

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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SETTLEMENT ORDER

On Application Nos.: (1) **3664/2018** filed by **V-Techweb (India) Private Limited [PAN : AABCV8267A]** and (2) **3667/2018** filed by **Mr. Sujay Ajitkumar Hamlai [PAN : ABIPH4273M]** in the matter of **Deep Industries Limited**.

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1. (1) V-Techweb (India) Private Limited and (2) Mr. Sujay Ajitkumar Hamlai (hereinafter referred to as ‘applicants’) in the matter of Deep Industries Limited had filed settlement applications in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and the applications are now considered under the SEBI (Settlement Proceedings) Regulations, 2018, with effect from January 01, 2019 (hereinafter referred to as ‘Settlement Regulations’). The applicants, in their applications, without admitting or denying to the findings of fact and conclusion of law, have proposed to settle, through a settlement order, the pending enforcement proceedings initiated vide Interim Order–cum–Show Cause Notice bearing No. SEBI/WTM/MPB/IVD/ID-6/162/2018 dated April 16, 2018 issued in the enforcement proceedings pursuant to Sections 11 and 11B of the SEBI Act, 1992 and Show Cause Notice bearing No. SEBI/EAD-3/OW/DEEP/JS/SP/P/2018/20102/1-3 dated July 17, 2018 issued by the Adjudicating Officer and wherein it is alleged that the captioned applicants have violated the provisions of Sections 12A(d) and 12A(e) of the SEBI Act, 1992 and Regulation 4(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
2. It was observed by SEBI that the applicants indulged in the act of insider trading by trading in the scrip of Deep Industries Limited while in possession of unpublished price sensitive information (UPSI) relating to award of three contracts to the company (Deep Industries Limited) by ONGC. In view of the same, it was observed that they had violated the provision of Sections 12A(d) and 12A(e) of the SEBI Act, 1992 and Regulation 4(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3. Pursuant to the applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on May 10, 2019, wherein the settlement terms were deliberated. Thereafter, the applicants, vide letters dated May 10, 2019, proposed the revised settlement terms to settle the defaults mentioned above.
4. The High Powered Advisory Committee (hereinafter referred to as 'HPAC') in its meeting held on June 27, 2019 considered the settlement terms proposed and recommended the case for settlement upon payment of Rs. 1,70,00,000/- (Rupees One Crore Seventy Lakhs only) as settlement amount, and an amount of Rs. 47,86,258/- (Rupees Forty Seven Lakh Eighty Six Thousand Two Hundred and Fifty Eight only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds) to SEBI Investor Protection and Education Fund (hereinafter referred to as "IPEF") which has been deposited in the said escrow account pursuant to a direction in that regard in the Interim Order–cum–Show Cause Notice bearing No. SEBI/WTM/MPB/IVD/ID-6/162/2018 dated April 16, 2018, towards the settlement terms as proposed by the applicant No. 1, V-Techweb (India) Private Limited in accordance with the Settlement Regulations for the aforementioned defaults. The HPAC recommended an amount of Rs. 25,50,000/- (Rupees Twenty Five Lakhs Fifty Thousand only) as settlement amount, an amount of Rs. 18,19,711/- (Rupees Eighteen Lakh Nineteen Thousand Seven Hundred and Eleven only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds) to SEBI IPEF which has been deposited in the said escrow account pursuant to a direction in that regard in the Interim Order–cum–Show Cause Notice bearing No. SEBI/WTM/MPB/IVD/ID-6/162/2018 dated April 16, 2018, towards the settlement terms as proposed by the applicant No. 2, Mr. Sujay Ajitkumar Hamlai, 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 applicants vide e-mail dated July 10, 2019.
5. The applicants vide letters dated July 22, 2019 submitted the following Demand Drafts as detailed hereunder:

Sl. No.	Name of the applicant	Amount as approved for settlement of the matter	On account of	Demand Draft Amount and No.	Dem and Draft Date	Demand Draft Drawn on
1	V-Techweb (India) Private Limited	Rs. 1,70,00,000/- (Rupees One Crore Seventy Lakhs only)	Settlement amount	Rs. 1,70,00,000/- and 019236	22/07/2019	ICICI Bank Limited
2	V-Techweb (India) Private Limited	Rs. 47,86,258/- (Rupees Forty Seven Lakh Eighty Six Thousand Two Hundred and Fifty Eight only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds)	Towards SEBI IPEF	Rs. 51,39,072/- and 810462	16/07/2019	Union Bank of India
3	Mr. Sujay Ajitkumar Hamalai	Rs. 25,50,000/- (Rupees Twenty Five Lakhs Fifty Thousand only)	Settlement amount	Rs. 25,50,000/- and 032674	22/07/2019	Axis Bank Limited
4	Mr. Sujay Ajitkumar Hamalai	Rs. 18,19,711/- (Rupees Eighteen Lakh Nineteen Thousand Seven Hundred and Eleven only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds)	Towards SEBI IPEF	Rs. 19,58,860/- and 810501	22/07/2019	Union Bank of India

Subsequently, the applicants vide letters dated July 24, 2019 have submitted the details/statements of the maturity proceeds of the respective escrow accounts.

6. The applicant no. 1, V-Techweb (India) Private Limited has thus remitted Rs. 1,70,00,000/- (Rupees One Crore Seventy Lakhs only) as settlement amount and an amount of Rs. 47,86,258/- (Rupees Forty Seven Lakh Eighty Six Thousand Two Hundred and Fifty Eight only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds) to SEBI IPEF towards the settlement terms as proposed by it towards the settlement of the matters. Similarly, applicant no. 2, Mr. Sujay Ajitkumar Hamalai has remitted Rs. 25,50,000/- (Rupees Twenty Five Lakhs Fifty Thousand only) as settlement amount and an amount of

Rs. 18,19,711/- (Rupees Eighteen Lakh Nineteen Thousand Seven Hundred and Eleven only) deposited in the escrow account (along with the accrued interest till the date of transfer of the funds) to SEBI IPEF towards the settlement terms as proposed by him towards the settlement of the matters.

7. 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 enforcement proceedings for the alleged defaults as discussed in paragraph 1 above, are settled qua the applicants as per the above terms,
  - ii. SEBI shall not initiate any enforcement action against the applicants for the said defaults,
  - iii. this order disposes of the enforcement proceedings in respect of the applicants as mentioned above and;
  - iv. 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.
8. This settlement order is passed on this 14<sup>th</sup> day of August, 2019 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 shall also be published on the website of SEBI.

**S.K. MOHANTY**  
**WHOLE TIME MEMBER**

**ANANTA BARUA**  
**WHOLE TIME MEMBER**