

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF

Settlement Application No.	Applicant	PAN
7398/2023	Ms. Meghana Gosar	ALMPG1685J
7397/2023	Mr. Deven Sangoi	AACPS7511G

**IN THE MATTER OF FRONT RUNNING BY MEGHANA GOSAR AND DEVEN
SANGOI**

1. Ms. Meghana Gosar (hereinafter referred to as “**Applicant 1**”) and Mr. Deven Sangoi (hereinafter referred to as “**Applicant 2**”) (Applicant 1 and Applicant 2 are hereinafter collectively referred to as “**Applicants**”) filed *suo-motu* settlement applications in terms of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against them for the violation of Section 12A (a), (b) and (c) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”), Regulation 3 (a), (b), (c) and (d), 4 (1) and 4 (2) (q) read with Regulation 2 (1) (c) of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”).
2. Brief facts of the case are as follows:
 - 2.1 SEBI conducted an investigation to probe potential front running of the trades of an entity (hereinafter referred to as the “**Big Client**”) executed during the period August 01, 2021 to April 30, 2022 (hereinafter referred to as “**Investigation period**” or “**IP**”) by Applicant 1.

- 2.2 Applicant 2, the brother of Applicant 1, was the Chief Investment Officer at the Big Client and thus was privy to the information related to trades/scrips being executed/invested by the Big client.
- 2.3 It was observed that during the IP, there were a total of 266 instances of trades executed by Applicant 1 in the equity segment and 76 instances of the trades in the equity derivatives segment. The Gross Trade Value (GTV) for the 266 instances in the equity segment was ₹ 63.13 crores out of which, the GTV for the 52 front running instances of trades in the equity segment was ₹ 30.01 Crore i.e. 47.53% of the total GTV of the equity segment.
- 2.4 Similarly, the GTV for 76 instances in the equity derivative segment was ₹ 23.74 Crore out of which, the GTV for the 18 front running instances of trades in the equity derivatives segment was ₹ 12.34 Crore i.e. 51.97% of the total GTV during the IP.
- 2.5 Thus, the gross traded value in front running instances in both the segments with the Big client during the investigation period amounted to ₹ 42.36 crores (₹ 30.01 Crore in equity segment and ₹ 12.34 Crore in equity derivatives segment) accounting for around 48.74% of total gross traded value of both equity and equity derivative segments.
- 2.6 It was observed that Applicant 1 squared off profits worth ₹ 20.74 Lakhs for the 52 front running instances of trades in the equity segment and ₹ 7.04 Lakhs for the 18 front running instances of trades in the equity derivatives segment and thereby made total unlawful gains of ₹ 27,77,312.92.
- 2.7 Thus, by virtue of his position as the Chief Investment Officer at the Big Client, Applicant 2 was alleged to be privy to information about the scrips and trades to be executed by the Big Client. Applicant 2 was also alleged to be front running the trades of the Big Client where Applicant 1 provided her trading account credentials for the execution of trades.
- 2.8 On account of the same, the two applicants are alleged to have violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act, Regulations 3 (a),

(b), (c) and (d), 4 (1) and 4 (2) (q) read with Regulation 2 (1) (c) of the PFUTP Regulations.

3. Pursuant to the receipt of the application, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on August 30, 2024 wherein the details of the case were deliberated along with the terms of settlement. Thereafter, vide email dated September 20, 2024, the Applicants proposed revised settlement terms to settle any enforcement proceeding that may be initiated against it for the violations as stated above at paragraph 1.
4. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on September 30, 2024, considered the revised settlement terms proposed by the Applicants and recommended the case for settlement, on the following settlement terms:

Applicant name	Indicative amount	Disgorgement amount*	Voluntary debarment
Ms. Meghana Gosar	₹ 44,00,000/-	₹ 27,77,312.92	6 months from the securities market
Mr. Devan Sangoi	₹ 47,00,000/-	N/A	6 months from the securities market

*Along with 12% p.a. from the date of violation (April 30, 2022) till the date of filing of the settlement application

5. The recommendation of the HPAC was approved by the Panel of Whole Time Members of SEBI on November 12, 2024. Subsequently, Notice of Demand for the said amounts were issued to the Applicants on November 14, 2024. Applicant 1 informed about the remittance of the aforesaid settlement amount and disgorgement amount on December 06, 2024 and Applicant 2 informed about the remittance of the aforesaid settlement amount on December 09, 2024. The credit of the said amount was duly confirmed by SEBI.
6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicants on the following terms:

- i. SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
 - ii. Passing of this Order is without prejudice to the right of SEBI under Regulation 28 and Regulation 31 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
 - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
7. This Settlement Order is passed on this 8th day of January, 2025 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Sd/-

ANANTH NARAYAN G
WHOLE TIME MEMBER

Sd/-

KAMLESH C VARSHNEY
WHOLE TIME MEMBER