

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**SETTLEMENT ORDER**  
(Application No. 3370/2017)

On the application submitted by  
**Credit Analysis & Research Limited (CARE)**

**In the matter of CARE**

**Settlement Order No: SO/SR/EAD/03/2018-2019**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings against CARE Limited (hereinafter referred to as "**the applicant**"). Shri Nagendraa Parakh was appointed as the Adjudicating Officer vide order dated June 08, 2016 to inquire into and adjudge under Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'). Subsequently, the undersigned has been appointed as the Adjudicating Officer in the present matter vide Order dated July 10, 2017.
2. A Show Cause Notice dated January 18, 2017 (hereinafter referred to as '**SCN**') was issued to the applicant by the then Adjudicating Officer Shri Nagendraa Parakh. It was alleged in the SCN that the applicant violated the provisions of Clauses (1), (2), (3), (4) and (8) of the Code of Conduct as stipulated in Schedule III of SEBI (Credit Rating Agencies) Regulations, 1999 (hereinafter referred to as '**CRA Regulations**'), Regulations 13, 15(1), 16(1), 16(2), 24(2) and 24(7) of the CRA Regulations, Clause 1.1.2 of SEBI Circular no. CIR/MIRSD/CRA/6/2010 dated May 03, 2010 and SEBI Circular no. CIR/MIRSD/3/2013 dated March 15, 2013.
3. While the adjudication proceedings were in progress, the applicant submitted application for settlement of the proceedings in terms of SEBI (Settlement of

Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**').

4. Thereafter, the authorized representatives of the applicant had a meeting with the Internal Committee (hereinafter referred to as '**IC**') on February 02, 2018 and proposed the settlement terms.
5. The settlement terms as proposed by the applicant were considered by the IC and it was placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on April 09, 2018. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and the materials made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of Rs.43,45,645/- (Rupees Forty Three Lakhs Forty Five Thousand Six Hundred and Forty Five Only) as settlement amount towards settlement terms.
6. The recommendations of HPAC was approved by a Panel of Whole Time Members of SEBI on May 02, 2018 and the same was communicated to the applicant vide e-mail dated May 02, 2018. The applicant vide letter dated May 03, 2018 has remitted a sum of Rs. 43,45,645/- (Rupees Forty Three Lakhs Forty Five Thousand Six Hundred and Forty Five Only) towards the settlement charges through a Demand Draft No. 045252 dated May 03, 2018 drawn on IDBI Bank.
7. In view of the above, in terms of Regulation 15(1) of the Settlement Regulations, it is hereby ordered that this settlement order disposes off the aforesaid adjudication proceedings initiated against the applicant viz. CARE Limited vide SCN dated January 18, 2017.
8. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order is passed against the applicant, if :
  - a. any representations made by the applicant in the settlement proceedings

is subsequently found to be untrue; or

- b. the applicant breaches any of the clauses /conditions of undertakings/ waivers filed during the current settlement proceedings.

- 9. This settlement order is passed on the **16th day of May 2018** and shall come into force with immediate effect.
- 10. In terms of Regulation 17 of the Settlement Regulations, copies of this order are being sent to the applicant viz. CARE Limited and also to the Securities and Exchange Board of India.

**Place: Mumbai**  
**Date: May 16, 2018**

**SANGEETA RATHOD**  
**ADJUDICATING OFFICER**