Date: September 30, 2023
SE/2023-24/65

To,

BSE Limited The General Manager The Corporate Relation Department Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 **Scrip Code: 534804**	**The National Stock Exchange of India Ltd.** Listing Department Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 **Scrip Code: CARERATING**

Dear Sir/ Madam,

Sub: Transfer of Business amongst the Wholly-owned Subsidiaries of the Company

Refer to our earlier letter dated August 9, 2023, wherein we had informed that the Board of Directors of the Company has in-principally approved transfer of existing business from CARE Advisory Research and Training Limited to CARE Risk Solutions Private Limited, both wholly owned subsidiaries of the Company, by way of slump sale as a 'going concern'.

Further, we would like to inform you that the Board of Directors of the CARE Advisory Research and Training Limited ("CART") and CARE Risk Solutions Private Limited ("CRSPL") at their respective meetings held on September 30, 2023, has approved transfer of CART's existing business to CRSPL, by way of slump sale basis as a going concern. The Business Transfer Agreement has been executed between CART and CRSPL. The details of the same are attached as **Annexure A** as per SEBI Circular dated July 13, 2023.

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

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For CARE Ratings Limited

NEHAL NAVINCHANDRA SHAH
Digitally signed by NEHAL NAVINCHANDRA SHAH
Date: 2023.09.30 14:29:19 +05'30'

Nehal Shah
Company Secretary & Compliance Officer

Encl: As Above

Annexure A

Details as per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>1</td><td>The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year;</td><td>The financial details based on last Financial Year 2022-23 is mentioned below:
<table>
<tr><th>Particulars</th><th>Total Revenue from operations as on March 31, 2023 (Rs. In Lakhs)</th><th>%</th><th>Net Worth as on March 31, 2023 (Rs. In Lakhs)</th><th>%</th></tr>
<tr><td>CART's Business Division</td><td>802.62</td><td>100%</td><td>228.43</td><td>100%</td></tr>
</table>
However, considering the said Business Division is transferred from one wholly owned subsidiary namely CARE Advisory Research and Training Limited to another wholly owned subsidiary namely CARE Risk Solutions Private Limited of the Company, the overall financial position of the Company post transfer shall remain the same.</td></tr>
<tr><td>2</td><td>Date on which the agreement for sale has been entered into;</td><td>30th September, 2023</td></tr>
<tr><td>3</td><td>The expected date of completion of sale/disposal;</td><td>Tentatively by 30th November, 2023</td></tr>
<tr><td>4</td><td>Consideration received from such sale/disposal;</td><td>Cash consideration of Rs. 4,81,00,000/- (Rs. Four Crore Eighty-one Lakhs only) to be paid by CRSPL to CART for the slump sale</td></tr>
<tr><td>5</td><td>Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;</td><td>The business of CARE Advisory Research and Training Limited is being transferred to CARE Risk Solutions Private Limited, both are wholly-owned subsidiaries of the Company.</td></tr>
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<tr><td>6</td><td>Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";</td><td>CART and CRSPL both are wholly owned subsidiary of CARE Ratings Limited. Transaction between CART and CRSPL would fall within related party transaction and the same has been undertaken at "arm's length" basis.</td></tr>
<tr><td>7</td><td>Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.</td><td>Regulation 37A of SEBI LODR is not applicable as both the companies are unlisted companies.</td></tr>
<tr><td>8</td><td>Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc</td><td>
<table>
<tr><th>Particulars</th><th>Net Worth as on March 31, 2023 (Rs. In Lakhs)</th><th>Total Revenue from operations as on March 31, 2023 (Rs. In Lakhs)</th></tr>
<tr><td>CARE Advisory Research and Training Limited ('CART' or 'Transferor Company') (for business division)</td><td>228.43</td><td>802.62</td></tr>
<tr><td>CARE Risk Solutions Private Limited ('CRSPL' or 'Transferee Company')</td><td>1,203.83</td><td>9,88.87</td></tr>
</table>
</td></tr>
<tr><td>9</td><td>Area of business of the entity(ies)</td><td>CART is inter alia engaged in the business of corporate advisory, industry research and ESG consultancy and services.

CRSPL is inter alia engaged in the business of developing specialised risk management, compliance solutions and services to banking and financial services industry and other industries.</td></tr>
<tr><td>10</td><td>Rationale for slump sale</td><td>In view of the SEBI Notification dated July 3, 2023 and SEBI Master Circular no. SEBI/HO/DDHS/POD2/P/CIR/2023/ 121 dated July 12, 2023 on ESG Rating Providers, the CARE Advisory Research and Training Limited (CART) will apply for license to provide ESG Rating. Hence, in order to carry on the ESG Rating providers business from CART, it will transfer its existing business to CARE Risk Solutions Private Limited through slump sale on a going concern basis.</td></tr>
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11	Brief details of change in shareholding pattern (if any) of listed entity	Since it is a transfer from one wholly owned subsidiary to another wholly owned subsidiary, there would be no change in the shareholding of the Company.