.65)	(0.32)	19.84	(32.32)	(68.64)
	B (i) Items that will be reclassified to profit & Loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the period	(4.80)	13.82	0.97	(58.98)	96.09	204.10
XI	Total Comprehensive Income for the period (IX + X)	1,484.95	2,990.13	1,582.23	5,496.49	6,469.86	8,786.81
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,963.65	2,946.12	2,946.12	2,963.65	2,946.12	2,946.12
	Other Equity						55,381.51
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised for the quarters & half year ended)						
	Basic (₹)	5.05	10.10	5.37	18.85	21.63	29.13
	Diluted (₹)	4.86	9.65	5.35	18.61	21.62	29.08



- Notes:-
- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on January 28, 2022 and have been subjected to limited review by the statutory auditors of the Company.
 - 2 The consolidated financial results include results of CARE Ratings Limited and its subsidiaries namely CARE Risk Solutions Private Limited, CARE Advisory Research and Training Limited, CARE Ratings (Africa) Private Limited and CARE Ratings Nepal Limited.
 - 3 The accompanying financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
 - 4 Based on legal advice, on the outcome of adjudication proceeding initiated by SEBI, pertaining to Credit rating assigned by the Company to its client, the Company had filed appeal with SAT in previous year.
 - 5 The financial results have been prepared in accordance with the applicable accounting standards, as modified under the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133 of the Companies Act.
 - 6 The Company had granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2017, which got expired on September 01, 2021.
- The Company has granted 5,00,000 options on October 13, 2020, 3,22,000 options on December 01, 2020 and 1,23,500 options on October 29, 2021 to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2020 duly approved by shareholders in AGM and Nomination and Remuneration Committee. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2020 will be charged over vesting period, accordingly the Employee Benefit Expenses includes ESOP charge under respective periods as under:

Particulars	Quarter Ended			Nine Months Ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	Audited	Unaudited	Audited	Unaudited	Unaudited	Audited
ESOP Charge	221.57	199.39	130.06	593.01	130.06	356.91



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7 Segment Information based on Consolidated Financial results of the Group is as follows:						
	Particulars	Quarter Ended			Nine Months Ended	
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
a	Segment Revenue					
	Ratings and related services	5,096.50	7,198.67	4,832.78	16,764.86	15,712.34
	Others	513.92	446.50	723.89	1,444.77	1,411.69
	Total Segmental Revenue	5,610.42	7,645.17	5,556.67	18,209.63	17,124.03
	Less: Inter Segment Revenue	6.17	(6.58)	3.52	(34.49)	(238.00)
	Total Revenue from Operations (Net)	5,616.59	7,638.59	5,560.19	18,175.14	16,886.03
b	Segment Results (Profit before Finance Costs and Tax)					
	Ratings and related services	1,435.82	3,518.79	1,382.70	5,717.98	6,142.56
	Others	(128.29)	(348.22)	240.28	(561.51)	(227.28)
	Total Segment Result	1,307.53	3,170.57	1,622.98	5,156.47	5,915.28
	Less: Finance Costs	10.15	11.31	17.68	34.42	57.10
	Add: Other Un-allocable Income - net	679.28	589.95	811.86	2,001.45	2,562.75
	Profit before Tax	1,976.67	3,749.20	2,417.16	7,123.51	8,420.93
	Particulars	As on			As on	
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
c	Segment Assets					
	Ratings and related services	60,689.61	60,878.93	34,751.88	60,689.61	34,751.88
	Others	3,095.88	3,013.52	2,703.22	3,095.88	2,703.22
	Unallocated Assets	6,021.38	6,025.68	27,967.80	6,021.38	27,967.80
	Total	69,806.87	69,918.13	65,422.90	69,806.87	65,422.90
d	Segment Liabilities					
	Ratings and related services	6,892.30	7,229.74	7,436.07	6,892.30	7,436.07
	Others	1,113.55	1,071.15	792.03	1,113.55	792.03
	Unallocated	-	-	-	-	-
	Total	8,005.85	8,300.89	8,228.09	8,005.85	8,228.10
e	Capital Employed					
	Ratings and related services	53,797.31	53,649.20	27,315.81	53,797.31	27,315.81
	Others	1,982.32	1,942.37	1,911.19	1,982.32	1,911.19
	Unallocated	6,021.38	6,025.68	27,967.80	6,021.38	27,967.80
	Total	61,801.01	61,617.25	57,194.80	61,801.01	57,194.80



8 Previous year's/period's figures have been regrouped / rearranged wherever necessary to conform to the figures of the current period.

For and behalf of the Board of Directors
CARE Ratings Limited



Ajay Mahajan
Managing Director & CEO
DIN: 05108777
Mumbai, January 28, 2022



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B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

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Limited Review Report on unaudited consolidated financial results of CARE Ratings Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of CARE Ratings Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of CARE Ratings Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities -

Name of the Company	Relationship
CARE Ratings Limited	Parent
CARE Risk Solutions Private Limited	Subsidiary
CARE Advisory Research and Training Limited	Subsidiary
CARE Ratings (Africa) Private Limited	Subsidiary
CARE Ratings (Nepal) Limited	Subsidiary

Registered Office:

B S R & Co. LLP

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated financial statements of the Group for the year ended 31 March 2021 have been audited by the predecessor auditor whose report dated 12 June 2021 had expressed an unmodified opinion. The financial information of the Group for the corresponding quarter ended 31 December 2021 and the corresponding period from 1 April 2021 to 31 December 2021 has been reviewed by the predecessor auditor whose report dated 06 February 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

7. We did not review the financial results of 2 subsidiaries included in the Statement, whose financial results reflect total revenues of Rs. 792 lacs and total net profit after tax of Rs. 401 lacs for the quarter ended 31 December 2021 and for the period from 1 April 2021 to 31 December 2021 respectively, as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

8. The abovementioned 2 subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

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

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Ajit Viswanath

Partner

Mumbai
28 January 2022

Membership No.: 067114
UDIN: 22067114AAAAAJ1169

B S R & Co. LLP

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Limited Review Report on unaudited standalone financial results of CARE Ratings Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of CARE Ratings Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of CARE Ratings Limited ("the Company") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The standalone financial statements of the Company for the year ended 31 March 2021 have been audited by the predecessor auditor whose report dated 12 June 2021 had expressed an unmodified opinion. The financial information of the Company for the corresponding quarter ended 31 December 2020 and the corresponding period from 1 April 2020 to 31 December 2020 has been reviewed by the predecessor auditor whose report dated 06 February 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248WW-100022

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Ajit Viswanath

Partner

Membership No.: 067114

UDIN: 22067114AAAAAI5167

Mumbai
28 January 2022

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

CARE RATINGS LIMITED
Code of Practices and Procedures for Fair Disclosure of
Unpublished Price Sensitive Information

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code"), in relation to the securities of CARE Ratings Limited ("the Company or CARE"), is framed in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'Regulations'), as amended from time to time.

CARE is committed towards providing timely, accurate and fair disclosure of information to Shareholders/Investors and Public at large. Hence prompt public disclosure of unpublished price sensitive information that will impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. The Company shall also make available such information that gets disclosed selectively, inadvertently or otherwise. CARE does not disclose material UPSI on selective basis. CARE follows applicable laws/rules and regulations as well as the rules/guidelines of Stock Exchanges in letter and spirit.

CARE follows the principle of full and fair disclosure to all the investors and other concerned parties in accordance with applicable securities laws. The Company does not disclose material non-public information on a selective basis. However, in the normal course of business, the Company may disclose material non-public information to individuals or entities with which we have a confidential or fiduciary relationship or for legitimate purposes as determined in accordance with the provisions of Policy for determination of legitimate purposes annexed as **Annexure- A**, hereto.

CARE files all important declaration including quarterly financial results within the time stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Quarterly financials of the Company as per the format provided in the Listing Regulations are published in newspapers within 48 hours of the same being approved by the Board of the Company and submitted to the stock exchanges. These results along with press release are uploaded on the website of CARE.

The Company holds Investors calls to discuss the financial results from time to time. A presentation is also mailed to the participants. Such presentation before being sent to the participants to the call is sent to the stock exchanges and then uploaded on the website of the Company. The transcript of the call is also uploaded on the website of the Company for the reference and use of investors community at large. Investors/other interested parties may send their e-mail address and are added to the mailing list of the Company and all the updates are automatically sent to such persons.

When issuing an earnings press release, the Company may also provide, in the earnings release or the conference call, information regarding our quarterly and/or annual earnings per share and business outlook. When doing so, it is important to note that such outlook does involve forward-looking statements and is based on the Company's current expectations, which involve a number of risks, uncertainties and assumptions.

CARE also participates in analyst and investor conferences throughout the year. When practicable, the Company uploads the presentation on its website. CARE does not comment on individual analyst or investor reports and also do not comment on rumours or speculation.

The Company promptly provides appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

The Chief Financial Officer of the Company will also be designated as Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information. The CIRO may, wherever required, take assistance from the Compliance Officer of the Company in this regard.

Amendment:

In case of any subsequent changes in the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any other regulations which makes any of the provisions in the Code inconsistent with the Regulations, then the provisions of the Regulations shall prevail over this Code and the provisions in this Code shall be deemed to be modified in accordance with such applicable laws/regulations.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**Background:**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (collectively referred to as the “**Regulations**”) as amended from time to time, requires every listed company, *inter alia*, to formulate a policy for determination of “legitimate purposes”. Accordingly, the Board of Directors of CARE Ratings Limited (“**Company**”) have formulated and adopted the following for determination of “legitimate purposes” for the purpose of this Policy:

1. “Unpublished Price Sensitive Information (UPSI)” means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming available, is likely to materially affect the price of the Company’s securities and shall, ordinarily include but not restricted to, information relating to the following: (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and (v) changes in key managerial personnel.

2. **Legitimate Purposes:**

- (a) “Legitimate purposes” for the purposes of this Policy shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this Code. Provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

The purpose for which UPSI is proposed to be shared, analysing the nature of UPSI proposed to be shared and identity of the persons with whom UPSI is proposed to be shared, shall also be evaluated.

- (b) Without prejudice to the provisions of sub-para (a) above, “legitimate purposes” for which UPSI can be shared by an Insider, shall include the following:
- Sharing the relevant UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations and this Policy.
 - Sharing the relevant UPSI on need to know basis in case necessary for legitimate purposes, performance of duties or discharge of legal obligations;
 - Sharing of UPSI for the purpose of an investigation, inquiry, request for information by statutory or governmental authorities or any other administrative body recognized by law, including pursuant to any order of courts or tribunals or other proceedings;

- Sharing of UPSI pursuant to any contractual obligations or arrangement entered by the Company in any contract, agreement, arrangement, settlement, understanding or undertaking.

In addition to the above, the Board of Directors of the Company may determine what may be considered as “legitimate purposes” based on the Company’s business/industry related needs.

The recipient of UPSI shall be apprised by way of written intimation/contractual agreement, such as, confidentiality agreement/disclaimer or non – disclosure agreement about the fact that the information being shared is UPSI and that the recipient shall be bound by the provisions of the Regulations in this regard and shall have to maintain the confidentiality of the information so received from the Company, in accordance with the intimation/contractual agreement so executed with the Company.

3. Policy Amendment:

In case of any subsequent changes in the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any other regulations which makes any of the provisions in the policy inconsistent with the Regulations, then the provisions of the Regulations shall prevail over this Policy and the provisions in the Policy shall be deemed to be modified in accordance with such applicable laws/regulations.