

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

SETTLEMENT ORDER

On Application No.: 3926/2019 (*suo motu*) filed by **Pathway Finance
Societe a Responsabilite Limitee [PAN : AAFCR9470H]**

1. Pathway Finance Societe a Responsabilite Limitee (hereinafter referred to as 'applicant'), a foreign portfolio investor (FPI) registered with the Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), had filed the captioned *suo motu* settlement application, without admitting or denying to the findings of fact and conclusion of law, proposing to settle, through a settlement order in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations'), the defaults of Section 12(1A) of the SEBI Act, 1992 read with provisions of Regulation 3 (1), 23(1)(c), 2(1)(i) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, on account of its failure to inform the material changes under the SEBI (Foreign Portfolio Investors) Regulations, 2014. The applicant had submitted that it had re-domiciled and changed its registered office from Luxembourg to Switzerland as part of its corporate affairs and that there were changes in its ownership structure. Thus, the nature and character of the applicant

had changed because of the aforesaid material changes in respect of the applicant. The applicant has filed the subject settlement application in respect of the same.

2. Pursuant to the application, the authorized representatives of the applicant had a meeting with the Internal Committee of SEBI on July 11, 2019, wherein the settlement terms were deliberated. Thereafter, the applicant, vide e-mail dated July 17, 2019, proposed the revised settlement terms to settle the defaults mentioned in the paragraph hereinabove.
3. The High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on July 30, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of Rs. 25,35,000/- (Rupees Twenty Five Lakh Thirty Five Thousand only) as settlement amount, as proposed by the applicant in accordance with the Settlement Regulations, for the aforementioned defaults. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicant vide e-mail dated August 26, 2019.
4. The applicant vide Demand Draft No. 770262 dated August 27, 2019 drawn on The Hongkong and Shanghai Banking Corporation Limited has remitted Rs. 25,35,000/- (Rupees Twenty Five Lakh Thirty Five Thousand only) towards the settlement charges.
5. In view of the above, in exercise of the powers conferred under Section 15JB of the SEBI Act, 1992 and in terms of Regulations 23 and 28 read with Regulation 34 of the Settlement Regulations, it is hereby ordered

that:

- i. the proposed proceedings that may have been initiated for the defaults as mentioned in paragraph 1 above, are settled *qua* the applicant as per the above terms,
 - ii. SEBI shall not initiate any enforcement action against the applicant for the said defaults,
 - iii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
 - a. any representation made by the applicant in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicant have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
6. This settlement order is passed on this 30th day of September, 2019 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 applicant and shall also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER