

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER NO: SO/SBM/VS/2021-22/6463

On the Settlement Application No. 6463/2021 submitted by

Mr. Hayagreeva Ravikumar Puranam

(PAN No: AAJPR6809H)

501, Yashowan Tower,

T.H.Kataria Marg,

Mahim West,

Mumbai - 400016

In the matter of

Bharat Financial Inclusion Limited

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), initiated adjudication proceedings against Mr. Hayagreeva Ravikumar Puranam (hereinafter referred to as '**the Applicant**'/ '**Noticee**') to inquire into and adjudge under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), for the alleged violation of the provisions of regulations 3(d), 4(1), 4(2)(f) and 4(2)(r) read with 2(1)(c)(5) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**') by the Noticee in the matter of Bharat Financial Inclusion Limited (hereinafter referred to as '**BFIL**'/'**Company**'). In this regard, SEBI vide Order dated January 25, 2021 appointed the undersigned as the Adjudicating Officer ('**AO**') to inquire into and adjudge the violation if the aforesaid provisions of law allegedly committed by the Noticee..
 2. In this context, a Show Cause Notice no. A&E/EAD-1/SBM-ASR/2496/M/2021 dated March 24, 2021 (hereinafter referred to as '**SCN**') was issued to the Noticee, calling upon the Noticee to show cause as to why an inquiry should not be held against him in terms of rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') and penalty be not imposed on the Noticee under Section 15HA of the SEBI Act. It was alleged in the SCN that the Noticee, who was the Non-Executive Independent Director and chairperson of BFIL at relevant time i.e., April 2019, made misleading statement while giving an interview on the TV Channel 'ET Now' on April 24, 2019. The Noticee had a responsibility to independently verify the facts put forth to him by the anchor

of ET Now, before going ahead with the interview. However, the Noticee, allegedly went ahead with the interview and made a statement on price sensitive information pertaining to the amalgamation of BFIL with IndusInd Bank Ltd (hereinafter referred to as '**IBL**'), *prima facie*, without knowing the true facts of the matter. It is alleged that the Noticee made a strong positive statement on the TV Channel (ET NOW) with regard to the process of amalgamation between BFIL and IBL during the course of the TV interview and mentioned that the process of amalgamation would take place anywhere between 2-4 weeks and the merger would be completed with that, which, *prima facie* was incorrect as the Hon'ble NCLT had reserved its Order on the said matter. In view of the same, it is alleged that Noticee/Applicant made statements without verifying the factual position and correctness of the same, which could have had the effect of inducing the investors to deal in the shares of BFIL during the relevant time. Therefore, in view of the above, it is alleged that the Noticee/Applicant has violated the provisions of the regulations 3(d), 4(1), 4(2)(f) and 4(2)(r) read with 2(1)(c)(5) of the PFUTP Regulations and therefore, the Noticee /Applicant was liable for monetary penalty under the provisions of Section 15HA of the SEBI Act.

3. Thereafter, the Applicant proposed to settle the instant proceedings, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed a Settlement application bearing reference no. 6463/2021 with SEBI in terms of regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**').
4. Pursuant to the said Settlement application (no. 6463/2021), the Applicant attended a meeting with the Internal Committee on Consent on August 27, 2021 and the settlement terms were settled for an amount of ₹57,37,500/ (Rupees Fifty Seven Lakh Thirty Seven Thousand and Five Hundred only) towards settlement charges. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on September 17, 2021. The HPAC, after considering the facts and circumstances of the case, the proposed settlement terms offered by the Applicant and other material brought before it by SEBI, recommended that the aforesaid adjudication proceedings against the Applicant may be settled on payment of ₹57,37,500/ (Rupees Fifty Seven Lakh Thirty Seven Thousand and Five Hundred only) towards the settlement terms. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on October 01, 2021 and the same was communicated by SEBI to the Applicant on October 08, 2021.

5. Accordingly, the Applicant has remitted a sum of ₹57,37,500/ (Rupees Fifty Seven Lakh Thirty Seven Thousand and Five Hundred only) through online payment on October 12, 2021 towards the terms of settlement in the matter.
6. In view of the aforesaid, in exercise of the powers conferred under section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations, it is hereby ordered that the pending Adjudication Proceedings against the Applicant, are disposed of.
7. The order is without prejudice to the rights of SEBI to take enforcement actions including restoring, re-opening or initiating the pending proceedings in respect to which this settlement order is passed against the Applicant, if:
 - a. Any representations made by the Applicant in the settlement proceedings are subsequently discovered to be untrue.
 - b. The Applicant has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
8. This settlement order passed on this date the 29th day of October, 2021 shall come into force with immediate effect.
9. In terms of regulation 25 of the Settlement Regulations, a copy of this order is sent for service to the applicant viz. Mr. Hayagreeva Ravikumar Puranam and also for publication on the website of Securities and Exchange Board of India.

Date: October 29, 2021
Place: Mumbai

SURESH B MENON
ADJUDICATING OFFICER