

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 4137/2020)

On the application submitted by

Nishat Shailesh Gupte

Settlement Order No: SO/PM/VC/2020-21/6253

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), vide communiqué dated January 30, 2017 initiated adjudication proceedings against Shri Nishat Shailesh Gupte (hereinafter referred to as '**the applicant**'), to inquire into and adjudge under the provisions of Section 15G of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') for the alleged violation of the provisions of Regulation 3(ii) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations, 1992**') read with Regulation 12 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as '**PIT Regulations, 2015**'), alleged to have been committed by the applicant.
2. In this regard, a Show Cause Notice ref. EAD-2/DSR/RG/6258/4/2017 dated March 22, 2017 (hereinafter referred to as '**SCN**') was issued to the applicant. It was alleged in the SCN that the applicant had violated the abovementioned provisions of law.
3. It was observed in the SCN that SEBI had conducted investigation in the matter of insider trading activity of certain entities in the scrip of United Spirits Limited (hereinafter referred to as '**USL**/'**Company**') and observed that certain entities had traded in the scrip of USL on the basis

of Unpublished Price Sensitive Information (**UPSI**) and the Noticee, being an insider, had communicated the said UPSI to the said entities.

4. Pending Adjudication Proceedings, the applicant, through his authorized representative Mr. Shailesh Madhav Gupte, submitted a Settlement Application no. 4137/2020 dated June 09, 2020 along with an undertaking in the format prescribed by SEBI for settlement in the matter in terms of Regulations 3(1) and 3(2) of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**").
5. At the same time, it is noted that an order dated January 10, 2020 was also passed by the Whole Time Member of SEBI against the applicant on the basis of the same investigation. Aggrieved by the finding in the said order, the applicant preferred an appeal before the Hon'ble Securities Appellate Tribunal (**SAT**). Pending the said appeal, the applicant also filed another settlement application to settle the said proceedings.
6. Pursuant to the above mentioned Settlement Application ref. 4137/2020, made by the applicant, the Authorized Representatives of the applicant, attended a meeting with the Internal Committee on Settlement (hereinafter referred to as '**IC**') on August 18, 2020. During the aforesaid meeting, the combined settlement terms of Rs. 45,23,500/- (Rupees Forty Five Lakh Twenty Three Thousand Five Hundred Only) to settle both the proceedings (the appeal before Hon'ble SAT and the present adjudication proceedings) were calculated as per the Settlement Regulations. Further, two non-monetary terms were also formulated by IC requiring voluntary compliance by the applicant of the directions issued by Whole Time Member, vide his order dated January 10, 2020. The said non-monetary terms are as below:

- Not to buy, sell or otherwise deal in securities market in any manner whatsoever or access the securities market directly or indirectly, for a period of 7 years;
- Not to associate with any listed company and any public company which intends to raise money from public or any intermediary registered with SEBI for a period of seven years.

The abovementioned two terms are hereinafter referred to as '**non-monetary terms**'

The abovementioned settlement amount and non-monetary terms were communicated to the authorised representatives of the applicant. The applicant vide Email dated August 28, 2020 proposed payment of Rs. Rs. 45,23,500/- (Rupees Forty Five Lakh Twenty Three Thousand Five Hundred Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the applicant. The applicant also agreed for voluntary compliance of non-monetary terms.

7. The settlement terms were placed before the High Powered Advisory Committee for Settlement Orders and Compounding Applications (hereinafter referred to as '**HPAC**') on September 22, 2020. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the materials made available before it by SEBI, recommended that the aforesaid proceedings initiated against the applicant, including the adjudication proceedings, may be settled on payment of Rs. 45,23,500/- (Rupees Forty Five Lakh Twenty Three Thousand Five Hundred Only) towards the settlement terms and voluntary compliance of non-monetary terms. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on September 28, 2020 and the same was communicated to the applicant vide Email dated September 29, 2020.

8. The applicant vide an Email dated October 22, 2020 informed SEBI that he has remitted a sum of Rs. 45,23,500/- (Rupees Forty Five Lakh Twenty Three Thousand Five Hundred Only) towards the settlement charges through direct credit in the account of SEBI. The concerned department of SEBI, vide their email dated October 22, 2020, has confirmed receipt of the settlement charges.
9. Therefore, in view of the acceptance of the settlement terms and receipt of settlement amount as above by SEBI, vide order dated November 04, 2020, Hon'ble SAT granted its approval to the abovementioned settlement in terms of Regulation 24(2) of the Settlement Regulations and disposed of the appeal filed by the applicant against the Order dated January 10, 2020 of Whole Time Member.
10. Therefore, in terms of the abovementioned settlement, the instant adjudication proceedings initiated against Mr. Nishat Shailesh Gupte vide SCN dated March 22, 2017 are disposed of in terms of section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.
11. In terms of Regulation 28 of the Settlement Regulations, this order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:
 - a. If the applicant fails to comply with the settlement order including the voluntary compliance of non-monetary terms; or
 - b. at any time after the settlement order is passed, it comes to the notice of SEBI that the applicant has not made full and true disclosure; or
 - c. the applicant has violated the undertakings or waivers filed during the settlement proceedings.

12. This settlement order is passed on the **10th day of November, 2020** and shall come into force with immediate effect. Further, the present order will be read with order dated November 04, 2020 passed by Hon'ble SAT.
13. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is being sent for service to the applicant and the order is also published on the website of SEBI.

Place: Mumbai

Date: November 10, 2020

PRASANTA MAHAPATRA

ADJUDICATING OFFICER