IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06.11.2020

CORAM

THE HONOURABLE Mrs.JUSTICE PUSHPA SATHYANARAYANA
W.P.No.8443 of 2020
& W.M.P.No.12842 of 2020 & 10164 of 2020
(Heard through VC)

M/s,S,M.I.L.E.Microfinance Limited,
Represented by its Chief Financial Officer,
V.T.Prabakaran,
A Company incorporated under the Companies Act,1956,
Having its Registered Officer 14/25, Chakrapani Street,
West Mambalam, Chennai - 600 033 ...Petitioner

vs

1. The Union of India,
Represented by Secretary to Government,
Ministry of Finance, New Delhi.

2. Reserve Bank of India,
16, Rajaji Salai, Fort Glacis, Chennai,
Tamil Nadu 600 001.

3. M/s.ICRA Limited,
(Formerly known Investment Information and
Credit Rating Agency of India Limited) Having its
Registered Office at 1105, Kailash Building,
11th Floor, 26, Kasturba Gandhi Marg,
New Delhi - 110 001

4. Securities and Exchange Board of India,
Head Office-Plot No.C4-A G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra
Southern Regional Office-7th Floor,
756-L, Anna Salai, Chennai - 600 002,
Tamil Nadu
[R4 impleaded vide order dated 21.09.2020
made in W.M.P.No.16391 of 2020 in
W.P.No.8443 of 2020] ...Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus calling for the records of the third respondent in relation to the impugned order / e-mail dated 15.06.2020 issued to the

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petitioner revising the rating of the long term banking facilities and Non-Convertible Debenture Programme from [ICRA] BBB pronounced ICRA Triple B] to [ICRA] BB - [pronounced as ICRA Double B minus) and consequently quash the same as illegal, arbitrary and devoid of merit.

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For Petitioner:Mr.P.H.Aravind Pandian, Senior Counsel
for Mr.C.V.Shailendran
For Respondent-1: Ms.N.K.Nithilavani, CGSC
For Respondent-3: Ms.Pushpa Menon

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ORDER

The petitioner and the third respondent have arrived at a settlement which is reduced to writing in a Joint Memorandum of Compromise by the parties dated 29.10.2020, and the said Compromise has been received through e-mail. The learned counsel for the petitioner and the learned counsel for the third respondent have signed in the Joint Memo of Settlement.

2. The terms of Joint Memorandum of Settlement are as follows:

A. The petitioner shall not use / mention publicly the rating dated 21.04.2020 and the 3rd respondent(ICRA) will not use / publish/mention publicly/refer to the rating dated 15.06.2020.

B. The petitioner shall submit all required updated information about the company's performance within 15 days of the order by the Hon'ble Court to the 3rd respondent for a review. Thereafter, the rating review committee (:"Committee") of the 3rd respondent shall assign appropriate rating after taking due consideration of the current status and performance of the company and future business prospects of the petitioner, in accordance with the applicable rating methodologies and communicate the same to the petitioner for their comments. The 3rd respondent also agrees to provide an opportunity to the petitioner to represent their case before the committee of the 3rd respondent through video conferencing, when the rating exercise by the Committee is in progress. The 3rd respondent shall issue the Rating Rationale, in accordance with the decision of the Committee and publish the rating without making any reference to the June 15th rating decision or the litigation in any manner.

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C. The rating review decision communicated to the petitioner by the 3rd respondent, is final and there is no further opportunity available to the petitioner to seek review by the 3rd respondent as per SEBI guidelines.

D. If the petitioner is aggrieved by the rating decision of the 3rd respondent, then such grievance shall constitute an independent cause of action.

E. Contentions raised by the parties are kept open, to be decided in appropriate proceedings.

F. The Writ Petition shall stand disposed off in view of the above directions.

3. The above said terms of Joint Memorandum of Settlement are hereby recorded. This Writ Petition is disposed of, in terms of the above said Joint Memorandum of Settlement. The Joint Memo shall form part and parcel of this order. No costs. Consequently, connected miscellaneous petitions are closed.

* Xerox copy of Joint Memoranduam of Settlement between the Petitioner and the 3rd Respondent enclosed.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1. The Secretary to Government,
Union of India,
Ministry of Finance, New Delhi.

2. The Reserve Bank of India,
16, Rajaji Salai, Fort Glacis, Chennai,
Tamil Nadu 600 001.

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