

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application No.

4171 of 2020 filed by ECP III FVCI Pte Limited [PAN: AAECE0836B]

in the matter of Indostar Capital Finance Limited

1. ECP III FVCI Pte. Limited (hereinafter referred to as the ‘applicant’), without admitting or denying the findings of fact and conclusions of law, filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the ‘Settlement Regulations’) proposing to settle, through a settlement order, the probable enforcement proceedings for the alleged violation of Regulation 29(2) read with Regulation 29(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the ‘SAST Regulations’) and Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the ‘PIT Regulations’) in respect of the acquisition of shares in Indostar Capital Finance (hereinafter referred to as the ‘Company’).
2. The applicant, incorporated in Singapore, is a part of the promoter group of the Company and is a SEBI registered Foreign Portfolio Investor (‘FPI’). On December 26, 2018, the applicant had acquired 67,000 (0.073%) shares of the Company, which led to an increase in the shareholding of the applicant to more than 2%. The aforesaid transaction was required to be disclosed to the Stock Exchanges within 2 working days under Regulation 29(2) read with 29(3) of the SAST Regulations, but the same was disclosed only on April 04, 2019, i.e. with a delay of 97 days.
3. Further, the applicant carried out multiple transactions in the shares of the Company during the period March 2019 – May 2019, as detailed in the table below. The same were

required to be disclosed to the Company within 2 working days of the transaction under Regulation 7(2) of the PIT Regulations. However, it was observed that the same were disclosed to the Company with a delay, as mentioned in the table below:

S. No	Transaction Date	Disclosure required date	Buy/ Sale	No. of Shares Transacted -Quantity	Actual Disclosure Date	Days Delayed
1	26/03/2019	28/03/2019	B	12410	03/04/2019	6
2	27/03/2019	29/03/2019	B	25302	03/04/2019	5
3	28/03/2019	01/04/2019	B	19294	03/04/2019	2
4	23/05/2019	27/05/2019	B	218500	29/05/2019	2
5	24/05/2019	28/05/2019	B	4000	29/05/2019	1

4. Pursuant to the application, the authorized representatives of the applicant had a meeting with the Internal Committee of SEBI on November 27, 2020 and deliberated on the settlement terms. Thereafter, the applicant vide his e-mail dated December 01, 2020, proposed the revised settlement terms to settle the default mentioned above.
5. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on December 30, 2020 considered the proposed settlement terms made by the applicant and recommended the case for settlement upon payment of ₹12,16,719/- (Rupees Twelve Lakh Sixteen Thousand Seven Hundred and Nineteen only) towards the settlement terms.
6. The applicant vide UTR No. 0016OT2305988 dated January 14, 2021 remitted ₹12,16,719/- (Rupees Twelve Lakh Sixteen Thousand Seven Hundred and Nineteen only) towards the settlement terms as proposed by them for the settlement of the proceedings that could have been initiated against them. Upon verification, receipt of the above payment was confirmed.

7. In view of the above, in exercise of the powers conferred under Section 15JB 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 default as mentioned in paragraph 1 be settled *qua* the applicant and as per the following terms:
- i. SEBI shall not initiate enforcement action against the applicant for the said default;
 - ii. 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 found to be untrue;
 - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - c. Any discrepancies in arriving at the settlement terms.
8. This settlement order is passed on this 21st day of January, 2021 and shall come into force with immediate effect.
9. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER