

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 3194/2016)

On the application submitted by

M/s. CRISIL Limited

Settlement Order No: SO/SBM/EAD-3/03/2018

1. Pursuant to Adjudication Proceedings initiated by Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') against M/s CRISIL Limited (hereinafter referred to as "**CRISIL/Applicant**"), it was observed that the Applicant had filed an application dated November 23, 2016, in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as "**Settlement Regulations**") proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order, the violations of the provisions of the SEBI (Credit Rating Agencies) Regulations, 1999 (hereinafter referred to as "**CRA Regulations**") alleged to have been committed by the Applicant.
2. In this regard, a Show Cause Notice ref. A&E/EAD3/SBM-VB/24522/2016 dated September 20, 2016 (hereinafter referred to as "**SCN**") was issued to the Applicant. It was alleged that Applicant, a registered Credit Rating Agency under CRA Regulations, had violated the provisions of Clauses (1), (2), (3), (4) and (8) of the Code of Conduct as stipulated in Schedule III read with Regulation 13 of the CRA Regulations. It was also alleged that the Applicant had violated the provisions of Regulations 15, 16, 20A, 24(2) and 24(7) of the CRA Regulations. Therefore, it was alleged in the SCN that the Applicant was

liable for penalty under the provision of Section 15 HB of the SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”).

3. Pending Adjudication Proceedings, the Applicant submitted a Settlement Application ref. 3194/2016 dated November 23, 2016 along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3(1) and 3(2) of the Settlement Regulations.
4. Pursuant to the above mentioned Settlement Application, filed by the Applicant, the Authorized Representatives of the Applicant attended a meeting with the Internal Committee on Settlement (hereinafter referred to as ‘**IC**’) on November 03, 2017. During the said meeting of the IC, the settlement terms of Rs. 22,41,875/- (Rupees Twenty Two Lakh Forty One Thousand Eight Hundred Seventy Five Only) with respect to the Applicant, calculated as per the Settlement Regulations, were communicated to the authorised representatives of the Applicant. The Applicant, vide its letter dated November 08, 2017 proposed payment of Rs. 22,41,875/- (Rupees Twenty Two Lakh Forty One Thousand Eight Hundred Seventy Five Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the Applicant.
5. The settlement terms were placed before the High Powered Advisory Committee for Settlement Orders (hereinafter referred to as ‘**HPAC**’) on November 27, 2017. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the Applicant and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings, initiated against the Applicant, may be settled on payment of Rs. 28,36,875/- (Rupees Twenty Eight Lakh Thirty Six Thousand Eight Hundred Seventy Five Only) towards the settlement terms.

6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on January 03, 2018 and the same was also communicated to the Applicant vide Email dated January 04, 2018.
7. The Applicant, vide its letter dated January 18, 2018, has remitted a sum of Rs. 28,36,875/- (Rupees Twenty Eight Lakh Thirty Six Thousand Eight Hundred Seventy Five Only) towards the settlement charges through Demand Draft No. 078049 dated January 15, 2018 drawn on ICICI Bank.
8. In view of the above, in terms of Regulation 15(1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes of the aforesaid adjudication proceedings initiated against the Applicant viz. M/s CRISIL Limited vide SCN ref. A&E/EAD3/SBM-VB/24522/2016 dated September 20, 2016.
9. 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 was passed against the Applicant, if :
 - a. any representations made by the Applicant in the settlement proceedings are subsequently found to be untrue; or
 - b. the Applicant breaches any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.
10. This settlement order is passed on the **31st Day of January, 2018** and shall come into force with immediate effect.
11. In terms of Regulation 17 of the Settlement Regulations, 2014, copy of this order is sent to the Applicant viz. M/s CRISIL Limited and also to the Securities and Exchange Board of India.

Place: Mumbai
Date: January 31, 2018

SURESH B. MENON
ADJUDICATING OFFICER