

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
SETTLEMENT ORDER  
(Application No. 7010/2022)**

**On the application submitted by**

Nitan Chhatwal (PAN- AAGPC9892G)

**Settlement Order No.: SO/AS/VC/2022-23/7010**

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1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted an investigation into the trading activities of certain entities in the scrip of Surabhi Chemicals and Investments Limited (now known as Superspace Infrastructure Limited) for the period August 1, 2012 to January 6, 2015. The focus of the investigation was to examine the following:
  - a) Whether there were any disclosure violations under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015 (*hereinafter referred to as “**SEBI (PIT) Regulations, 1992/2015**”*) and/or SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*hereinafter referred to as “**SEBI (SAST) Regulations, 2011**”*) during the period of investigation.
  - b) Whether there were any violations of provisions of Securities Contracts (Regulations) Act, 1956 by entities mentioned in Suspicious Transaction Reports (STRs).
2. Pursuant to the investigation, it was observed that Nitán Chhatwal had not made any disclosures till date with respect to the acquisition of their shares and violated the provisions of Regulation 29 (1) read with 29 (3) of SEBI (SAST) Regulations 2011 and Regulation 13(1) of SEBI (PIT) Regulations, 1992 read with Regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. In view of the above, SEBI initiated adjudication proceedings and appointed Shri Prasanta Mahapatra as the Adjudicating Officer *vide* order dated March 02, 2022,

under section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act, 1992**') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules**') read with section 19 of the SEBI Act, 1992 to inquire into and adjudge under Section 15A (b) of the SEBI Act, 1992 for the alleged violations of Regulation 29 (1) read with 29 (3) of SEBI (SAST) Regulations, 2011 and Regulation 13 (1) of SEBI (PIT) Regulations, 1992 read with Regulation 12 (2) of SEBI (PIT) Regulations, 2015. Pursuant to the transfer of erstwhile Adjudicating officer Shri Prasanta Mahapatra, the instant matter *vide* order dated June 06, 2022, was transferred to the undersigned.

4. A Show Cause Notice dated May 31, 2022 (hereinafter referred to as '**SCN**') was served on the Nitán Chhatwal (hereinafter referred to as '**Noticee**'), in terms of the provisions of rule 4 of the SEBI Adjudication Rules read with Section 15-I of the SEBI Act, 1992, requiring Noticee to show cause as to why an inquiry should not be held against him in terms of Rule 4 of SEBI Adjudication Rules read with Section 15-I (1) & (2) of SEBI Act, and penalty, if any, should not be imposed on Noticee under rule 5 of the SEBI Adjudication rules and under Section 15 A(b) of SEBI Act, 1992 for the aforesaid alleged contraventions done by him.
5. Since no reply was received for the SCN, pursuant to the transfer of the matter to the undersigned, in the interest of natural justice, an opportunity of hearing on September 21, 2022 was granted to the Noticee through video conference on cisco Webex, *vide* Hearing Notices dated September 01, 2022. The Authorised Representatives (hereinafter referred to as '**ARs**') of the Noticee appeared before the undersigned and submitted that Noticee has filed a settlement application under SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**'). The ARs of the Noticee also requested for time to file reply to the SCN by September 22, 2022, which was accede to. Accordingly, Noticee furnished reply to the SCN *vide* letter dated September 22, 2022.

6. It was informed by the concerned department of SEBI that the Noticee filed a Settlement Application bearing reference no. 7010/2023 with SEBI in terms of Settlement Regulations proposing to settle the pending proceedings through a Settlement Order without admitting or denying the findings of fact and conclusions of law, through a settlement order.
7. Pursuant to the above mentioned settlement application filed by Noticee, the Internal Committee (hereinafter referred to as '**IC**') in its meeting was held on January 13, 2023 deliberated and recommended the settlement amount of ₹11,92,263 (Rupees Eleven Lakh Ninety Two Thousand and Two Hundred Sixty Three Only) as the indicative amount. Thereafter, Noticee vide Revised Settlement Terms ("**RST**") dated January 16, 2023, proposed Settlement amount ₹11,92,263 (Rupees Eleven Lakh Ninety Two Thousand and Two Hundred Sixty Three Only) towards full and final settlement of alleged default contained in the SCN.
8. Subsequently, the High Powered Advisory Committee on Settlement (hereinafter referred to as '**HPAC**') considered the proposed settlement terms on February 22, 2023 and recommended the settlement of instant proceedings upon payment of ₹11,92,263 (Rupees Eleven Lakh Ninety Two Thousand and Two Hundred Sixty Three Only) towards settlement charges. The Panel of Whole Time Members of SEBI approved and accepted the said recommendation of the HPAC on March 09, 2023 and the same was communicated to the Noticee on March 15, 2023. Pursuant to the same, Noticee vide its e-mail dated March 24, 2023 informed SEBI about the remittance of the settlement amount and the same was confirmed by the concerned department of SEBI.
9. Accordingly, in terms of regulation 23(1) of the Settlement Regulations, it is hereby ordered that the instant adjudication proceedings initiated against the Noticee vide SCN dated May 31, 2022 is disposed of in terms of the above accepted settlement terms.

10. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Noticee, if:
- i. any representations made by the Noticee in the settlement proceedings is subsequently found to be untrue; or
  - ii. the Noticee breaches any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
11. This settlement order is passed on the 29<sup>th</sup> Day of March, 2023 and shall come into force with immediate effect.
12. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the Noticee viz. Nitán Chhatwal and also to the SEBI.

**Place: Mumbai**

**Date: March 29, 2023**

**ASHA SHETTY  
ADJUDICATING OFFICER**