

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
SETTLEMENT APPLICATION NO. 6664 OF 2021
KAINAZ KHURSHED DARUVALA [PAN:ABRPD6924C]
AND
IN SETTLEMENT APPLICATION NO. 6665 OF 2021
FILED BY KHURSHED YAZDI DARUVALA [PAN:AACPD7565R]
IN THE MATTER OF **STERLING & WILSON LIMITED**

1. Ms. Kainaz Khurshed Daruvala and Mr. Khurshed Yazdi Daruvala (“**Applicants**”), had filed *suo motu* Settlement Applications (“**Applications**”) in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (“**Settlement Regulations**”). The applicants propose to settle, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order, the enforcement proceedings that may be initiated against Ms. Kainaz Khurshed Daruvala for the alleged violation of Regulations 10(5), 10(6), 10(7) and 29(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**SAST Regulations, 2011**”) and the enforcement proceedings that may be initiated against Mr. Khurshed Yazdi Daruvala for the alleged violation of Regulation 29(2) of the SAST Regulations, 2011.
2. The facts in brief are as follows:
 - (a) Kainaz Khurshed Daruvala is a member of the promoter group of Sterling and Wilson Renewable Energy Limited (“**Target Company**”). 1,30,00,000 equity shares of the Target Company, representing 8.11% of the total share capital, were transferred to her by her spouse, Khurshed Yazdi Daruvala, on December 23, 2020 by way of gift through an off-market inter-se transaction which triggered disclosure requirement under Regulations 10(5), 10(6), 10(7) and 29(2) of the SAST Regulations, 2011. Although the due date of disclosure under Regulation 29(2) of SAST Regulations, 2011 was December 28, 2020, the disclosure was made only on November 11, 2021 i.e. with a delay of 318 days.

(b) Khurshed Yazdi Daruvala (“**Applicant**”), is one of the promoters of the Target Company. He transacted in the equity shares of the Target Company during the Financial Year 2020-21 on the four instances as stated under:

(1) On December 23, 2020 the applicant transferred 1,30,00,000 equity shares of the Target Company representing 8.11% of the total share capital, to his spouse Ms. Kainaz Khurshed Daruvala. This transaction triggered disclosure requirements under Regulation 29(2) of SAST Regulations, 2011. Although the due date of disclosure was December 28, 2020, the disclosure was made only on November 11, 2021 i.e. with a delay of 318 days.

(2) On December 31, 2020 and March 19, 2021, the applicant sold 30,00,000 (1.87% of the total share capital) and 16,03,600 (1% of the total share capital) equity shares of the Target Company respectively. The disclosures were required to be made pursuant to the sale of equity shares on March 19, 2021, which taken together with the earlier market sale on December 31, 2020 resulted in a change of more than 2% as required under Regulation 29(2) of the SAST Regulations, 2011. Although the due date of disclosure was March 23, 2021, the disclosure was made only on November 11, 2021 i.e. with a delay of 233 days.

(3) On March 31, 2021 the applicant sold 80,00,000 equity shares of the Target Company, representing 4.99% of the total share capital. This transaction triggered disclosure requirement under Regulation 29(2) of SAST Regulations, 2011. Although the due date of disclosure was April 05, 2021, the disclosure was made only on November 11, 2021 i.e. with a delay of 220 days.

3. Pursuant to the receipt of the applications, the authorized representative of the applicants had a meeting with the Internal Committee of SEBI on March 16, 2022 and deliberated on the terms of the settlement. Thereafter, the applicants vide e-mail dated March 31, 2022, proposed revised settlement terms to settle the proceedings that may be initiated against them.
4. The High Powered Advisory Committee (“**HPAC**”) in its meeting held on April 19, 2022, considered the revised settlement terms proposed by the applicants and recommended the case for settlement upon payment of Rs. 3,80,000/- (Rupees Three Lakhs Eighty Thousand

only) for Kainaz Khurshed Daruvala and Rs.7,02,500 (Rupees Seven Lakhs Two Thousand Five Hundred only) for Khurshed Yazdi Daruvala. The aforementioned amounts were remitted by the applicants on June 06, 2022. The receipt of the above payment to SEBI is confirmed.

5. In view of the above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the alleged defaults as mentioned at paragraph 1 above are settled *qua* the applicants as per the following terms:

- i.* this Order disposes of the proceedings that may be initiated for the said default as mentioned above, in respect of the applicants;
- ii.* SEBI shall not initiate enforcement action against the applicants for the said default; and
- iii.* passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including commencing proceedings against the Applicants, if SEBI finds that:
 - (a)* any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
 - (b)* the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c)* there was a discrepancy while arriving at the settlement terms.

6. This Settlement Order is passed on this 28th day of June 2022 and shall come into force with immediate effect.

7. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the applicants and shall also be published on the website of SEBI.

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ANANTA BARUA
WHOLE TIME MEMBER

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ASHWANI BHATIA
WHOLE TIME MEMBER

*Settlement Order in respect of Khurshed Yazdi Daruvala and Kainaᄁ Khurshed Daruvala in the matter of
Sterling & Wilson Limited*