

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

In respect of

Name of the Applicant	Settlement Application No.	PAN	SETTLEMENT ORDER NO.
Samir Kothari	7762/2024	AGMPK1095P	SO//EFD2/2024-25/7762
Kuntal Goel	7791/2024	AAQPG9161N	SO//EFD2/2024-25/7791
Jitendra N Kewalramani	7778/2024	AIBPK0216F	SO//EFD2/2024-25/7778
Jitendra N Kewalramani HUF	7779/2024	AAEHJ6204M	SO//EFD2/2024-25/7779
Dipika J Kewalramani	7780/2024	AKAPK9063B	SO//EFD2/2024-25/7780
Pallavi Shailesh Nayak	7789/2024	AHFPM8818G	SO//EFD2/2024-25/7789

**IN THE MATTER OF FRONT RUNNING OF THE ORDERS OF BIG CLIENTS-
BHARAT KANAIYALAL SHETH FAMILY TRUST, RAVI KANAIYALAL SHETH
FAMILY TRUST AND ARJUN DISCRETIONARY TRUST BY JITENDRA
KEWALRAMANI AND ENTITIES RELATED / ASSOCIATED TO HIM**

1. The Securities and Exchange Board of India (“SEBI”) had conducted an investigation to ascertain whether there was any violation of the provisions of the SEBI Act, 1992 and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”) by certain entities during the period from January 01, 2021 to October 31, 2022 (hereinafter referred to as “the Investigation Period”).
2. Pursuant to the investigation, a common Show Cause Notice dated January 24, 2024 (hereinafter referred to as “the SCN”) was issued to certain entities including the Applicants herein. It was alleged in the said SCN, *inter alia*, that: -
 - 2.1. The Applicants and other Noticees were consistently placing orders ahead of Bharat Kanaiyalal Sheth Family Trust, Ravi Kanaiyalal Sheth Family Trust and Arjun Discretionary

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Trust (collectively referred to as the “Big Clients”) in the Equity (cash) segment of NSE and were squaring off the same.

- 2.2. Mr. Jitendra Kewalramani, who was the Authorized Person of Angel One Limited (a stock broker registered with SEBI) was, directly or indirectly, in possession of the details of the impending orders to be placed by the Big Clients. Accordingly, during the Investigation Period front running trades were allegedly executed by him in his own trading account and the trading accounts of certain entities including the Applicants (except Kuntal Goel and Samir Kothari), who were all related / associated to him during the Investigation period.
- 2.3. Jitendra Kewalramani was connected to Samir Kothari through an employer-employee relationship, while Kuntal Goel, who possessed the information of the impending trades of the Big Client is connected to Samir Kothari by way of frequent calls leading to Jitendra Kewalramani having access to the non-public information of the impending orders of the Big Clients. The rest of the Noticees/ applicants were, directly or indirectly, in possession of the details of the impending orders to be placed on behalf of the Big Clients, through Jitendra Kewalramani, who then placed orders in clients’ accounts to generate abnormal profits.
- 2.4. It was therefore, alleged that the Noticees have contravened the provisions of Sections 12A (a), (b), (c) and (e) of SEBI Act, 1992 and Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(q) of the PFUTP Regulations, 2003.

3. The Noticees in the SCN were called upon them to show cause as to why:

- 3.1 Suitable direction(s) under Sections 11B (1) and 11(4) read with 11(1) of SEBI Act should not be issued against them;
- 3.2 An inquiry should not be held against them in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995; and
- 3.3 Suitable monetary penalties under Sections 11(4A) and 11B (2) read with Section 15HA of the SEBI Act, 1992, should not be imposed upon them.

4. SEBI received four separate Settlement Applications from the Applicants in terms of the SEBI (Settlement Proceedings) Regulations, 2018, (“the Settlement Regulations”) proposing to settle the instant proceedings through a settlement order without admitting or denying the allegations. The details of the Settlement Applications filed by the Applicants are as follows:

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S. No.	Applicants	Registration number	Date of Receipt
1.	Samir Kothari	7762/2024	March 27, 2024
2.	Kuntal Goel	7791/2024	March 18, 2024
3.	Jitendra N Kewalramani	7778/2024	March 28, 2024
	Jitendra N Kewalramani HUF	7779/2024	
	Dipika J Kewalramani	7780/2024	
4.	Pallavi Shailesh Nayak	7789/2024	March 28, 2024

5. Pursuant to the above, the Authorised Representatives of the Applicants had meetings with the Internal Committee ('IC') of SEBI on July 16, 2024 and August 14, 2024 wherein the settlement terms proposed by the Applicants were deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of Settlement Regulations and permitted the Applicants to submit Revised Settlement Terms. Accordingly, the Applicants filed their Revised Settlement Terms, proposing as follows:

Entities/ Applicant(s)	Revised Settlement Terms
Samir Kothari	₹ 57,20,000/- (Rupees fifty-seven lakh twenty thousand) as the settlement amount. ₹ 50,00,000/- (Rupees fifty lakh only) along with simple interest of 12% per annum from the date of the impugned transaction to the date of filing of the settlement application for disgorgement. - Voluntary undertaking to be debarred from the securities market and to not be associated with any listed entity or registered intermediary, for a period of 6 months.
Kuntal Goel	₹55,90,000/- (Rupees fifty-five lakh ninety thousand) as the settlement amount. ₹1,06,25,679.95/- (Rupees one crore six lakh twenty-five thousand six hundred seventy-nine and ninety-five paise) along with simple interest of 12% per annum from the

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	date of the impugned transaction to the date of filing of the settlement application for disgorgement. • Voluntary undertaking to be debarred from the securities market and to not be associated with any listed entity or registered intermediary, for a period of 6 months.
Jitendra N Kewalramani	• ₹64,29,371/- (Rupees sixty-four lakh twenty-nine thousand three hundred and seventy-one) as the settlement amount. • ₹50,00,000/- (Rupees fifty lakh only) along with simple interest of 12% per annum from the date of the impugned transaction to the date of filing of the settlement application for disgorgement. • Voluntary undertaking to be debarred from the securities market and to not be associated with any listed entity or registered intermediary, for a period of 6 months.
Jitendra N Kewalramani HUF	• ₹57,20,000/- (Rupees fifty-seven lakh twenty thousand) as the settlement amount. • Voluntary undertaking to be debarred from the securities market for a period of 6 months.
Dipika J Kewalramani	• ₹57,20,000/- (Rupees fifty-seven lakh twenty thousand) as the settlement amount. • Voluntary undertaking to be debarred from the securities market for a period of 6 months.
Pallavi Shailesh Nayak	• ₹57,20,000/- (Rupees fifty-seven lakh twenty thousand) as the settlement amount. • Voluntary undertaking to be debarred from the securities market for a period of 6 months.

6. The said Settlement Applications alongwith above mentioned Revised Settlement Terms were placed before the High Powered Advisory Committee (‘HPAC’) in its meeting held on September 30, 2024 for consideration. The HPAC considered the Revised Settlement Terms proposed by the Applicants and recommended the case for settlement as per the said Revised Settlement Terms subject to observations that –“.. *it may not be advisable to prefix ‘voluntary’ to*

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debarment as Regulations do not envisage some terms to be voluntary and others to be in- voluntary”. The Panel of Whole Time Members of SEBI accepted and approved the recommendations of the HPAC on November 12, 2024 in terms of Regulation 15 of the Settlement Regulations.

7. Thereafter, SEBI, vide email dated November 14, 2024 informed the Applicants about the approval of the above Revised Settlement terms and advising them separately to remit the settlement amounts and disgorgement amounts and comply with non-monetary terms as mentioned in the approved Revised Settlement Terms. Further, vide email dated November 18, 2024, SEBI advised the Applicants to submit written undertakings, in order to comply with the non-monetary settlement terms of debarment as applicable for each of the Applicants as per the approved Revised Settlement Terms.
8. Now, the remittance of the respective settlement amounts and disgorgement amounts by concerned Applicants on different dates have been confirmed by the concerned department of SEBI December 16, 2024. It has also been informed that each of the Applicants have submitted their respective undertakings for undergoing debarment as per approved Revised Settlement Terms on different dates. The details of confirmation of remittance of settlement amount, disgorgement amount and debarment as per Revised Settlement Terms by respective Applicants are as following: -

Name of the Applicant(s)	Settlement Application No.	Payment Date		Date of Undertaking
		Settlement Amount	Disgorgement Amount	
Samir Kothari	7762/2024	25/11/2024	02/12/2024	04/12/2024
Kuntal Goel	7791/2024	27/11/2024	02/12/2024	09/12/2024
Jitendra N Kewalramani	7778/2024	27/11/2024	02/12/2024	03/12/2024
Jitendra N Kewalramani HUF	7779/2024	28/11/2024	NA	03/12/2024
Dipika J Kewalramani	7780/2024	26/11/2024	NA	03/12/2024

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Pallavi Shailesh Nayak	7789/2024	09/12/2024	NA	07/12/2024
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9. On the basis of the aforesaid, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings initiated against the Applicants, vide Show Cause Notice dated January 24, 2024, is disposed of as per the following terms:
- 9.1 The Applicants shall be under prohibition and restraint for a period of six months in terms of the Revised Settlement Terms approved for each of them, separately.
- 9.2 SEBI shall not initiate any other enforcement action against the Applicants for the violations as alleged in the SCN;
- 9.3 This Order is without prejudice to the right of SEBI to initiate any enforcement action with regard to the alleged violations against the any or all of Applicants, if:
- 9.3.1 Any representations made by the Applicants in the settlement proceedings are subsequently found to be untrue; or
- 9.3.2 The Applicants breach any of the clauses / conditions of undertakings waivers filed during the current settlement proceedings; or
- 9.3.3 There was a discrepancy while arriving at the settlement terms.
10. This settlement order shall come into force with immediate effect.
11. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicants, and also to SEBI.

Date: December 19, 2024

Place: Mumbai

**SANTOSH SHUKLA
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF
INDIA**

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