

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you, the registered shareholder of CARE Ratings Limited (the “Company”) as on the Record Date (as defined hereinafter) (“Eligible Shareholders”), in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time (“Buy-back Regulations”). If you require any clarifications regarding the action to be taken, you may, consult your stock brokers or investment consultants or the Manager or the Registrar to the Buy-back. Please see the section entitled “Definition of Key Terms” for the definition of the capitalized terms used herein.



CARE RATINGS LIMITED

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

Contact Person: Ms. Nehal Shah, Company Secretary & Compliance Officer

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Corporate Identity Number: L67190MH1993PLC071691

BUY-BACK OF UP TO 23,68,000 (TWENTY THREE LAKHS AND SIXTY EIGHT THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”), REPRESENTING 7.99% OF THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2022, ON A PROPORTIONATE BASIS, FROM THE ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES AS ON SEPTEMBER 14, 2022 (THE “RECORD DATE”), BY WAY OF A TENDER OFFER, FOR CASH AT A PRICE OF ₹ 515/- (RUPEES FIVE HUNDRED AND FIFTEEN ONLY) PER EQUITY SHARE 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 TRANSACTION COST (“BUY-BACK”). THE BUY-BACK SIZE REPRESENTS 19.30% AND 19.39% OF THE AGGREGATE OF THE FULLY PAID-UP EQUITY SHARE CAPITAL AND FREE RESERVES (INCLUDING SECURITIES PREMIUM) AS PER THE LATEST AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 RESPECTIVELY.

The Buy-back is being undertaken by the Company in accordance with Article 75 of the Articles of Association of the Company, the provisions of Sections 68, 69, 70 and other applicable provisions of the Companies Act, 2013, the rules made thereunder, and the Buy-back Regulations. The Buy-back is subject to the receipt of any approvals, permissions, sanctions and exemptions, from statutory, regulatory or governmental authorities as may be required under applicable law, including but not limited to Securities and Exchange Board of India (“SEBI”) and the stock exchanges where the Equity Shares of the Company are listed i.e. BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (hereinafter together referred to as the “Stock Exchanges”).

1. The Buy-back Size is 19.30% and 19.39% of the aggregate of fully paid-up equity share capital and free reserves (including securities premium) as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, which is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves (including securities premium) as per the latest audited financial statements of the Company.
2. The Letter of Offer shall be sent to Eligible Shareholders/Beneficial Owners holding Equity Shares of the Company as on the Record Date, i.e. September 14, 2022. A copy of the Public Announcement is available and this Draft Letter of Offer and the Letter of Offer (including the Tender Form) shall be available on the website of the Securities and Exchange Board of India at www.sebi.gov.in and the Company at www.careedge.in
3. For details in relation to the procedure for acceptance and tender of Equity Shares, please see the section entitled “Procedure for Tendering Shares and Settlement” on page 39 of this Draft Letter of Offer. The Tender Form is enclosed together with this Draft Letter of Offer.
4. For mode of payment of consideration to the Eligible Shareholders, please refer to section entitled “Procedure for Tendering Shares and Settlement” on page 39 of this Draft Letter of Offer.
5. Eligible Shareholders are advised to read this Draft Letter of Offer and in particular, refer to the sections entitled “Details of Statutory Approvals” and “Note on Taxation” on pages 34 and 45, respectively, of this Draft Letter of Offer before tendering their Equity Shares in the Buy-back.



MANAGER TO THE BUY-BACK		REGISTRAR TO THE BUY-BACK	
			
<p>DAM Capital Advisors Limited One BKC, Tower C, 15th Floor, Unit No.1511, Bandra Kurla Complex, Bandra (East) Mumbai 400051 Maharashtra, India Tel: +91 22 4202 2500 Contact Person: Chandresh Sharma/ Nidhi Gupta E-mail: care.buyback@damcapital.in Website: www.damcapital.in SEBI Registration Number: MB/INM000011336 Validity period: Permanent CIN: U99999MH1993PLC071865</p>		<p>Name: KFin Technologies Limited <i>(formerly known as KFin Technologies Private Limited)</i> Address: Selenium Tower-B, Plot 31-32 Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032 Tel: +91 40 6716 2222 Toll Free No.: 18003094001 Email: crl.buyback@kfintech.com Website: www.kfintech.com Investor Grievance Email: einward.ris@kfintech.com Contact Person: Mr. Murali Krishna SEBI Registration Number: INR000000221 Validity period: Permanent CIN: U72400TG2017PLC117649</p>	
BUY-BACK PROGRAMME			
Buy-back Opening Date		[•]	
Buy-back Closing Date		[•]	
Last date and time for receipt of Completed Tender Forms		[•]	

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SCHEDULE OF ACTIVITIES

Activity	Day and Date
Date of Board meeting approving the proposal of the Buy-back	Wednesday, July 20, 2022
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buy-back	Friday, September 2, 2022
Date of publication of the Public Announcement for the Buy-back	Monday, September 5, 2022
Record Date for determining the Buy-back Entitlement and the names of Eligible Shareholders	Wednesday, September 14, 2022
Date of opening of the Buy-back	[•]
Date of closing of the Buy-back	[•]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates (if and as applicable) by the Registrar	[•]
Last date of verification by the Registrar	[•]
Last date of intimation regarding acceptance or non-acceptance of tendered Equity Shares to the Stock Exchanges by the Registrar	[•]
Last date of settlement of bids on the Stock Exchanges	[•]
Last date of dispatch of share certificate(s) by the Registrar/return of unaccepted demat Equity Shares by Stock Exchange to Shareholder Broker/Eligible Shareholders	[•]
Last date of extinguishment of Equity Shares	[•]

Note: In case the last date is mentioned for certain activities, such activities may be completed on or before such last date.

DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buy-back Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance, Accept, or Accepted	Acceptance of Equity Shares tendered by Eligible Shareholders for the Buy-back
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Stock Exchanges in the form of a separate window in accordance with the SEBI Circulars
Additional Equity Shares	Additional eligible Equity Shares tendered by an Eligible Shareholder over and above the Buy-back Entitlement of such Eligible Shareholder
Articles/ Articles of Association	Articles of Association of the Company
Board or Board of Directors	Board of Directors of the Company
Board Approval	Meeting of the Board of Directors of the Company held on July 20, 2022 approving the proposal for the Buy-back.
Board Meeting Date	July 20, 2022
BSE	BSE Limited
Buy-back	Buy-back of up to 23,68,000 (Twenty Three Lakhs and Sixty Eight Thousand) Equity Shares (representing 7.99% of the total issued and paid-up equity share capital of the Company) from the Eligible Shareholders as on Record Date, at a price of ₹515/- (Rupees Five Hundred and Fifteen Only) per Equity Share 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) being less than 25% of the fully paid-up Equity Share capital and free reserves (including securities premium account) of the Company, as per latest audited standalone and consolidated financial statements for the financial year ended March 31, 2022 on a proportionate basis through tender offer. This excludes 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
Buy-back Closing Date	[•]
Buy-back Committee	The Buy-back Committee of the Board, constituted and authorized for the purposes of the Buy-back by way of a resolution of the Board dated July 20, 2022
Buy-back Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buy-back, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the Ratio of Buy-back applicable to such Eligible Shareholder
Buy-back Period	The period between the date of declaration of results of the postal ballot notice for the special resolution to authorize the Buy-back and the date on which the payment of consideration to the Eligible Shareholders is made
Buy-back Offer Price	The price at which Equity Shares will be bought back from the Shareholders, being ₹515/- per Equity Share, payable in cash
Buy-back Opening Date	[•]
Buy-back Regulations	The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 for the time being in force including any statutory modifications and amendments from time to time
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 2013, along with the relevant rules made thereunder (including any statutory modifications or amendments thereof).
Company or "we"	CARE Ratings Limited, unless the context states otherwise

Term	Description
Company Broker	DAM Capital Advisors Limited
DP	Depository Participant
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Designated Stock Exchange	The designated stock exchange for the Buy-back, being, BSE
DIN	Director Identification Number
Director	Director(s) of the Company
Draft Letter of Offer	This Draft Letter of Offer dated September 12, 2022 filed with SEBI
Eligible Shareholders	All persons holding Equity Shares as on the Record Date.
Equity Shares	Fully paid-up equity shares of the Company each having a face value of ₹ 10
Escrow Account	The Escrow Account, “[•]” opened with the Escrow Agent
Escrow Agent	[•]
Escrow Agreement	The escrow agreement to be entered into between the Company, the Manager and the Escrow Agent
Exchange Act	United States Securities Exchange Act of 1934
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investors
FPI	Foreign Portfolio Investors
General Category	Eligible Shareholders other than the Small Shareholders
HUF	Hindu Undivided Family
IT Act/ Income Tax Act	Income-tax Act, 1961 (including any statutory modifications or re-enactment thereof)
Letter of Offer	The letter of offer dated [•] to be filed with SEBI containing disclosures in relation to the Buy-back as specified in Schedule III of the Buy-back Regulations, including comments received from SEBI on the Draft Letter of Offer.
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force including any statutory modifications and amendments from time to time.
Manager to the Buyback / Manager	The manager to the Buy-back, being, DAM Capital Advisors Limited
Non-Resident Indians	An individual resident outside India who is a citizen of India or is an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955 and includes a non-resident Indians
NSE	The National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
PAN	Permanent Account Number
Public Announcement	The public announcement, made in accordance with the Buy-back Regulations, dated September 3, 2022, published in all editions of Business Standard, an English national daily newspaper, Business Standard, a Hindi national daily newspaper and Navshakti, a Marathi language daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, on September 5, 2022
Ratio of Buy-back	The ratio of the Buy-back: (i) in case of Small Shareholders, [•] Equity Shares for every [•] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [•] Equity Shares for every [•] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	The Reserve Bank of India
Record Date	September 14, 2022, being the date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buy-back in accordance with the Buy-back Regulations
Registered Office	The registered office of the Company, located at 4 th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022, Maharashtra, India
Registrar	The registrar to the Buy-back, being, KFin Technologies Limited (<i>formerly known as KFin Technologies Private Limited</i>)
Reserved Category	Equity Shares reserved for the Small Shareholders
SEBI	The Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by such Shareholders and settlement of the same, through the stock

Term	Description
	exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and circular bearing number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021.
SEC	United States Securities and Exchange Commission
Shareholder Broker	Stockbroker(s) of Eligible Shareholder(s), through whom the Eligible Shareholder(s) seeks to participate in the Buy-back
Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Small Shareholder	An Eligible Shareholder of the Company, who holds Equity Shares or other specified securities whose market value, on the basis of closing price of Equity Shares, on the recognized stock exchange in which highest trading volume in respect of such Equity Shares, as on the Record Date i.e. September 14, 2022, is not more than ₹ 2,00,000, as defined in Regulation 2(1)(n) of the Buy-back Regulations.
Stock Exchanges	BSE and NSE
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the time being in force including any statutory modifications and amendments from time to time
Transaction Cost	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.
Tender Form	The Acceptance-cum-Acknowledgement form to be filled in by the Shareholders to participate in the Buy-back
Tender Offer	Tender offer shall have the meaning ascribed to it under Regulation 2(i)(q) of the Buy-back Regulations
Tendering Period	Period of 10 Working Days from the Buy-back Opening Date ([•]) till the Buy-back Closing Date ([•]) (both days inclusive)
TRS	Transaction Registration Slip
U.S.	United States or the United States of America
Working Day	Working day shall have the meaning ascribed to it under Regulation 2(i)(s) of the Buy-back Regulations

DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet its Buy-back commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buy-back, DAM Capital Advisors Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and the Buy-back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision in tendering their Equity Shares in the Buy-back.

It should also be clearly understood that, while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager, DAM Capital Advisors Limited, has furnished to SEBI a due diligence certificate dated September 12, 2022, in accordance with the Buy-back Regulations, which reads as follows:

“We have examined various documents and materials contained in the Public Announcement and the Draft Letter of Offer, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buy-back.*
- *All the legal requirements connected with the said Buy-back including the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended have been duly complied with.*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buy-back.*
- *Funds to be used for Buy-back shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of this Draft Letter of Offer with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy-back.

The Board of Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and/or incorporated in a manner that would amount to misstatement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed or withheld, or amounts to a misstatement or misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buy-back Regulations.

The Board of Directors, also declare and confirm that, funds borrowed from banks and financial institutions will not be used for the Buy-back.

Special notice to Shareholders in the United States

The Buy-back is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. Shareholders to be aware that this Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the United States and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. Certain of the U.S. federal securities laws apply to the Buy-back as there are U.S. Shareholders of Equity Shares. The Buy-back is being treated in the United States as one to which the “Tier I” exemption mentioned in Rule 13(e)-4(h)(8) under the U.S. Securities Exchange Act of 1934, as amended, is applicable.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS DRAFT LETTER OF OFFER OR DETERMINED WHETHER THIS DRAFT LETTER OF OFFER IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

Disclaimer for Persons in Other Foreign Countries:

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Offer to any new or additional requirements or registrations. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

The Public Announcement dated September 3, 2022, and this Draft Letter of Offer have been prepared for the purposes of compliance with the Buy-back Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

The Letter of Offer shall be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Equity Shareholders in a jurisdiction in which it would be illegal to make this Buy-back, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholders as an offer being made to them. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

Forward looking statements

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “target”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in which the Company operates and its ability to respond to them, the Company’s ability to successfully implement its strategy, its growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India or other key markets where it operates which have an impact on its business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

TEXT OF THE RESOLUTION PASSED AT MEETING OF THE BOARD

The Buy-back has been authorised and approved at the meeting of the Board at its meeting held on July 20, 2022. The text of the resolution of the Board is as follows:

“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 the approval of members of the Company by special resolution and further, 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), the Board hereby approves 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 ₹1,21,95,20,000.00/- (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) (the **“Maximum Buy-back Size”**), which is 19.30% and 19.39% of the fully paid-up equity share capital and free reserves (including securities premium) as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, to be sourced out of free reserves and securities premium of the company and/or such other source as may be permitted by the Buy-back Regulations and the Companies Act, from the shareholders of the Company, as on the record date, on a proportionate basis through a “tender offer” as prescribed under the Buy-back Regulations (the **“Buy-back”**).

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

RESOLVED FURTHER THAT the Buy-back shall be made by the Company from 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 all of the shareholders of the Company, as on the record date, will be eligible to participate in the Buy-back except any shareholders who may be specifically prohibited under the Buy-back Regulations or other applicable law.

RESOLVED FURTHER THAT the Company may buy-back Equity Shares from all 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 in terms of Regulation 24(iii) of the Buy-back Regulations, Ms. Nehal Shah, Head-Legal, Compliance and Secretarial be and is hereby appointed as the Compliance Officer for the Buy-back.

RESOLVED FURTHER THAT in terms of the Buy-back Regulations, the existing Registrar and Share Transfer Agent (RTA) of the Company i.e. Kfin Technologies Limited be and is hereby appointed as the registrar for the Buy-back.

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and the supporting affidavit, placed before the meeting be and is hereby approved and that any two directors (including the person occupying the position of Chief Executive Officer and Managing Director (if any)) be and are hereby authorized to finalize and sign the same, for and on behalf of the Board and file the same with the Registrar of Companies, Maharashtra at Mumbai, the SEBI and any other regulatory, governmental and statutory authorities, as required under applicable law.

RESOLVED FURTHER THAT the Board hereby takes on record the draft of the auditor report to be issued by B S R & Co. LLP, Chartered Accountants, the Statutory Auditor of the Company, as required under clause (xi) of Schedule I of the Buy-back Regulations and placed before the Board for its noting.

RESOLVED FURTHER THAT the Board hereby confirms 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 this 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 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 this 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.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) 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;
- b) 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;
- c) 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;
- d) 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;
- e) 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;
- f) All the Equity Shares of the Company are fully paid-up;
- g) 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.
- h) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;

- i) *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;*
- j) *The Company shall not buy-back its Equity Shares so as to delist its Equity Shares from the stock exchanges;*
- k) *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;*
- l) *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;*
- m) *The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;*
- n) *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;*
- o) *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;*
- p) *That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;*
- q) *That funds borrowed from banks and financial Institutions, if any, will not be used for the Buy-back;*
- r) *The maximum amount of the Buyback i.e. ₹1,21,95,20,000.00/- (Rupees One Hundred Twenty One 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;*
- s) *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;*
- t) *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.*

RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and/or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed /withheld and/or amounts to a mis-statement / misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buy-back Regulations.

RESOLVED FURTHER THAT DAM Capital Advisors Limited shall be the Manager to the Buy-back and the Broker to the Buy-back as well, on such terms and conditions as agreed and as may be mutually agreed between the Manager to the Buy-back and the Company.

RESOLVED FURTHER THAT Cyril Amarchand Mangaldas, Advocates and Solicitors shall be the legal counsel to the Buy-back as to Indian law on such terms and conditions as agreed or as may be mutually agreed between the legal counsel and the Company.

RESOLVED FURTHER THAT the Company shall, before opening of the Buyback offer, create an escrow account, either in form of bank guarantee or cash deposit or deposit of securities with appropriate margin or a combination thereof, as security for performance of its obligations as may be prescribed under the Companies Act and the Buy-back Regulations, and on such terms and conditions as the Board or Buy-Back Committee (as defined below), may deem fit.

RESOLVED FURTHER THAT a Committee be and is hereby formed as **“Buy-back Committee”**, consisting of Mr. Adesh Kumar Gupta, Non-Executive Independent Director, Mr. V. Chandrasekaran, Non-executive Director, Mr. Mehul Pandya, Interim Chief Executive Officer, Ms. Nehal Shah, Company Secretary, Mr. Jinesh Shah, Chief Financial Officer and the person occupying the position of Managing Director and CEO (if any), the Buy-back Committee is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as it may consider to be in the best interests of the shareholders, including without limitation the following:

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

- p) *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 shareholders 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.*
- q) *To deal with stock exchanges (including their clearing corporations), where the Equity Shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing 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;*
- r) *To obtain all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;*
- s) *To make and file 'Compliance Certificate' as required under the Buy-back Regulations;*
- t) *To establish Investor Service Centre/s;*
- u) *To verify offer/acceptances received;*
- v) *To finalize basis of acceptance;*
- w) *To pay to the shareholders consideration for shares bought back pursuant to the Buy-back;*
- x) *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;*
- y) *To file 'Return of Buy-back' with Registrar of Companies and other statutory authorities;*
- z) *To authorize the Merchant Banker, Registrar or other agencies appointed for the purpose of Buy-back to carry out any of the above activities;*
- aa) *To give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buy-back;*
- bb) *To settle and resolve any queries or difficulties raised by SEBI, stock exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buy-back; and*
- cc) *To do all such acts, matters and things incidental and in connection with the Buy-back and sign and deliver such documents as may be necessary, desirable and expedient.*

RESOLVED FURTHER THAT the Buy-back Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any director/ officer(s) and/ or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegations/ sub- delegation of authority from time to time.

RESOLVED FURTHER THAT the quorum for any meeting of the Buy-back Committee for implementing the Buy-back shall be any two members (including at least one director), and the Buy-back Committee may regulate its own proceedings and meet as often as may be required, to discharge its functions.

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

RESOLVED FURTHER THAT the Company shall maintain a register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in

relation to the Buy-back shall be entered and that the company secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT the persons occupying the position of Managing Director and CEO (if any), Interim CEO, Company Secretary and Chief Financial Officer be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.

RESOLVED FURTHER THAT pursuant to the provisions of Section 68 read with Section 110 of the Companies Act and other applicable provisions, if any, of the Companies Act and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and the circulars issued by the Ministry of Corporate Affairs ("MCA") and SEBI, as amended from time to time, approval of the shareholders by a special resolution through postal ballot only through voting by electronic means be sought and that the draft notice of Postal Ballot as tabled before the Board be and is hereby approved and that the same be sent only through electronic mode to those shareholders whose e-mail addresses are registered with the Company/Depositories in compliance with the circulars issued by MCA.

"RESOLVED FURTHER THAT the persons occupying the position of Managing Director and CEO, Interim CEO, Company Secretary and Chief Financial Officer, be and are hereby severally authorized to (i) finalize, sign and issue the notice for postal ballot, the accompanying explanatory statement (ii) appoint an agency for providing the electronic platform for e-voting on suitable terms (iii) carry out all incidental activities in connection with obtaining approval of the shareholders by a special resolution and (iv) do all such acts, deeds and things as may be necessary to give effect to this resolution and in connection with the Buyback."

RESOLVED FURTHER THAT a copy of this resolution duly certified by any one of the directors of the Company or the Company Secretary be given to such authorities as may be required from time to time."

DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buy-back Regulations, the Company has made a Public Announcement dated September 3, 2022 in relation to the Buy-back which was issued within two Working Days from the date of declaration of results of the postal ballot on September 2, 2022 for special resolution passed by the Shareholders approving the Buy-back, and published in the following newspapers on September 5, 2022:

Sr. No.	Name of the Newspaper	Language	Edition
1.	Business Standard	English	All editions
2.	Business Standard	Hindi	All editions
3.	Navshakti	Marathi	Mumbai

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

A copy of the Public Announcement is available on the website of SEBI at www.sebi.gov.in and also on the website of the Company at www.careedge.in

DETAILS OF THE BUY-BACK

Pursuant to the resolution passed by the Board of Directors of the Company on July 20, 2022 and the special resolution passed by the shareholders of the Company on September 2, 2022, the Company, hereby, announces the Buy-back of up to 23,68,000 (Twenty Three Lakhs and Sixty Eight Thousand) Equity Shares (representing 7.99% of the total issued and paid-up equity share capital of the Company) from the Shareholders as on the Record Date i.e., Wednesday, September 14, 2022 (for further details in relation to the Record Date, refer to section entitled “*Process and Methodology of Buy-back*” of this Draft Letter of Offer), at a price of ₹ 515/- (Rupees Five Hundred and Fifteen Only) per Equity Share, 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), (“**Maximum Buy-back Size**”) being less than 25% of the 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 ended March 31, 2022, on a proportionate basis through tender offer in accordance with the provisions of the Companies Act, and in compliance with the Buy-back Regulations. The Shareholders approved the Buy-back by way of special resolution, on September 2, 2022 pursuant to the postal ballot notice dated July 26, 2022. The Buy-back is subject to receipt of any approvals of statutory, regulatory or governmental authorities, as may be required, under applicable laws, including the SEBI, and the Stock Exchanges. The Maximum Buy-back Size excludes Transaction Cost. The Buy-back Size represents 19.30% and 19.39%, of the aggregate of the fully paid-up Equity Share capital and free reserves (including securities premium) as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively and is within the statutory limit of 25% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium) as per the latest audited standalone and consolidated financial statements of the Company.

The Buy-back has been authorized by a resolution of the Board on July 20, 2022 and a special resolution passed by the Shareholders on September 2, 2022. The details of the Buy-back are provided below:

Name of the Company	CARE Ratings Limited
Maximum number of Equity Shares proposed to be bought back	Upto 23,68,000 (Twenty Three Lakhs and Sixty Eight Thousand) Equity Shares
Number of Equity Shares as a percentage of the fully paid-up Equity Share capital of the Company.	Aggregating up to 7.99% of the total issued and paid-up Equity Share capital of the Company).
Buy-back Offer Price	₹ 515/- (Rupees Five Hundred and Fifteen Only) per Equity Share payable in cash
Applicable regulations of SEBI and provisions of the Companies Act, in accordance with which the Buy-back offer is made	The Buy-back is being undertaken in terms of Chapter III of the Buy-back Regulations, Sections 68, 69, 70 and any other applicable provisions of the Companies Act and the rules made thereunder and various circulars issued by Ministry of Corporate Affairs, LODR Regulations. Additionally, the Buy-back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by the SEBI Circulars.
Methodology for the Buy-back	<p>The Buy-back shall be undertaken on a proportionate basis from the Shareholders as of the Record Date through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-back Regulations and in accordance with the “Mechanism for acquisition of shares through Stock Exchanges” as prescribed under the SEBI Circulars.</p> <p>In this regard, the Company will request the Stock Exchanges to provide the acquisition window for facilitating tendering of Equity Shares under the Buy-back. For the purposes of this Buy-back, BSE will be the Designated Stock Exchange.</p>
Maximum amount to be expensed towards the Buy-back and its percentage with respect to the net worth of the Company	Aggregating upto ₹ 1,21,95,20,000/-, being upto 19.30% and 19.39% of the aggregate of fully paid-up Equity Share capital and free reserves (including securities premium) as per the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2022, respectively. This does not include any

	expenses incurred or to be incurred for the Buy-back like filing fee payable to the 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.
Shareholding of the Promoters and its percentage with respect to the total paid-up Equity Share capital of the Company	The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Accordingly, this requirement is not applicable.
Intention of the Promoters and the persons in control of the Company to participate in the Buy-back	The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Accordingly, this requirement is not applicable.
Promoters' shareholding after the Buy-back	The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Accordingly, this requirement is not applicable.
Statement that post Buy-back non-promoter shareholding shall not fall below the minimum level required as specified under the LODR Regulations.	The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Accordingly, this requirement is not applicable.

AUTHORITY FOR THE BUY-BACK

The Buy-back is being undertaken by the Company in accordance with Article 75 of Articles of Association of the Company, the provisions of Sections 68, 69, 70 and other applicable provisions of the Companies Act, the rules made thereunder, the LODR Regulations to the extent applicable, and the Buy-back Regulations. The Buy-back is subject to the receipt of any approvals, permissions, sanctions and exemptions, from statutory, regulatory or governmental authorities as may be required under applicable law, including but not limited to SEBI and the Stock Exchanges. The Buy-back has been duly authorised by a resolution of the Board dated July 20, 2022. Further, the Buy-back has been authorised by the Shareholders through postal ballot by a special resolution, the results for which were declared on September 2, 2022.

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.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

1. We believe that the Buy-back is not likely to cause any impact on the profitability or earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event there is 100% acceptance of the Equity Shares tendered in the Buy-back from Eligible Shareholders on a proportionate basis, the funds deployed by the Company towards the Buy-back would be ₹ 1,21,95,20,000/- excluding Transaction Cost.
2. The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Hence, the disclosure of promoters' intention to participate in the Buy-back, promoters' holding before and after the Buy-back is not applicable
3. The Buy-back shall not result in a change in control or otherwise affect the existing management structure of the Company.
4. Compliance with the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, as amended (the "**SEBI (CRA) Regulations**")

As per Regulation 25(b) of the SEBI (CRA) Regulations, a person who holds ten percent or more, of the shares of a credit rating agency shall be considered as a "promoter" for the purposes of Chapter IV of SEBI (CRA) Regulations.

Further, in terms of Regulation 24(A) (1) (a) of the SEBI (CRA) Regulations, a credit rating agency shall not directly or indirectly, hold 10 per cent or more shareholding and/ or voting rights in any other credit rating agency, and as per Regulation 24A (2) of the SEBI (CRA) Regulations, a shareholder holding 10 per cent or more shares and/ or voting rights in a credit rating agency shall not hold 10 per cent or more shares and/ or voting rights, directly or indirectly, in any other credit rating agency. However, the restriction under Regulation 24A (2) of the SEBI (CRA) Regulations shall not apply to holdings by pension funds, insurance schemes and mutual fund schemes.

The shareholders of the Company are accordingly requested to take note of the above and to monitor their direct and indirect shareholding in the Company and shall be responsible for adhering to the limits on their shareholding, whether held directly or indirectly, either individually or together with persons acting in concert, as provided under applicable laws.

5. Pursuant to the Buy-back, the percentage shareholding of Non-Resident Indians, Indian financial institutions, banks, mutual funds and the others, may undergo a change. For details, please see the section entitled "*Capital Structure and Shareholding Pattern*" on page 21 of this Draft Letter of Offer.
6. The Company does not have any debt. Hence, the debt-equity ratio post Buy-back will be compliant with the permissible limit of 2:1 prescribed under Section 68 of the Companies Act and Regulation 4(ii) of the Buy-back Regulations, even if the response to the Buy-back is to the extent of 100% (full acceptance).
7. 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.
8. The Company shall not buy-back its Equity Shares so as to delist its Equity Shares from the Stock Exchanges.
9. 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.
10. We believe that the Buy-back is not expected to impact growth opportunities for the Company.
11. Salient financial parameters consequent to the Buy-back based on the audited standalone financial statements and audited consolidated financial statements for the financial year ended March 31, 2022, of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post- Buyback*
Net worth (₹ in Lacs)	65,022.94	52,827.97	64,749.46	52,554.49
Return on Net worth (%)	12.99%	15.99%	11.87%	14.62%
Earnings Per Share (of face value ₹10 each)	28.62	30.96	25.45	28.16
Book Value per Share (₹)	219.33/-	193.64/-	218.40/-	192.64/-
Total Debt/ Equity Ratio	N.A.	N.A.	N.A.	N.A.

*(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback)

Note:

1. Net worth = Equity Share Capital + Other Equity– Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

Key Ratios Basis

Earnings per Share – Basic (₹.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (₹)	(Paid up Equity Share Capital + Other Equity) / No of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth

BASIS OF CALCULATING THE BUY-BACK OFFER PRICE

The Equity Shares of the Company are proposed to be bought back at a price of ₹ 515/- (Rupees Five Hundred and Fifteen only) per Equity Share.

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 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 date of Board Approval ("**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
- (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.

For details in relation to the trends in the market price of the Equity Shares, please see the section entitled "*Stock Market Data*" on page 32 of this Draft Letter of Offer.

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.

For financial ratios and trends in the market price of the Equity Shares, please see the section entitled "*Financial Information about the Company*" on page 28 and section entitled "*Stock Market Data*" on page 32 of this Draft Letter of Offer.

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 latest audited standalone and consolidated financial statements of the Company as on March 31, 2022.

SOURCES OF FUNDS FOR THE BUY-BACK

Assuming full acceptance, the funds that would be employed by the Company for the purposes of the Buy-back of 23,68,000 Equity Shares at a price of ₹515/- (Rupees Five Hundred and Fifteen only) per Equity Share and would not exceed ₹1,21,95,20,000/- (Rupees One Hundred Twenty One Crore Ninety Five Lakhs and Twenty Thousand only) excluding Transaction Cost.

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.

DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

In accordance with Regulation 9(xi) of the Buy-back Regulations, an Escrow Agreement will be entered into amongst the Company, the Manager and the Escrow Agent.

In accordance with the Buy-back Regulations and pursuant to the Escrow Agreement, the Company will open an Escrow Account in the name and style “[•]” bearing account number [•] with the Escrow Agent, namely, [•] having its office at [•]. In accordance with Regulation 9(xi) of the Buy-back Regulations, the Company will deposit the applicable amount in the Escrow Account on or before the Buy-back Opening Date. In accordance with the Buy-back Regulations, the Manager to the Buy-back will be empowered to operate the Escrow Account.

The Company has sufficient means and has made firm arrangement for financial resources required to fund its obligations under the Buy-back. T R Chadha & Co LLP, Chartered Accountants, an independent chartered accountant has certified through letter dated September 11, 2022 that the Company has adequate funds for the purposes of the Buy-back. The details of the independent chartered accountant are as follows:

Name of the Firm: T R Chadha & Co LLP, Chartered Accountants

Address:

502, 5th Floor, Marathon Icon

Veer Santaji Lane,

Off. Ganpat Rao Kadam Marg,

Opp. Peninsula Corporate Park, Lower Parel

Mumbai – 400 013, India

Name of the signing partner: Kashyap Vaidya

Tel: +91 22 49669000

Membership No. of signing partner: 37623

ICAI Firm Registration No.: 006711N/N500028

Based on the aforementioned certificate, the Manager to the Buy-back confirms that they are satisfied that firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the Buy-back Regulations.

CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

The capital structure of the Company as at the date of the Draft Letter of Offer and post the Buy-back (assuming full acceptance) is provided below:

(₹ in lakhs, except share data)

		Aggregate value at face value
A	AUTHORISED SHARE CAPITAL	
	3,50,00,000 Equity Shares	3,500.00
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE BUY-BACK	
	2,96,48,880 Equity Shares	2,964.89
C	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE BUY-BACK	
	2,72,80,880 Equity Shares*	2,728.09 *

*Assuming 100% i.e. full acceptance of Equity Shares in the Buy-back.

Confirmations

There have been no other buyback programmes of the Company over the last 3 years prior to the date of the Draft Letter of Offer.

The Company confirms that it is in compliance with Section 68(2)(g) of the Companies Act and Regulation 4(vii) of the Buy-back Regulations.

As on the date of the Draft Letter of Offer, the Company confirms that there are no outstanding preference shares, partly paid-up Equity Shares or calls in arrears.

The Company confirms that it shall not issue, including through a bonus issue, Equity Shares or any other specified securities, until the expiry of the Buy-back period in accordance with Regulation 24(i)(b) of the Buy-back Regulations.

The Company does not have any convertible securities.

There is no pending scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act.

Shareholding pattern of the Company

The shareholding pattern of the Company before the Buy-back, as on the date of the Draft Letter of Offer, and after the Buy-back is provided below:

Particulars	Pre- Buy-back		Post- Buy-back*	
	No. of Equity Shares	% of Equity Shares	No. of Equity Shares	% of Equity Shares
(A) Promoters & Promoter Group	Nil	Nil	Nil	N.A
(B) Public	2,96,48,880	100	2,72,80,880	100
(C1) Shares underlying DRs	Nil	Nil	Nil	Nil
(C2) Shares held by Employee Trust	Nil	Nil	Nil	Nil
Grant Total (A+B+C)	2,96,48,880	100	2,72,80,880	100

*Assuming full acceptance of Equity Shares in the Buy-back.

Shareholding of the Promoters before and after the Buy-back

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Accordingly, details of the shareholding of promoters post Buy-back is not applicable.

Shareholding of the Directors and Key Managerial Persons of the Company as on date of Public Announcement i.e. September 3, 2022

Sr. No.	Name	Designation	Number of Equity Shares Held	% Shareholding
1.	Mr. Najib Shah	Non-Executive Independent Director and Chairman	Nil	Nil
2.	Mr. Venkatadri Chandrasekaran	Non-Executive Non-Independent Director	Nil	Nil
3.	Mr. Adesh Kumar Gupta	Non-Executive Independent Director	Nil	Nil
4.	Mr. Ananth Narayan Gopalakrishnan*	Non-Executive Independent Director	Nil	Nil
5.	Ms. Sonal Gunvant Desai	Non-Executive Independent Director	Nil	Nil
6.	Dr. Madaswamy Mathisekaran	Non-Executive Independent Director	Nil	Nil
7.	Ms. Shubhangi Soman	Non-Executive Non-Independent Director	Nil	Nil
8.	Mr. Mehul Pandya	Managing Director and Chief Executive Officer	18,855	0.06
9.	Ms. Nehal Shah	Company Secretary & Compliance Officer	Nil	Nil
10.	Mr. Jinesh Shah	Chief Financial Officer	Nil	Nil

**Resigned as Non-Executive Independent Director effective close of business hours on September 5, 2022.*

Aggregate Equity Shares purchased or sold by the Directors and Key Managerial Persons of the Company during a period of 12 (twelve) months preceding the date of the Public Announcement i.e. September 3, 2022

None of the Directors or Key Managerial Personnel have purchased or sold any Equity Shares of the Company during a period of 12 (twelve) months preceding the date of Public Announcement i.e. September 3, 2022.

BRIEF INFORMATION OF THE COMPANY

History of the Company

The Company was incorporated on April 21, 1993 with the name of Credit Analysis and Research Limited under the Companies Act, 1956 with registration number 071691. The registered office of the Company is situated at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400022. The Company's Corporate Identification Number (CIN) is L67190MH1993PLC071691. The Equity Shares of the Company are listed on BSE (Code: 534804) since December 26, 2012 and NSE (Code: CARERATING) since December 26, 2012. The ISIN of the Equity Shares is INE752H01013. The name of the Company has been changed from Credit Analysis and Research Limited to CARE Ratings Limited with effect from June 14, 2017.

The Company commenced its operations in April 1993 and has established itself as the leading credit rating agency of India. The Company provides the various credit ratings that the corporates use to raise debt for their various requirements and assists the debt investors to form an informed investment decision based on the credit risk assessment and their own risk-return expectations. The Company has its registered office and head office both located in Mumbai. In addition, the Company has regional offices at Ahmedabad, Andheri, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, New Delhi and Pune.

While the Company continues to be the second-largest credit rating agency in India since many years, the transformation journey initiated over the last few years for the core ratings business revolved around:

- Enhancing the analytics;
- Higher outreach;
- Bringing technology to the fore for superior analysis; and
- Improving the product offerings/segments.

The turnaround witnessed in some of the sectors post unlocking of the economy during FY21 became broad-based during FY22. The improvement in the financial position of the companies resulted in an improvement in the credit outlook for many of the sectors during FY22. At the same time, the capital expenditure plans of the corporates remained subdued. These factors resulted in deleveraging in some of the major sectors during FY22 and were also reflected in the fall in issuances in debt capital markets and muted credit growth for banks. Though this challenging operating environment had the potential to impact the rating revenue, the business team through various strategic initiatives taken during the year successfully overcame this challenging environment. Focus on high-growth sectors, aggressive outreach to various categories of investors, renewed efforts to further strengthen our key client coverage and a strong emphasis on incentivising performance were some of the key strategic initiatives leading to improved performance.

The overall rating revenue for the Company stood at ₹ 218.60 crore for FY22 as against ₹ 210.35 crore in FY21. The rating revenue has grown by 4% during FY22 as compared to FY21 aided by strong performance in the initial rating revenue.

The total authorised share capital of the Company is ₹ 35,00,00,000 consisting of 3,50,00,000 Equity Shares of ₹ 10/- each. As on date, the subscribed, issued and paid up share capital of the Company consisted of 2,96,48,880 Equity Shares of ₹ 10/- each aggregating ₹ 29,64,88,800.

Equity Share Capital History of the Company

The details of the changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment/Bought Back	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Nature of Transaction	Cumulative No. of Equity Shares	Cumulative paid-up Equity Share Capital (₹)	Cumulative Equity Share premium (₹)
May 12, 1993 ⁽¹⁾	7	10	10	Cash	Subscription to Memorandum of Association	7	70.00	Nil
December 20, 1993 ⁽²⁾	79,99,993	10	10	Cash	Preferential Allotment	80,00,000	8,00,00,000	Nil

Date of Issue/ Allotment/Bought Back	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Nature of Transaction	Cumulative No. of Equity Shares	Cumulative paid-up Equity Share Capital (₹)	Cumulative Equity Share premium (₹)
January 25, 2006 ⁽³⁾	(225,000)	10	52.05	Cash	Buyback	77,75,000	7,77,50,000	Nil
June 15, 2009 ⁽⁴⁾	284,247	10	31.82	Cash	ESOP allotment	80,59,247	8,05,92,470	62,02,270
February 9, 2010 ⁽⁵⁾	7,696	10	26.96	Cash ⁽⁶⁾	ESOP allotment	80,66,943	8,06,69,430	63,32,794
March 12, 2010 ⁽⁷⁾	14,50,661	10	-	Bonus issue in the ratio 18:100	Bonus Issue	95,17,604	9,51,76,040	63,32,794
September 20, 2011 ⁽⁸⁾	1,90,35,208	10	-	Bonus issue in the ratio 2:1	Bonus Issue	2,85,52,812	28,55,28,120	63,32,794
September 27, 2013 ⁽⁹⁾	446,310	10	560.15	Cash	Preferential Allotment	2,89,99,122	28,99,91,220	25,18,70,240
January 29, 2016 ⁽¹⁰⁾	401,974	10	617.00	Cash	ESOP Allotment	2,94,01,096	29,40,10,960	49,58,68,458
August 5, 2016 ⁽¹¹⁾	39,258	10	617.00	Cash	ESOP Allotment	2,94,40,354	29,44,03,540	51,96,98,064
February 3, 2017 ⁽¹²⁾	10,847	10	617.00	Cash	ESOP Allotment	2,94,51,201	29,45,12,010	52,62,82,193
August 22, 2017 ⁽¹³⁾	10,013	10	617.00	Cash	ESOP Allotment	2,94,61,214	29,46,12,140	53,23,60,084
December 21, 2021 ⁽¹⁴⁾	166,667	10	340.00	Cash	ESOP Allotment	2,96,27,881	29,62,78,810	58,73,60,194
December 21, 2021 ⁽¹⁵⁾	8,600	10	416.00	Cash	ESOP Allotment	2,96,36,481	29,63,64,810	59,08,51,794
March 17, 2022 ⁽¹⁶⁾	10,066	10	416.00	Cash	ESOP Allotment	2,96,46,547	29,64,65,470	59,49,38,590
July 4, 2022 ⁽¹⁷⁾	2,333	10	416.00	Cash	ESOP Allotment	2,96,48,880	29,64,88,800	59,58,85,788

Notes:

⁽¹⁾ Allotted 7 (Seven only) Equity Shares pursuant to subscription to the Memorandum of Association;

⁽²⁾ Allotted 79,99,993 (Seventy Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Three only) Equity Shares pursuant to a preferential allotment;

⁽³⁾ Buyback of 225,000 (Two Lakh Twenty Five Thousand only) Equity Shares of the Company at a price of ₹52.05/- per equity share pursuant to shareholders resolution dated September 22, 2005;

⁽⁴⁾ Allotment of 284,247 (Two Lakh Eighty Four Thousand Two Hundred and Forty Seven only) Equity Shares to various employees pursuant to the exercise of options granted under the Employee Stock Option Scheme pursuant to the resolution passed by the Board at its meeting held on June 15, 2009;

⁽⁵⁾ Allotment of 7,696 (Seven Thousand Six Hundred and Ninety Six only) Equity Shares to various employees pursuant to the exercise of options granted under the Employee Stock Option Scheme pursuant to the resolution passed by the Board at its meeting held on February 9, 2010;

⁽⁶⁾ Adjusted for ₹ 37,340 refunded to employee as an adjustment to the bonus issue undertaken by the Company;

⁽⁷⁾ Bonus issue in the ratio 18:100 authorized by shareholders of our Company pursuant to a resolution dated September 29, 2009. Bonus issue was undertaken through capitalization of the general reserves of our Company;

⁽⁸⁾ Bonus issue in the ratio 2:1 authorized by shareholders of our Company pursuant to a resolution dated September 13, 2011. Bonus issue was undertaken through capitalization of the general reserves of our Company;

⁽⁹⁾ Allotment of 446,310 (Four Lakh Forty Six Thousand Three Hundred and Ten only) Equity Shares of the Company pursuant to Preferential Allotment at a price of ₹560.15/- pursuant to the resolution passed by the Board at its meeting held on September 27, 2013;

⁽¹⁰⁾ Allotment of 401,974 (Four Lakh One Thousand Nine Hundred and Seventy Four only) Equity Shares of the Company to various employees of the Company pursuant to Employee Stock Option Scheme 2013 at an exercise price of ₹617/- pursuant to the resolution passed by the Board at its meeting held on January 29, 2016;

⁽¹¹⁾ Allotment of 39,258 (Thirty Nine Thousand Two Hundred and Fifty Eight only) Equity Shares of the Company to various employees of the Company pursuant to Employee Stock Option Scheme 2013 at an exercise price of ₹617/- pursuant to the resolution passed by the Board at its meeting held on August 5, 2016;

⁽¹²⁾ Allotment of 10,847 (Ten Thousand Eight Hundred and Forty Seven only) Equity Shares of the Company to various employees of the Company pursuant to Employee Stock Option Scheme 2013 at an exercise price of ₹617/- pursuant to the resolution passed by the Board at its meeting held on February 3, 2017;

⁽¹³⁾ Allotment of 10,013 (Ten Thousand and Thirteen only) Equity Shares of the Company to various employees of the Company pursuant to Employee Stock Option Scheme 2013 at an exercise price of ₹617/- pursuant to the resolution passed by the Board at its meeting held on August 22, 2017;

⁽¹⁴⁾ and ⁽¹⁵⁾ Allotment of 166,667 (One Lakh Sixty Six Thousand Six Hundred and Sixty Seven only) Equity Shares of the Company to one of the employees of the Company at an exercise price of ₹340/- and 8,600 (Eight Thousand Six Hundred only) Equity Shares of the Company to various employees of the Company at an exercise price of ₹416/-pursuant to Employee Stock Option Scheme 2020 pursuant to the circular resolution passed by the Nomination and Remuneration Committee dated December 21, 2021 and

⁽¹⁶⁾ Allotment of 10,066 (Ten Thousand Sixty Six only) Equity Shares of the Company to various employees of the Company pursuant to Employee Stock Option Scheme 2020 at an exercise price of ₹416/- pursuant to the circular resolution passed by the Nomination and Remuneration Committee dated March 17, 2022.

⁽¹⁷⁾ Allotment of 2,333 (Two Thousand Three Hundred and Thirty Three only) Equity Shares of the Company to employees of the Company pursuant to Employee Stock Option Scheme 2020 at an exercise price of ₹416/- pursuant to the circular resolution passed by the Nomination and Remuneration Committee dated July 4, 2022.

Board of Directors of the Company

The following table provides the details regarding the Board of Directors of the Company as of the date of filing this Draft Letter of Offer:

Name, Designation, Date of Appointment, Qualification and Occupation	Age (in years)	Other Directorships
Name: Najib Shah Designation: Non-Executive Independent Director, Chairman DIN: 08120210 Date of Appointment: July 17, 2019 Qualification: Indian Revenue Service Occupation: Professional	65	<ul style="list-style-type: none"> Aditya Birla Sun Life Trustee Private Limited; and Fintermix Software Private Limited
Name: Venkatadri Chandrasekaran Designation: Non-Executive Non-Independent Director DIN: 03126243 Date of Appointment: November 15, 2017 Qualification: Chartered Accountant Occupation: Professional	64	<ul style="list-style-type: none"> Tamilnadu Newsprint & Papers Limited; Tata Investment Corporation Limited; Aditya Birla Renewables SPV 1 Limited; Aditya Birla Housing Finance Limited; Aseem Infrastructure Finance Limited; Life Insurance Corporation (International) B S C Bahrain; Waacox Energy Private Limited; and Grasim Industries Limited

Name, Designation, Date of Appointment, Qualification and Occupation	Age (in years)	Other Directorships
Name: Adesh Kumar Gupta Designation: Non-Executive Independent Director DIN: 00020403 Date of Appointment: May 22, 2018 Qualification: Chartered Accountant and B.Com Occupation: Professional	65	<ul style="list-style-type: none"> • Zee Entertainment Enterprises Limited; • Krazybee Services Private Limited; • Vinati Organics Limited; • India Pesticides Limited; • Grasim Industries Limited; • India Advantage Fund Limited (Mauritius, Foreign Company); and • KRSNAA Diagnostics Limited
Name: Dr. Madaswamy Mathisekaran Designation: Non-Executive Independent Director DIN: 03584338 Date of Appointment: August 19, 2019 Qualification: Indian Engineering Services Occupation: Professional	65	<ul style="list-style-type: none"> • S K Madasamy & Krishnammal Educational Trust; and • CARE Advisory Research and Training Limited
Name: Sonal Gunvant Desai Designation: Non-Executive Independent Director DIN: 08095343 Date of Appointment: March 30, 2019 Qualification: FCA and B.Com. Occupation: Professional	64	<ul style="list-style-type: none"> • Sharda Cropchem Limited; • Mobilizing Minds Consulting Private Limited; and • CARE Risk Solutions Private Limited
Name: Shubhangi Soman Designation: Non-Executive Non-Independent Director DIN: 09476059 Date of Appointment: January 28, 2022 Qualification: Chartered Accountant Occupation: Professional	60	<ul style="list-style-type: none"> • Swayantra Solutions Private Limited
Name: Mehul Pandya Designation: Managing Director & CEO DIN: 07610232 Date of Appointment: July 29, 2022 Qualification: BE, MBA, CFA Occupation: Professional	50	<ul style="list-style-type: none"> • CARE Advisory Research and Training Limited; • CARE Risk Solutions Private Limited; • CARE Ratings (Africa) Private Limited; and • CARE Ratings Nepal Limited

Changes in the Board of Directors during the last three years:

The following table provides the details regarding the changes in the Board of Directors of the Company as on the date of filing of this Draft Letter of Offer:

Sr. No.	Name of the Director and Designation	DIN	Appointment/Resignation	Effective Date	Reasons
1	Sadhana Dhamane Non-Executive Director	01062315	Resignation	August 6, 2019	Resignation
2	S. B. Mainak Non-Executive Independent Director	02531129	Resignation	February 11, 2020	Resignation
3	Rajesh Mokashi Managing Director	02781355	Resignation	December 20, 2019	Resignation as Managing Director
4	Najib Shah Non-Executive Independent Director, Chairman	08120210	Appointment	July 17, 2019	Appointed as an Independent Director
5	Adesh Kumar Gupta Non-Executive Independent Director	00020403	Re-appointment	September 14, 2021	Re-appointed as an Independent Director

6	Ananth Narayan Gopalakrishnan Non-Executive Independent Director	05250681	Appointment	August 19, 2019	Appointed as an Independent Director
7	Madaswamy Mathisekaran Non-Executive Independent Director	03584338	Appointment	August 19, 2019	Appointed as an Independent Director
8	Sonal Gunvant Desai Non-Executive Independent Director	08095343	Appointment	March 30, 2019	Appointed as an Independent Director
9	Shubhangi Soman Non-Executive Director	09476059	Appointment	January 28, 2022	Appointed as a Non- Executive Director
10	Ajay Mahajan Managing Director and CEO	05108777	Appointment	April 15, 2020	Appointed as Managing Director and CEO
11	Ajay Mahajan Managing Director and CEO	05108777	Resignation	May 31, 2022	Resigned as Managing Director and CEO
12	Mr. Mehul Pandya Managing Director and CEO	07610232	Appointment	July 29, 2022	Appointed as Managing Director and CEO
13	Mr. Ananth Narayan Gopalakrishnan Non-Executive Independent Director	05250681	Resignation	September 5, 2022	Resignation as Non- Executive Independent Director

The Buy-back will not result in any benefit to any Directors of the Company / group companies except to the extent of their intention to participate in the Buy-back and actual participation in the Buy-back and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buy-back.

FINANCIAL INFORMATION ABOUT THE COMPANY

Summary of the financial information of the Company

The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with the relevant rules issued thereunder.

On a standalone basis

The salient financial information of the Company extracted from the **audited standalone financial statements** for last three years being March 31, 2022, March 31, 2021 and March 31, 2020 are given below:

Key Financials	(₹ in Lacs)		
	For the year ended March 31, 2022 (1)	For the year ended March 31, 2021 (2)	For the year ended March 31, 2020 (3)
	(Audited)	(Audited)	(Audited)
Revenue from Operations	21,927.29	21,966.45	21,910.23
Other Income	2,836.12	3,211.57	3,133.60
Total Income	24,763.41	25,178.02	25,043.83
Total Expenses (excluding finance cost & depreciation and amortisation and Exceptional Items)	13,327.04	13,139.35	14,254.52
Finance cost / Interest	39.64	56.68	73.87
Depreciation and amortisation	698.82	708.90	690.75
Exceptional Items: Expense / (Income)	NIL	NIL	NIL
Profit Before Tax	10,697.91	11,273.09	10,024.69
Provisions for Tax (including Deferred Tax)	2,250.67	2,690.38	1,974.51
Profit/(Loss) discontinuing operation	NIL	NIL	NIL
Profit/ (Loss) After Tax	8,447.24	8,582.71	8,050.18
Paid-up Equity Share Capital	2,964.65	2,946.12	2,946.12
Other Equity, excluding revaluation reserves & Misc. expenditures to the extent not written off	62,058.29	55,381.51	50,211.98
Total Equity, excluding revaluation reserves & Misc. expenditures to the extent not written off	65,022.94	58,327.63	53,158.10
Debt, excluding working capital loans	NIL	NIL	NIL
Total Debt	NIL	NIL	NIL

(1) Figures have been extracted from Audited Standalone Financial Statements for the Financial Year ended on March 31, 2022

(2) Figures have been extracted from Audited Standalone Financial Statements for the Financial Year ended on March 31, 2021, as the figures for the Financial Year ended on March 31, 2021 were regrouped / restated in the Audited Financial Statements for the Financial Year ended on March 31, 2022

(3) Figures have been extracted from Audited Standalone Financial Statements for the Financial Year ended on March 31, 2020, as the figures for the Financial Year ended on March 31, 2020 were restated in the Audited Standalone Financial Statements for the Financial Year ended on March 31, 2021

Financial Ratios as per **audited standalone financial statements** are as under:

Particulars	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
Earnings per Share (₹) (Basic)	28.62	29.13	27.32
Earnings per Share (₹) (Diluted)	28.47	29.08	27.32
Debt/ Equity Ratio	N.A.	N.A.	N.A.
Book Value (₹ per Share)	219.33/-	197.98/-	180.43/-
Return on Net worth (%)	12.99%	14.71%	15.14%
Total Debt/ Net worth (%)	N.A.	N.A.	N.A.

Notes:

1. Net worth = Equity Capital + Other Equity – Miscellaneous Expenditure, excluding revaluation reserves.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Other Equity) / No. of Equity Shares
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Total Debt/ Net Worth excluding revaluation reserves

On a consolidated basis

The salient financial information of the Company extracted from the **audited consolidated financial statements** for last three years being March 31, 2022, March 31, 2021 and March 31, 2020 are given below:

Key Financials	(₹ in Lacs)		
	For the year ended March 31, 2022 (1)	For the year ended March 31, 2021 (2)	For the year ended March 31, 2020 (3)
	(Audited)	(Audited)	(Audited)
Revenue from Operations	24,763.28	24,844.69	24,364.03
Other Income	2,719.11	3,129.36	3,146.76
Total Income	27,482.39	27,974.05	27,510.79
Total Expenses (excluding finance cost & depreciation and amortisation and Exceptional Items)	16,802.42	15,267.38	16,231.99
Finance cost / Interest	46.38	61.75	92.75
Depreciation and amortisation	770.59	780.22	776.79

Exceptional Items: Expense / (Income)	NIL	NIL	NIL
Profit Before Tax (share of profit of an associate and tax)	9,863.00	11,864.70	10,409.26
Share of Profit of an associate	NIL	NIL	NIL
Provisions for Tax (including Deferred Tax)	2,180.10	2,768.13	2,061.30
Profit/(Loss) discontinuing operation	NIL	NIL	NIL
Profit/ (Loss) After Tax	7,682.90	9,096.57	8,347.96
Paid-up Equity Share Capital	2,964.65	2,946.12	2,946.12
Other Equity, excluding revaluation reserves & Misc. expenditures to the extent not written off	61,784.81	55,935.96	50,380.27
Total Equity, excluding revaluation reserves & Misc. expenditures to the extent not written off	64,749.46	58,882.08	53,326.39
Debt, excluding working capital loans	NIL	NIL	NIL

(1) Figures have been extracted from Audited Consolidated Financial Statements for the Financial Year ended on March 31, 2022

(2) Figures have been extracted from Audited Consolidated Financial Statements for the Financial Year ended on March 31, 2021, as the figures for the Financial Year ended on March 31, 2021 were regrouped / restated in the Audited consolidated Financial Statements for the Financial Year ended on March 31, 2022

(3) Figures have been extracted from Audited Consolidated Financial Statements for the Financial Year ended on March 31, 2020, as the figures for the Financial Year ended on March 31, 2020 were restated in the Audited Consolidated Financial Statements for the Financial Year ended on March 31, 2021

Financial Ratios as per **audited consolidated financial statements** are as under:

Particulars	For the year ended March 31, 2022 (Audited)	For the year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
Earnings per Share (₹) (Basic)	25.45	30.38	27.96
Earnings per Share (₹) (Diluted)	25.31	30.33	27.96
Debt/ Equity Ratio	N.A.	N.A.	N.A.
Book Value (₹ per Share)	218.40/-	199.86/-	181.01/-
Return on Net worth (%)	11.87%	15.45%	15.65%
Total Debt/ Net worth (%)	N.A.	N.A.	N.A.

Notes:

1. Net worth = Equity Capital + Other Equity – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Other Equity) / No. of Equity Shares Subscribed

Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Total Debt/ Net Worth

Confirmations

The Company confirms that it will comply with the provisions of the Takeover Regulations, if applicable.

The Company confirms that it has complied with the provisions of Sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014, as may be applicable to the Buy-back.

STOCK MARKET DATA

The Equity Shares were listed on the BSE and NSE on December 26, 2012.

Market Price of the Equity Shares in the last three financial years on the stock exchange

The market price of the Equity Shares in the last three financial years on the NSE is provided below:

Period	High*			Low*			Average Price (₹)*	Total volume traded
	High	Date of High	No. of Equity Shares Traded	Low	Date of Low	No. of Equity Shares Traded		
Fiscal 2022	791.00	July 2, 2021	18,71,839	414.00	April 6, 2021	2,28,952	617.84	6,03,69,360
Fiscal 2021	607.70	December 7, 2020	2,77,178	296.15	October 30, 2020	1,02,910	427.32	4,77,35,307
Fiscal 2020	1,010.10	June 3, 2019	64,629	235.00	March 25, 2020 & March 26, 2020	82,210 & 2,54,397	661.36	5,25,69,484

Source: www.nseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

The monthly market prices on the NSE during the six-month preceding the Public Announcement and the total volume of Equity Shares traded on the stock exchange is provided below:

Period	High*			Low*			Average Price (₹)*	Total volume traded
	High	Date of High	No. of Equity Shares Traded	Low	Date of Low	No. of Equity Shares Traded		
August 2022	522.00	August 26, 2022	2,17,042	452.20	August 1, 2022	1,10,084	484.75	20,52,647
July 2022	492.00	July 13, 2022	43,75,257	410.15	July 1, 2022	38,857	440.83	69,03,388
June 2022	485.40	June 1, 2022	79,504	406.00	June 20, 2022	23,630	437.16	7,72,254
May 2022	475.90	May 31, 2022	69,412	403.00	May 11, 2022 & May 19, 2022	1,56,922 & 6,45,276	436.31	30,31,409
April 2022	579.00	April 6, 2022	1,30,263	450.00	April 27, 2022	19,06,580	538.94	59,07,157
March 2022	554.80	March 2, 2022	65,999	494.55	March 8, 2022	1,33,455	513.91	19,82,590

Source: www.nseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

The market price of the Equity Shares in the last three financial years on the BSE is provided below:

Period	High*			Low*			Average Price (₹)*	Total volume traded
	High	Date of High	No. of Equity Shares Traded	Low	Date of Low	No. of Equity Shares Traded		
Fiscal 2022	791.15	July 2, 2021	1,34,562	410.00	April 6, 2021	11,009	617.87	56,98,651
Fiscal 2021	588.00	December 3, 2020	20,451	296.05	November 2, 2020	9,227	427.36	47,97,265
Fiscal 2020	1,019.00	June 6, 2019	420	236.45	March 25, 2020	4,194	661.26	42,05,200

Source: www.bseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

The monthly market prices on the BSE during the six-month preceding the Public Announcement and the total volume of Equity Shares traded on the stock exchange is provided below:

Period	High*			Low*			Average Price (₹)*	Total volume traded
	High	Date of High	No. of Equity Shares Traded	Low	Date of Low	No. of Equity Shares Traded		
August 2022	521.80	August 26, 2022	24,172	452.75	August 1, 2022	5,441	484.72	1,70,382
July 2022	492.25	July 13, 2022	1,87,878	410.60	July 1, 2022	1,635	440.55	3,90,729
June 2022	485.35	June 1, 2022	22,015	405.35	June 20, 2022	4,388	437.03	98,325
May 2022	475.95	May 31, 2022	7,894	402.75	May 11, 2022	17,515	436.17	2,99,558
April 2022	578.20	April 6, 2022	15,443	450.00	April 27, 2022	1,49,152	539.04	16,94,218
March 2022	556.00	March 2, 2022	7,437	495.20	March 8, 2022	24,740	514.26	4,59,774

Source: www.bseindia.com

*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

Notice of the board meeting convened to consider the proposal of the Buy-back was given to the BSE and NSE on July 12, 2022. The closing market price of the Company's Equity Share on July 11, 2022 (being one trading day before the date on which the notice was sent for board meeting in which the Buy-back proposal was to be approved), on BSE was ₹ 419.75 and on NSE was ₹ 419.55. The Board, at its meeting held on July 20, 2022, approved the proposal for the Buy-back and the outcome was sent to BSE and NSE on July 20, 2022. The closing market price of the Company's Equity Share on July 19, 2022 i.e. one trading prior to the Board Meeting Date on BSE was ₹ 458.25 and on NSE was ₹ 458.30. The closing market price of the Company's Equity Share on July 20, 2022 i.e. Board Meeting Date on BSE was ₹ 468.75 and on NSE was ₹ 468.55. The closing market price of the Company's Equity Share on July 21, 2022 i.e. immediately after date of Board Approval on BSE was ₹ 451.50 and on NSE was ₹ 451.90. The closing market price of the Company's Equity Share on September 2, 2022 i.e. the date of declaration of postal ballot results on BSE was ₹ 507.95 and on NSE was ₹ 508.35.

DETAILS OF STATUTORY APPROVALS

The Buy-back is subject to approvals, if any, required under the provisions of the Companies Act, the Buy-back Regulations and/or such other applicable laws for the time being in force.

1. The Buy-back has been approved by the Board of Directors in their meeting held on July 20, 2022;
2. The Buy-back has been approved by the Shareholders by special resolution through postal ballot, the results of which were declared on September 2, 2022;
3. The Buy-back of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI as may be required. It is the obligation of such Non-Resident Shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the Buy-back and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
4. By agreeing to participate in the Buy-back, each Eligible Shareholder (including each Non-Resident Shareholder) undertakes to complete all relevant regulatory/statutory filings and compliances to be made by it under applicable law, including filing of Form FC-TRS. Further, by agreeing to participate in the Buy-back, each Eligible Shareholder hereby (a) authorises the Company to take all necessary action, solely to the extent required, and if necessary, to be undertaken by the Company, for making any regulatory/statutory filings and compliances on behalf of such Shareholder; and (b) undertakes to provide the requisite assistance to the Company for making any such regulatory/statutory filings and compliances.
5. As of date, there is no other statutory or regulatory approval required to implement the Buy-back Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buy-back will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory/regulatory approvals, changes to the proposed timetable of the Buy-back Offer, if any, shall be intimated to BSE and NSE.
6. The Buy-back from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the FEMA and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt/provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the FEMA and rules and regulations framed thereunder, if any.
7. The reporting requirements for non-resident shareholders under RBI, FEMA, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
8. In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.

PROCESS AND METHODOLOGY OF BUY-BACK

The Company proposes to Buy-back up to 23,68,000 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 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). The Buy-back Size represents 19.30% and 19.39% of the aggregate of fully paid-up Equity Share Capital and free reserves (including securities premium) as per latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, respectively from the Eligible Shareholders on a proportionate basis through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-Back Regulations, in accordance with the Articles of Association, provisions of the Sections 68, 69, 70 and any other applicable provisions of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and in compliance with the Buy-back Regulations. The Board approved the Buy-back, at their meeting held on July 20, 2022. The Equity Shareholders approved the Buy-back by way of a special resolution through postal ballot, the results of which were announced on September 2, 2022. The Buy-back is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI and the Stock Exchanges.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buy-back and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buy-back.

In terms of the Buy-back Regulations, under the 'Tender Offer' process, the promoters of the Company have the option to participate in the Buy-back. However, the Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control. Therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buy-back is not applicable.

Record Date and Ratio of Buy-back as per the Buy-back Entitlement in each Category:

The Company has approved September 14, 2022 as the Record Date for the purpose of determining the Buy-back Entitlement and the names of the Shareholders, who are eligible to participate in the Buy-back.

The Equity Shares to be bought back as a part of this Buy-back is divided into two categories:

- (i) Reserved category for Small Shareholders ("**Reserved Category**"); and
- (ii) General Category for other Eligible Shareholders ("**General Category**").

As defined in the Buy-back Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000. For the purposes of classification of a shareholder, as a "small shareholder", multiple demat accounts having the same permanent account number, in case of securities held in the demat form, or joint holders with identical sequence of names, in case of securities held in the physical form, are to be clubbed together. As on Record Date, the closing price on [•], having the highest trading volume, was ₹ [•] per Equity Share. Accordingly, all Eligible Shareholders holding not more than [•] Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buy-back.

Based on the above definition, there are [•] Small Shareholders in the Company with aggregate shareholding of [•] Equity Shares as on Record Date, which constitutes [•]% of the total paid-up Equity Share capital of the Company and [•]% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buy-back. [•] Equity Shares were held by the other Eligible Shareholders in the General Category as on the Record Date.

In compliance with Regulation 6 of the Buy-back Regulations, the reservation for the Small Shareholders, will be higher of:

- (i) 15% of the number of Equity Shares which the Company proposes to Buy-back, being [•] Equity Shares; or
- (ii) The number of Equity Shares entitled as per their shareholding as on Record Date, being [•] Equity Shares.

All the outstanding Equity Shares have been used for computing the Buy-back Entitlement of Small Shareholders.

Based on the above and in accordance with Regulation 6 of the Buy-back Regulations, [•] Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for all other Equity Shareholders shall consist of [•] Equity Shares.

Based on the above Buy-back Entitlements, the Ratio of Buy-back for both categories is decided as below:

Category of Shareholders	Ratio of Buy-back*
Reserved category for Small Shareholders	[•] Equity Shares for every [•] Equity Shares held on the Record Date
General category for all other Eligible Shareholders	[•] Equity Shares for every [•] Equity Shares held on the Record Date

** The ratio of Buy-back indicated above is approximate and provides an indication of the Buy-back Entitlement. Any computation of entitled Equity Shares using the above ratio of Buy-back may provide a slightly different number due to rounding-off. The actual Buy-back Entitlement for reserved category for Small Shareholders is [•]% and general category for all other Eligible Shareholders is [•]%.*

Clubbing of Entitlement

In order to ensure that the same Eligible Seller with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Seller with a common Permanent Account Number (“PAN”) shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buy-back. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Sellers holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

Fractional Entitlements

If the Buy-back Entitlement under the Buy-back, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [•] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy-back and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by the Small Shareholders in the Reserved Category in the following order of priority:

- Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less.
- Post the acceptance as described above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buy-back, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- Post the acceptance as described above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buy-

back Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buy-back Regulations, that is, valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been Accepted in accordance with the above, shall be reduced by one.

- d) Adjustment for fractional results in case of proportionate Acceptance, as described above:
 - i. For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buy-back Committee or any person(s) authorized by the Buy-back Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in section entitled “*Process and Methodology of Buy-back*” of this Draft Letter of Offer.

Basis of Acceptance of Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by all other Eligible Shareholders in the General Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b) Post the Acceptance as described above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buy-back Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance as described above:
 - i. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buy-back Committee or any person(s) authorized by the Buy-back Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in section entitled “*Process and Methodology of Buy-back*”.

Basis of Acceptance of Equity Shares between categories

- a. In the event the Equity Shares tendered by the Small Shareholders in accordance with the process set out under *Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders* above is less than the Reserved Portion, Additional Equity Shares tendered by the Eligible Shareholders in the General Category over and above their Buy-back Entitlement shall, in accordance with the Buy-back Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder

shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the Reserved Portion.

- b. In the event the Equity Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under *Basis of Acceptance of Equity Shares validly tendered in the General Category* above of the Draft Letter of Offer is less than the General Portion, Additional Equity Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buy-back Entitlement shall, in accordance with the Buy-back Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the General Portion.
- c. A Small Shareholder who has received a Tender Form with zero Buy-back Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Equity Share before Acceptance, as mentioned above, out of the Equity Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders*”.
- d. Adjustment for fractional results in case of proportionate Acceptance, as described above:
 - i. For any Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.
 - iii. In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Paragraph Process and Methodology for the Buy-back.

For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- Shares accepted under the Buy-back from each Eligible Shareholder, shall be lower of the following:
 - *the number of Shares tendered by the respective Shareholder; or*
 - *the number of Shares held by the respective Shareholder, as on the Record Date*
- Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of acceptance.

In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Buy-back Committee or any person(s) authorized by the Buy-back Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in section entitled “*Process and Methodology of Buy-back*” of this Draft Letter of Offer.

PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

The Buy-back shall be available to all Eligible Shareholders holding Equity Shares either in physical or dematerialized form on the Record Date.

The Buy-back shall be undertaken on a proportionate basis through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-back Regulations. Additionally, the Buy-back shall, subject to applicable laws, be facilitated by tendering of Equity Shares by the Shareholders and settlement of the same, through the stock exchange mechanism as specified in the SEBI Circulars. The Letter of Offer and Tender Form, outlining the terms of the Buy-back as well as the detailed disclosures as specified in the Buy-back Regulations, shall be sent through electronic means to Eligible Shareholder(s) who have registered their e-mail ids with the depositories/the Company, and for those Eligible Shareholder(s) who have not registered their e-mail ids with the depositories/the Company, the Letter of Offer shall be dispatched through physical mode by registered post/speed post/courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure mentioned in this Section.

The Company will not accept any Equity Shares offered for Buy-back which are under any restraint order of a court for transfer/sale of such shares. The Company shall comply with Regulation 24(v) of the Buy-back Regulations which states that the Company shall not Buy-back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable. The Company shall accept all the Equity Shares validly tendered for the Buy-back by Eligible Shareholders, on the basis of their Buy-back Entitlement as on the Record Date.

As disclosed in the section entitled “*Process and Methodology of Buy-back*” on page 35 of this Draft Letter of Offer, the Equity Shares proposed to be bought as a part of the Buy-back is divided into two categories; (a) Reserved Category for Small Shareholders; and (b) the General Category for other Eligible Shareholders, and the Buy-back Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.

After Accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in any other category.

The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the same to participate in the Buy-back, shall not invalidate the offer to any person who is eligible to receive this offer under the Buy-back. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares as on Record Date may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Eligible Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents such as physical Equity Share certificate and Form SH 4 in case of Equity Shares being held in physical form. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the recognized stock exchange before the closure of the Buy-back.

Process and Methodology

Process

The Buy-back is open to all Shareholders holding Equity Shares as on Record Date, in both physical form and dematerialized form.

The Buy-back will be implemented by the Company through the mechanism provided by the Stock Exchanges through the Acquisition Window in accordance with the Buy-back Regulations and the SEBI Circulars.

The Company has appointed DAM Capital Advisors Limited, as the registered broker to the Company to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buy-back. In the tendering process, the Company Broker may also process the orders received from the Shareholders. The details of the Company Broker are as follows:



Name: DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511,

Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India
Tel: +91 22 4202 2500;
Email id: rajesh@damcapital.in;
Website: www.damcapital.in
Contact person: Rajesh Tekadiwala
SEBI Registration Number: INZ000207137;
Validity Period: Permanent;
CIN: U99999MH1993PLC071865

Methodology

Placing of orders

The placing of orders through the Acquisition Window will take place during the trading hours of the secondary market. Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buy-back would have to do so through their respective Shareholder Broker by indicating to their broker the details of Equity Shares they intend to tender in the Buy-back. Eligible Shareholders who are holding Equity Shares in the physical form and intend to participate in the Buy-back will be required to approach their respective stock brokers (the “Shareholder Broker”) along with the complete set of documents for verification procedures to be carried out. The documents include the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the Eligible Shareholder’s PAN Card, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, as may be applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address reflected in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card, (ii) Voter Identity Card or (iii) Passport.

The requirement of documents and procedures may vary from broker to broker.

The Acquisition Window will be provided by the Stock Exchanges to facilitate placing of sell orders. The details of the platform will be as specified by the Stock Exchanges, from time to time.

All Eligible Shareholders, through their respective Shareholder Brokers will be eligible to place orders in the “Acquisition Window”.

All Eligible Shareholders can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.

During the Buy-back Period, the trading members will have to ensure that the order for selling Equity Shares is placed on behalf of Eligible Shareholders. During order entry, members can enter orders for dematerialized as well as physical shares.

Procedure to be followed by Shareholders holding Equity Shares in dematerialized form

Eligible Shareholders who desire to tender Equity Shares held by them in dematerialized form in the Buy-back would have to do so through their respective Shareholder Broker by indicating to such Shareholder Broker the details of the Equity Shares they intend to tender under the Buy-back.

The Shareholder Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buy-back using the acquisition window of the Stock Exchanges. Before placing an order/bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to a special account of the clearing corporation (the “**Clearing Corporation**”) by using the early pay-in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the Shareholder Broker (the “**Special Account**”).

The details of the Special Account and the settlement number shall be provided in the issue opening circular that will be issued by Stock Exchanges and/or the Clearing Corporation.

A lien shall be marked in demat account of the Eligible Shareholders for the Equity Shares tendered in the Buy-back. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by Depositories to the Clearing Corporation.

In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buy-back shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“**IDT**”) instruction shall be initiated by shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.

For custodian participant orders, for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of the order by the custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide TRS generated by the Exchange Bidding System to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted such as bid ID number, application number, Depository Participant ID, client ID, number of Equity Shares tendered, etc.

In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the Exchange Bidding System, the bid by such Eligible Shareholder shall be deemed to have been accepted.

In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.

The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buy-back decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buy-back of shares by the Company.

Procedure to be followed by Shareholders holding Equity Shares in physical form:

In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, Eligible Shareholders holding Equity Shares in physical form can participate in the Buy-back. The procedure is as below:

Eligible Shareholders who are holding Equity Shares in the physical form and intend to participate in the Buy-back will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out. The documents include (i) the tender form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original share certificate(s), (iii) valid share transfer form(s)/ Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iv) self-attested copy of the Shareholder’s PAN Card, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, as may be applicable. In addition, if the address of the Shareholder has undergone a change from the address reflected in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card, (ii) Voter identity card, or (iii) Passport.

Based on the aforesaid documents, the Shareholder Broker shall place the bid on behalf of the Eligible Shareholder who is holding Equity Shares in physical form and intend to tender Equity Shares in the Buy-back using the acquisition window of the Stock Exchanges. Upon placing the bid, the Shareholder broker shall provide a TRS generated by the Exchange Bidding System to the Eligible Shareholder. The TRS will contain the details of order submitted such as folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.

Each Shareholder Broker or Shareholder is required to deliver the original share certificate(s) and documents as mentioned in paragraph above along with the TRS (containing details of order submitted including the bid identification number, the application number, DP ID, Client ID in case of dematerialized Equity Shares or the folio number, certificate number, distinctive numbers and the number of Equity Shares tendered in case of Equity shares held in the physical form and the number of Equity Shares tendered) either by registered post or courier or hand delivery to the RTA within two days of bidding by such Shareholder Broker. The envelope should be super scribed as “**CARE Ratings Buy-back**”. One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to such Shareholder Broker or Shareholder.

Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buy-back by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. The RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as “unconfirmed physical bids”. Once, RTA confirms the bids, it will be treated as “Confirmed Bids”.

Modification or cancellation of orders will only be allowed during the tendering period of the Buy-back.

The cumulative quantity of Equity Shares tendered shall be made available on the website of the Stock Exchanges, at NSE’s website: www.nseindia.com; BSE’s website: www.bseindia.com, throughout the trading session and will be updated at specific intervals during the tendering period.

For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders

Eligible Shareholders, being Non-Resident Shareholders (excluding FIIs/FPIs) should also enclose a copy of the permission received by them from the RBI, if applicable, to acquire the Equity Shares held by them in the Company.

In case the Equity Shares are held on repatriation basis, the Eligible Shareholder, being a Non-Resident Shareholder, should obtain and enclose a letter from its authorised dealer/bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by such Eligible Shareholder, from the appropriate account as specified by RBI in its approval. In case the Eligible Shareholder, being a Non Resident Shareholder, is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis, and in that case, the Eligible Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buy-back.

If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buy-back are liable to be rejected.

Acceptance of orders

The Registrar shall provide details of order acceptance to the Clearing Corporation within specified timelines.

Settlement of Equity Shares

Upon finalization of the basis of acceptance as per the Buy-back Regulations:

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time, and in compliance with the SEBI Circulars.

The Company will pay the consideration to the Company’s Broker who will transfer the funds pertaining to the Buy-back to the Clearing Corporation’s bank accounts as per the prescribed schedule. The settlement of fund obligation for dematerialized shares shall be affected as per the SEBI circulars and as prescribed by BSE and Clearing Corporation from time to time. For dematerialized shares accepted under the Buy-back, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation and in case of physical shares, the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If Eligible Shareholders’ bank account details are not available or if the funds transfer instruction is rejected by RBI/ the concerned bank, due to any reason, such funds will be transferred to the concerned Shareholder Broker’ settlement bank account for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.

In case of Eligible Shareholders where there are specific RBI and other regulatory requirements pertaining to funds pay-out, which do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder Brokers settlement bank account for onward transfer to the Eligible Shareholders. For this purpose, the client type details

would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchanges and the Clearing Corporation from time to time.

The Equity Shares bought back in the dematerialised form would be transferred directly to the escrow account of the Company (the “**Demat Escrow Account**”) from the Special Account.

Eligible Shareholder will have to ensure that they keep their depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buy-back. Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder’s DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder.

In the case of inter-depository/ IDT, the Clearing Corporation will cancel the excess or unaccepted shares in target depository. The source depository will not be able to release the lien without a release of Inter Depository Tender Offer (“IDT”) message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from the Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buy-back. Post receiving the IDT message from target depository, source depository will cancel/ release excess or unaccepted block shares in the demat account of the Eligible Shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target depository to the extent of accepted bid shares from Eligible Shareholder’s demat account and credit it to the Clearing Corporation settlement account in target depository on settlement date.

Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back by Eligible Shareholders holding Equity Shares in the physical form. Each Shareholder Broker will issue contract note and pay on behalf of the Shareholder the consideration for the Equity Shares accepted under the Buy-back and return the balance unaccepted Equity Shares to their respective clients. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.

Shareholders who intend to participate in the Buy-back should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the respective Shareholder Broker upon the Shareholders for tendering Equity Shares in the Buy-back. The Buy-back consideration received by the Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company and the Manager to the Buy-back accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Shareholders tendering their Equity Shares in the Buy-back.

In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker’s settlement accounts for releasing the same to such shareholder’s account

The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

Participation in the Buy-back by shareholders will trigger tax on distributed income to shareholders (hereinafter referred to as “**Buyback Tax**”) in India and such tax is to be discharged by the Company. This may trigger capital gains taxation in the hands of shareholders in their country of residence, if outside India. The transaction of Buy-back would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive the Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buy-back.

Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b. if there a name mismatch in the dematerialized account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar before the close of business hours to the Registrar on or before [•] by 5:00 p.m.;
- b. There exists any restraint order of a court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists;
- c. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- d. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- e. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- f. In the event the signature in the Tender Form and Form SH 4 do not match as per the specimen signature recorded with Company or Registrar.

Non-resident shareholders

All non-resident Shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the RBI to acquire the Equity Shares held by them in the Company. In case the Equity Shares are held on repatriation basis, the non-resident Shareholder should obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident Shareholder is not in a position to produce the said certificate, the shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buy-back. If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buy-back are liable to be rejected.

NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. APPLICABLE PROVISIONS UNDER INCOME TAX ACT 1961 IN RELATION OF BUY BACK OF LISTED EQUITY SHARES

1.1 GENERAL

Indian Income tax follows tax year period from 1st April to 31st March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 (“ITA”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her India sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a company, the source of income from shares would depend on the ‘situs’ of the shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement (“DTAA”) subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable.

1.2 CLASSIFICATION OF SHAREHOLDERS

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in two categories as below:

a) Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies): Company, Other than Company

b) Deemed Resident Shareholder:

- An non-resident individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs 15 lakh during the tax year.

c) Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
 - Company
 - Other than Company

1.3 BUY-BACK OF SHARES

- a) Section 115QA of the ITA introduced w.e.f. June 1, 2013 contains provisions for taxation of a domestic company in respect of buy-back of shares (within the meaning of Sec. 68 of the Companies Act). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.

Before the enactment of Finance Act (No 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No 2), 2019 has amended section 115QA of the ITA with effect from 5th July, 2019 extending its provisions to cover distributed income on buy-back of equity shares of a company listed on a recognized stock exchange as well.

As per Section 115QA, listed companies making a public announcement of Buyback of shares on or after 5th July 2019 are required to pay an additional Tax @ 20%, plus Surcharge @ 12%, plus Health & Education Cess @ 4% on the Distributed Income.

Distributed Income is defined under section 115QA to include Consideration paid by the company on Buyback of Shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB.

The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit therefor shall be claimed by the company or by any other person in respect of the amount of tax so paid.

- b) Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buyback of shares w.e.f. April 1, 2014 (i.e., Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of exemption of income from buy-back to shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications on the following categories of shareholders are as under:

A. Resident Shareholders or Deemed Resident Shareholders

Income arising to the shareholder on account of buy-back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

B. Non-Resident Shareholders:

While the income arising to the shareholder on account of buy back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such Non- resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

1.4 TAX DEDUCTION AT SOURCE

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ buyback of shares in case of resident shareholders/ deemed resident shareholders.

Given that income arising on account of the buy-back of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders.

1.5 SECURITIES TRANSACTION TAX

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, Securities Transaction Tax at 0.1% of the value of the transaction will be applicable.

LIMITATION:

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In view of the specific nature of tax consequences, shareholders, who are non-residents in India, in respect of tax consequence (including capital gain tax, if any) in their state of residence, are required to consult their tax advisors for the applicable tax and the appropriate course of action that they should take considering the provisions of the relevant country or state tax law and provisions of DTAA where applicable.

The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

DECLARATION BY THE BOARD OF DIRECTORS

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 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, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended from time to time, as applicable.

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

For and on behalf of the Board of Directors of the Company

Sd/-

Adesh Kumar Gupta
Non-Executive Independent Director
DIN: 00020403

Sd/-

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

Place: Mumbai

Date: July 20, 2022

AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment:

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

Quote

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

Dear Sirs

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

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

Management's Responsibility for the Statement

4. The preparation of the Statement in compliance with Section 68 of the Act and the Regulation 4(i) of the SEBI Buy-back Regulations and compliance with the SEBI Buy-back Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide reasonable assurance whether:
 - i. we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at March 31, 2022;
 - ii. the amount of permissible capital payment as stated in Annexure A for the proposed buy-back of equity shares has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2022 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buy-back Regulations; and
 - iii. the Board of Directors of the Company in their meeting dated 20 July 2022, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buy-back Regulations on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from that date.

- iv. we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The audited standalone and consolidated financial statements for the year ended March 31, 2022 have been audited by us, on which we issued unmodified audit opinions vide our reports dated 28 May 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. Our engagement involves performing procedures to obtain sufficient appropriate evidence, as applicable. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:
 - i. Inquired into the state of affairs of the Company with reference to the audited standalone and consolidated financial statements as at March 31, 2022;
 - ii. Examined authorization for buyback from the Articles of Association of the Company;
 - iii. Examined that the amount of permissible capital payment for the buy back as detailed in Annexure A is in accordance with Regulation 4(i) of the SEBI Buy-back Regulations;
 - iv. Traced the amounts of paid up equity share capital, retained earnings and general reserves as mentioned in Annexure A from the audited standalone and consolidated financial statements as at March 31, 2022;
 - v. Verified the arithmetical accuracy of the amounts mentioned in Annexure A; and
 - vi. Examined that the ratio of secured and unsecured debts owed by the Company, if any, is not more than twice the capital and its free reserve after such buy-back on a standalone as well as consolidated basis for the year ended March 31, 2022;
 - vii. Read the resolutions passed in the meeting of the Board of Directors dated 20 July 2022;
 - viii. Read the Director's declarations for the purpose of buy back and solvency of the Company as detailed in Annexure B;
 - ix. We have not performed any procedures as regards the projections as approved by the Board of Directors and accordingly do not certify the same
 - x. Obtained appropriate representations from the management of the Company.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

11. Based on inquiries conducted and our examination as above, we report that:
 - (i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at March 31, 2022;
 - (ii) The amount of permissible capital payment towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Regulation 4(i) of the SEBI Buy-back Regulations. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at March 31, 2022;
 - (iii) The Board of Directors of the Company, in their meeting held on 20 July 2022 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buy-back Regulations, on reasonable

grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.

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

Restriction on Use

12. This report has been issued at the request of the Company and is addressed to the Board of Directors of the Company pursuant to the requirements of the SEBI Buy-back Regulations, solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and SEBI Buy-back Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the manager to the buyback, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants

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

Ajit Viswanath
Partner
Membership No: 067114
UDIN: 22067114ANICQU8097

Mumbai
Date: 20 July 2022

Annexure A - Statement of Permissible Capital Payment

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

(Rupees in Crore)

Particulars		Standalone	Consolidated
Paid up equity share capital as on March 31, 2022 (2,96,46,547 equity shares of Rupees 10/- each)	(A)	29.65	29.65
Free Reserves*:			
Securities Premium		73.70	73.70
General reserve		221.51	221.48
Retained Earnings		307.02	304.11
Total Free Reserves	(B)	602.23	599.29
Total	C=(A+B)	631.88	628.93

Maximum amount permissible towards buy-back in accordance with Section 68(2)(c) of the Companies Act, 2013 (i.e. 25% of the total Paid up equity share capital and free reserves)	C*25%	157.97	157.23
Maximum amount permissible for buy-back under Regulation 4(i) of the SEBI Buy-back Regulations, i.e. 25% of the total paid up capital and free reserves	C*25%	157.97	157.23
Maximum amount permitted by the Board resolution dated July 20, 2022 approving the buy back, subject to shareholders' approval			121.952

*As defined under Companies Act, 2013

For **CARE Ratings Limited**,

Sd/-

Authorised Signatory

Mumbai

20 July 2022

DECLARATION BY THE BOARD OF DIRECTORS OF CARE RATINGS LIMITED

The Board 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 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 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.

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

For and on behalf of the Board of Directors of the Company

Sd/-

Adesh Kumar Gupta
Non-Executive Independent Director
DIN:00020403

Sd/-

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

Place: Mumbai

Date: July 20, 2022

Unquote

DOCUMENTS FOR INSPECTION

The copies of the following documents referred to hereunder are available for inspection by Shareholders of the Company at the registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400022, Maharashtra, India from 10:00 a.m. to 2:00 p.m. on any Working Day during the Tendering Period:

1. Certificate of incorporation of the Company;
2. Memorandum and Articles of Association of the Company;
3. Copy of the annual reports of the Company for the financial years 2019- 2020, 2020-2021 and 2021-2022;
4. Copy of resolution passed by the Board of Directors in relation to the Buy-back at its meeting held on July 20, 2022;
5. Copy of special resolution passed by the Shareholders by way of postal ballot, the results of which were announced on September 2, 2022;
6. Auditor's Report prepared by B S R & Co. LLP, Chartered Accountants, in terms of clause (xi) of Schedule I of the Buy-back Regulations;
7. Copy of Public Announcement dated September 3, 2022, and published on September 5, 2022;
8. Copy of Declaration of solvency and an affidavit as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014;
9. Certificate dated September 11, 2022 issued by T R Chadha & Co LLP, Chartered Accountants, confirming that the Company has made firm financial arrangements for the purposes of the Buy-back;
10. Copy of the Escrow Agreement dated [•]; and
11. Copy of the SEBI letter dated [•] providing its observations in terms of the Buy-back Regulations.

GENERAL INFORMATION

Details of the Compliance Officer

The details of the Company Secretary and Compliance Officer are provided below:

Ms. Nehal Shah
Head- Legal, Compliance and Secretarial
CARE Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East),
Mumbai- 400 022
Maharashtra, India
Tel No.- +91 22 67543456
E-mail ID- investor.relations@careedge.in

Eligible Shareholders may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours, being 10:00 a.m. to 5:00 p.m. on all Working Days during the Tendering Period.

Details of the remedies available to the Shareholders

In the event the Company makes any default in compliance with the provisions of the Companies Act, 2013 or rules made thereunder as may be applicable to the Buy-back, the Company or any officer of the Company who is in default shall be liable in terms of the Companies Act.

Details of the Investor Service Center

In case of any grievances relating to the Buy-back (i.e. non-receipt of the Buy-back consideration, Equity Share certificate, demat credit, etc.) the Eligible Shareholder can approach the Compliance Officer and/or the Manager to the Buy-back and/or the Registrar to the Buy-back for redressal.

If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there under, or any regulation, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

In case of any query, the Eligible Shareholders may contact the Registrar during working hours, being 10:00 a.m. to 5:00 p.m. all Working Days at the following address:



Name of Registrar: KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)

Address:

Selenium, Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 032

Tel. No.: +91 40 6716 2222

Toll Free No.: 18003094001

Email: crl.buyback@kfintech.com

Website: www.kfintech.com

Investor Grievance Email: einward.ris@kfintech.com

Contact Person: Mr. Murali Krishna

SEBI Registration No.: INR000000221

CIN: U72400TG2017PLC117649

Details of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at Mumbai.

Manager to the Buy-back



DAM Capital Advisors Limited

One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

Maharashtra, India

Tel: +91 22 4202 2500

E-mail: care.buyback@damcapital.in

Website: www.damcapital.in

Contact Person: Chandresh Sharma/ Nidhi Gupta

SEBI Registration Number: MB/INM000011336

Validity Period: Permanent

CIN: U99999MH1993PLC071865

**DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS
DRAFT LETTER OF OFFER**

In terms of Regulation 24(i)(a) of the Buy-back Regulations, the Board accepts full and final responsibility for the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board in terms of the resolution passed in its meeting dated July 20, 2022 and by the Buy-back Committee in terms of the resolution passed by the Buy-back Committee in its meeting held on September 11, 2022.

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Sd/-

Sd/-

Sd/-

Mehul Pandya

Adesh Kumar Gupta

Nehal Shah

Managing Director and CEO

Non-Executive Independent Director

Company Secretary

(DIN-07610232)

(DIN- 00020403)

(Membership No. A18077)

Date: September 12, 2022

Place: Mumbai

TENDER FORM

TENDER FORM (FOR SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM)

Date: _____
 Bid No: _____

To,
 The Board of Directors
 CARE Ratings Limited
 C/o. KFin Technologies Limited (formerly known as
 KFin Technologies Private Limited)
 Address: Selenium, Tower B, Plot 31-32, Financial
 District, Nanakramguda, Serilingampally, Hyderabad -
 500 032
 Tel: +91 40 6716 2222

BUY-BACK OPENS ON	:	[•]
BUY-BACK CLOSES ON	:	[•]

For Registrar/Collection Centre Use	
Inward No.	
Date	
Stamp	

Status: Please tick appropriate box			
Individual		Mutual Fund	
Insurance Companies		Other QIBs	
Company		Other NIB	
Foreign Institutional Buyer/Foreign Portfolio Investor		Bank/Financial Institution	
FVCI		Pension Fund	
NRI/OCB		VCF	
Partnership/LLP			

India Tax Residency Status: Please tick appropriate box			
Resident in India		Non- Resident in India	
		Resident of	

		(Shareholder to fill country of residence)	

Dear Sirs,

Sub: Letter of offer dated [•] (the “Letter of Offer”) in relation to the buy-back of up to [•] Equity Shares of CARE Ratings Limited (the “Company”) at a price of ₹ [•] per Equity Share (the “Buy-back Offer Price”) payable in cash (the “Buy-back”)

- I/We, (having read and understood the Letter of Offer dated [•]) hereby tender/ offer my/ our Equity Shares in response to the Buy-back in accordance with the terms and conditions set out below and in the Letter of Offer.
- I/ We authorise the Company to Buy-back the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buy-back to extinguish the Equity Share certificates.
- I/ We hereby affirm that the Equity Shares comprised in this tender/ offer are offered for the Buy-back by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buy-back and that I / we am / are legally entitled to tender the Equity Shares for the Buy-back.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buy-back where loss of Equity Share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buy-back Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- I / We undertake to return to the Company any consideration in respect of the Buy-back that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy-back in accordance with the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back.
- I/ We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/ authorized dealers/ tax advisors appropriately.
- I/ We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
- This clause is applicable for Non-Resident Shareholders only** - I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended (the “FEMA Regulations”) and the rules and regulations framed there under, for tendering Equity Shares in the Buy-back, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India / We undertake to return to the Company any consideration in respect of the Buy-back that may be wrongfully received by me / us.
- Details of Equity Shares held and tendered / offered in the Buy-back:**

	In Figures	In Words
--	------------	----------

Number of Equity Shares held as on the Record Date		
Number of Equity Shares Entitled for Buy-back (Buy-back Entitlement)		
Number of Equity Shares offered for Buy-back		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buy-back Entitlement. Number of Shares validly tendered by any Equity Shareholder up to the Buy-back Entitlement of such Equity Shareholder shall be accepted to the full extent. The Shares tendered by any Equity Shareholder over and above the Buy-back Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph [•] of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance. The signature on the Transfer deed (Form SH 4) should match with the signature recorded / registered with the records of the Company / Registrar.

----- Tear along this line -----

Acknowledgement Slip for CARE Ratings Limited – Buy-back
(to be filled by the Eligible Shareholder) (subject to verification)

Received from Mr./Ms./M/s. _____ Ledger Folio No. _____

Number of Equity Share certificate submitted _____ : _____

Number of Equity Shares offered for Buy-back:

In Figures: _____

In Words: _____

Please quote Ledger Folio No. for all future correspondence

Stamp of Broker

14. Details of Share Certificate(s) enclosed:

Total No. of Share Certificates Submitted: _____

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
Total					

In case the number of folios and Equity Share certificates enclosed exceed four, please attach a separate sheet giving details in the same format as above.

----- Tear along this line -----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK SHOULD BE ADDRESSED TO THE REGISTRAR AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

Address: Selenium, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032

Tel: +91 40 6716 2222

15. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney – CARE Ratings Limited		Previous RBI approvals for acquiring the Equity Shares of CARE Ratings Limited tendered in the Buy-back
	Corporate authorizations		Death Certificate
	Succession Certificate		Self attested copy of Permanent Account Number (PAN Card)
	Others (please specify) : _____		

16. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

17. Equity Shareholders Details:

	First/Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

INSTRUCTIONS

1. The Buy-back will open on [•] and close on [•].
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Shareholders who wish to tender their Equity Shares in response to this Buy-back should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before [•] by 5 PM (i) The relevant Tender Form duly signed by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Shareholders in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
4. Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
5. Eligible Shareholders to whom the Buy-back is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
6. All documents sent by the Shareholder Broker/ custodian will be at their own risk and the Shareholder Broker/ custodian is advised to adequately safeguard their interests in this regard.
7. All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholder; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
8. By agreeing to participate in the Buyback the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

All capitalized terms shall have the meanings ascribed to it in the Letter of Offer.

TENDER FORM (FOR SHAREHOLDERS HOLDING EQUITY SHARES IN DEMATERIALISED FORM)

Date: _____
 Bid No: _____

To,
 The Board of Directors
 CARE Ratings Limited
 C/o. KFin Technologies Limited (formerly known as
 KFin Technologies Private Limited)
 Address: Selenium, Tower B, Plot 31-32, Financial
 District, Nanakramguda, Serilingampally, Hyderabad -
 500 032
 Tel: +91 40 6716 2222

BUY-BACK OPENS ON	:	[•]
BUY-BACK CLOSING ON	:	[•]

For Registrar	
Inward No.	
Date	
Stamp	

Status: Please tick appropriate box			
Individual		Mutual Fund	
Insurance Companies		Other QIBs	
Company		Other NIB	
Foreign Institutional Buyer/Foreign Portfolio Investor		Bank/Financial Institution	
FVCI		Pension Fund	
NRI/OCB		VCF	
Partnership/LLP			

India Tax Residency Status: Please tick appropriate box			
Resident in India		Non- Resident in India	
		Resident of	
		(Shareholder to fill country of residence)	

Dear Sirs,

Sub: Letter of Offer dated [•] in relation to the buy-back of up to [•] Equity Shares of CARE Ratings Limited (the “Company”) at a price of ₹ [•] per Equity Share (the “Buy-back Offer Price”) payable in cash (the “Buy-back”)

- I/We, (having read and understood the Letter of Offer dated [•]) hereby tender/ offer my/ our Equity Shares in response to the Buy-back in accordance with the terms and conditions set out below and in the Letter of Offer.
- I/ We authorize the Company to Buy-back the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buy-back to extinguish the Equity Share certificates.
- I/ We hereby affirm that the Equity Shares comprised in this tender/ offer are offered for the Buy-back by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buy-back and that I / we am / are legally entitled to tender the Equity Shares for the Buy-back.
- I / We agree that the Company will pay the Buy-back Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy-back in accordance with the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back.
- I/ We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/ authorized dealers/ tax advisors appropriately.
- I/ We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
- This clause is applicable for Non-Resident Shareholders only** - I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended (the “FEMA Regulations”) and the rules and regulations framed there under, for tendering Equity Shares in the Buy-back, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India / We undertake to return to the Company any consideration in respect of the Buy-back that may be wrongfully received by me / us.
- Details of Equity Shares held and tendered / offered in the Buy-back:

	In Figures	In Words
Number of Equity Shares held as on the Record Date		
Number of Equity Shares Entitled for Buy-back (Buy-back Entitlement)		
Number of Equity Shares offered for Buy-back		

Note: An Eligible Person may tender Equity Shares over and above his/her Buy-back Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buy-back Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buy-back Entitlement of such Eligible Shareholder shall be accepted in accordance with the Letter of Offer. Equity Shares tendered by any

Shareholders over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

----- Tear along this line -----

Acknowledgement Slip for CARE Ratings Limited – Buy-back
(to be filled by the Eligible Shareholder) (subject to verification)

Folio No./ DP ID: _____ Client ID _____

Received from Mr./Ms./M/s. _____ Tender Form

Number of Equity Shares offered for Buy-back:

In Figures: _____

In Words: _____

Please quote Client ID and DP ID. For all future correspondence

Stamp of Broker

12. Details of account with Depository Participant:

Name of the Depository (tick as applicable)	NSDL	CDSL
Name of the Depository Participant		
DP ID		
Client ID with Depository Participant		

13. Equity Shareholders Details:

	First/Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

INSTRUCTIONS

- The Buy-back will open on [•] and close on [•].
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- The Equity Shares tendered in the Offer shall be rejected if (i) the Eligible Shareholder is not a shareholder of the Company as on the Record date, (ii) if there is a name mismatch in the demat account of the Eligible Shareholder, (iii) if the Eligible Shareholder has made a duplicate bid on both the recognized stock exchanges, (iv) in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation, (v) a non-receipt of valid bid in the exchange bidding system.
- The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buy-back being on a proportionate basis in terms of the Ratio of Buy-back.
- Eligible Shareholders to whom the Buy-back is made are free to tender Equity Shares to the extent of their Buy-back Entitlement in whole or in part or in excess of their entitlement.
- For the procedure to be followed by Eligible Shareholders for tendering in the Buy-back, please refer to clause [•] of the Letter of Offer.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buyback the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

All capitalized terms shall have the meanings ascribed to it in the Letter of Offer.

Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: ____/____/____

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:

L	6	7	1	9	0	M	H	1	9	9	3	P	L	C	0	7	1	6	9	1
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Name of the company (in full): CARE Ratings Limited

Name of the Stock Exchange where the company is listed, (if any): NSE and BSE

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)		Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares		₹ 10	₹ 10	₹ 10
No. of Securities being Transferred			Consideration received (₹)	
In figures	In words		In words	In figures
Distinctive Number	From			
	To			
Corresponding Certificate Nos.				
Transferors' Particulars				

Registered Folio Number:

--

Name(s) in full

Signature(s)

1. _____

2. _____

3. _____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

Transferees' Particulars		
Name in full (1)	Father's/ Mother's / Spouse Name (2)	Address & E-mail id (3)
1. CARE Ratings Limited	1. N.A.	4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400022, Maharashtra, India E-mail id: investor.relations@careedge.in
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Business		1. _____ 2. _____ 3. _____

Folio No. of Transferee

Specimen Signature of Transferee(s)

1. _____

2. _____

3. _____

Value of Stamp affixed: Rs. _____

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only Checked by _____ Signature Tallied by _____ Entered in the Register of Transfer on _____ _____ vide Transfer no _____ Approval Date _____ Power of attorney / Probate / Death certificate / Letter of Administration Registered on _____ at No _____

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On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Shares	Date of Transfer
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_____	_____	_____	_____
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Signature of authorized signatory