<u>BEFORE THE ADJUDICATING OFFICER</u>

<u>SECURITIES AND EXCHANGE BOARD OF INDIA</u>

[ADJUDICATION ORDER NO. Order/PB/AS/2021-22/13174]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of

Nikita Deora

(PAN: ASKPD6662K)

In the matter of Trading in Illiquid Stock Options on BSE

<u>BACKGROUND OF THE CASE</u>

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") observed large scale reversal of trades in stock options segment of Bombay Stock Exchange (hereinafter referred to as "**BSE**"). SEBI observed that such large scale reversal of trades in stock options lead to creation of artificial volume at BSE. In view of the same, SEBI conducted an investigation into the trading activities of certain entities in illiquid stock options at BSE for the period April 1, 2014 to September 30, 2015 (hereinafter referred to as "**IP**").

2. Pursuant to investigation, it was observed that total 2,91,643 trades comprising substantial 81.38% of all the trades executed in stock options segment of BSE during the IP were non genuine trades. The aforesaid non-genuine trades resulted into creation of artificial volume to the tune of 826.21 crore units or 54.68% of the total market volume in stock options segment of BSE during the IP. It was observed that Nikita Deora (PAN-ASKPD6662K) (hereinafter referred to as the "**Noticee**") was one of the various entities who indulged in execution of reversal trades in stock options segment of BSE during the IP. Such trades were observed to be non-genuine in nature and created false or misleading appearance of trading in terms of artificial volumes in stock options and therefore were alleged to be manipulative, deceptive in nature. In view of the same, SEBI initiated adjudication proceedings against the Noticee for violation of the provisions of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations, 2003**").

APPOINTMENT OF ADJUDICATING OFFICER

3. Shri K Saravanan was appointed as Adjudicating Officer in the matter, conveyed vide communique dated April 26, 2021, under section 19 read with section 15-I(1) of the SEBI 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 "**Adjudication Rules**") to conduct adjudication proceedings in the manner specified under rule 4 of Adjudication Rules read with section 15-I(1) and (2) of SEBI Act, 1992, and

if satisfied that penalty is liable, impose such penalty deemed fit in terms of rule 5 of Adjudication Rules and section 15HA of SEBI Act, 1992. Pursuant to transfer of Shri K Saravanan, the undersigned was appointed as Adjudicating Officer in the matter, conveyed vide communique dated July 14, 2021.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice dated July 26, 2021 (hereinafter referred to as '**SCN**') was issued to the Noticee under rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against her and why penalty should not be imposed under section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by Noticee.

5. It was *inter alia* alleged in the SCN that the Noticee had executed 12 non genuine trades in 6 Stock Options contracts which resulted in artificial volume of total 4,00,000 units. Summary of dealings of the Noticee in 6 Stock Options contracts, in which the Noticee allegedly executed non genuine trades during the I.P, is as follows:

S. No.	Contract Name	Avg. Buy Rate (Rs)	Total Buy Volume (No. of units)	Avg. Sell Rate (Rs)	Total Sell Volume (No. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	AXIS15JYL500.00PEW3	1.45	25000	5.25	25000	100	33.33	100	38.46
2	ICIC15JUL280.00PEW4	0.65	60000	2.7	60000	100	100	100	100
3	ITCL15JUL260.00PE	1	50000	2.4	50000	100	100	100	100

4	ITCL15JUL370.00CE	1	30000	3	30000	100	100	100	100
5	LNTL15JUL1470.00PEW4	2	25000	7.5	25000	100	100	100	100
6	STAC15MAY990.00PE	14	10000	29	10000	100	33.33	100	33.33

6. From the above table, following was noted as regard to dealings of the Noticee:
   (a) The Noticee had executed non genuine trades in 6 contracts, wherein all trades of Noticee in the said 6 contracts were non genuine trades.
   (b) No. of non-genuine trades of the Noticee had significantly contributed to total no. of trades from the market in the above contracts, as 33.33% to 100% of the trades that happened in each of the six contracts were due to non-genuine trades executed by the Noticee.
   (c) A substantial 100% of volume generated by Noticee in all of the above contracts was artificial volume, and further artificial volume generated by the Noticee also contributed to 33.33% to 100% of the total volume from the market in said contracts.
   (d) Non genuine trades executed by the Noticee in above contracts had significant difference in buy rates and sell rates considering that the trades were reversed on same day.

7. The SCN ref no SEBI/HO/A&E/EAD/PB/AS/16437/2021 was served on the Noticee via Speed Post Acknowledgement Due (SPAD) and via email dated July 27, 2021. The acknowledgement receipt duly signed by Noticee is on record. Thereafter, Noticee, vide email and letter dated August 10,

2021 submitted the reply to SCN. The main contentions made by Noticee in aforesaid reply are as follows:

- Noticee entered into trades in usual manner, i.e. she purchased options and then sold them at a higher rate to earn profits.
- The market was liquid when the trades were executed by Noticee.
- SEBI, BSE and clearing corporation should have cancelled the trades when they were entered, but the same was not done which shows that trades were considered genuine and not artificial.
- Noticee had no knowledge as to who were the counterparties to trades.
- Noticee has cited NSE circular Ref No NSE/INVG/2020/43144 of January 07, 2020, wherein it was stated that NSE would levy a penalty of 15% of the profit earned / loss incurred on the trading members for both profit and loss making abnormal / non-genuine transactions after following the due process & providing necessary opportunity to the trading member for clarification in the matter. Noticee has contended that the same must apply to transactions on BSE platform.
- SCN was issued with inordinate delay, which caused prejudice to the Noticee.
- No complaints were made by any investors or anyone else.
- No loss was suffered by anyone.
- All taxes including STT, stamp duty etc were paid.

8. Vide email dated August 11, 2021, Noticee was granted opportunity of personal hearing on August 24, 2021. The personal hearing was held on the scheduled date via video conferencing over webex platform. During the course of hearing, Authorized Representative of the Noticee reiterated the submissions made by her vide email and letter dated August 10, 2021.

CONSIDERATION OF ISSUES AND FINDINGS

9. I have carefully perused the charges levelled against the Noticee, her reply and the documents / material available on record. The issues that arise for consideration in the present case are:
   (a) Whether the Noticee has violated provisions of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003?
   (b) Does the violation, if any, attract monetary penalty under section 15HA of the SEBI Act, 1992?
   (c) If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?

10. Before proceeding further, I would like to refer to the relevant provisions of the PFUTP Regulations, 2003 as below:

    PFUTP Regulations, 2003

    3. Prohibition of certain dealings in securities

    No person shall directly or indirectly—

    (a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

11. I note that the allegation against the Noticee is that, while dealing in the stock option contracts at BSE during the IP, she had executed reversal trades which were allegedly non-genuine trades and the same had resulted in generation of artificial volume in stock option contracts at BSE. Reversal

trades are considered to be those trades in which an entity reverses its buy or sell positions in a contract with subsequent sell or buy positions with the same counterparty during the same day. The said reversal trades are alleged to be non-genuine trades as they are not executed in the normal course of trading, lack basic trading rationale, lead to false or misleading appearance of trading in terms of generation of artificial volumes and hence are deceptive & manipulative.

12. Noticee has *interalia* contended that SCN in the matter was issued after an inordinate delay, which has caused prejudice to her. I note that there are no timelines prescribed in the SEBI Act, 1992 for initiating the adjudication proceedings. Further, I note that the Hon'ble SAT in the matter of Pooja Vinay Jain vs SEBI held that,

"*The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same*"

I also note that the Hon'ble SAT in the matter of Bipin R Vora vs SEBI held that,

"*As regards the plea of delay and latches and submission that the show cause notice is barred by limitation, I do not find any merit in these contentions as the time and efforts involved in an investigation though may vary from case to case, generally investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/ order-trade details of all the concerned* *including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action for the safeguard and improvement of the system/market*".

Therefore, I note that contentions of Noticee in this regard are without merits.

13. I note from trade log of the Noticee that she had traded in 6 unique contracts in the stock options segment of BSE during the IP. It is observed that the Noticee had executed 12 non-genuine trades in 6 contracts. I further note that the above mentioned trades of the Noticee had resulted in the creation of artificial volume of a total of 4,00,000 units in the said 6 contracts. Summary of non-genuine trades of the Noticee is as follows:

S. No.	Contract Name	Avg. Buy Rate (Rs)	Total Buy Volume (No. of units)	Avg. Sell Rate (Rs)	Total Sell Volume (No. of units)	% of Non Genuine trades of Noticee in the contract to Noticee's Total trades in the Contract	% of Non Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Noticee's Total Volume in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	AXIS15JYL500.00PEW3	1.45	25000	5.25	25000	100	33.33	100	38.46
2	ICIC15JUL280.00PEW4	0.65	60000	2.7	60000	100	100	100	100
3	ITCL15JUL260.00PE	1	50000	2.4	50000	100	100	100	100
4	ITCL15JUL370.00CE	1	30000	3	30000	100	100	100	100
5	LNTL15JUL1470.00PEW4	2	25000	7.5	25000	100	100	100	100
6	STAC15MAY990.00PE	14	10000	29	10000	100	33.33	100	33.33

14. It is noted that the Noticee had executed non-genuine trades in 6 contracts, wherein the percentage of non-genuine trades of the Noticee in stock

options contracts to total trades in the contracts was in the range of 33.33% to 100% in the aforesaid contracts. Further, artificial volume generated by Noticee in the contracts amounted to a substantial 100% of total volume generated by her in all the contracts. It is also noted that artificial volume generated by the Noticee contributed significantly viz. 33.33% to 100% of the total volume from the market in the said contracts. Non-genuine trades executed by the Noticee in the above contracts had significant difference in buy rates and sell rates considering that the trades were reversed on the same day.

15. I note from the trade log that the trades executed by the Noticee in a contract were squared up within a short span of time with her counterparties. To illustrate, the Noticee on July 01, 2015 at 09:48:48.77 hrs entered into 1 sell trade with counterparty viz. J.B. Overseas for 25,000 units at the rate of Rs 5.25 per unit in the contract AXIS15JUL500.00PEW3. Thereafter, on the same day, Noticee at 09:48:53.38 hrs entered into 1 buy trade with same counterparty for 25,000 units at the rate of Rs. 1.45 per unit in the same contract. It is noted that while dealing in the said contract during the I.P., the Noticee executed reversal trades with same counterparty viz. J.B. Overseas on the same day and with significant price difference in buy and sell rate. Thus, the Noticee, through her dealing in the contract viz. “AXIS15JUL500.00PEW3” during the I.P., executed non genuine trades which is 33.33% of the total trades from the market in the said contract during the I.P., and thereby, Noticee generated artificial

volume of 50,000 units which was 38.46% of the volume traded in the said contract from the market during the I.P.

16. The non-genuineness of these transactions executed by the Noticee is evident from the fact that there was no commercial basis as to why, within a short span of time, the Noticee reversed the position with her counterparties with significant price difference. I note from the trade log of the Noticee that the time taken by the Noticee for reversing the non-genuine trades ranged from 3 seconds to 10 minutes 36 seconds, on the same day. Such a short span of time taken for reversing the trades in an illiquid stock option contract suggests the non-genuineness of these trades executed by the Noticee. The fact that the transactions in a particular contract were reversed with the same counterparties indicates a prior meeting of minds with a view to execute the reversal trades at a pre-determined price. Since these trades were done in illiquid option contracts, there was no trading in the said contract and hence, there was no price discovery in the strictest terms. The wide variation in prices of the said contracts, within a short span of time, is a clear indication that there was pre-determination in the prices by the counterparties while executing the trades. Thus, it is observed that Noticee had indulged in reversal trades with her counterparties in the stock options segment of BSE and the same were non-genuine trades.

17. Noticee has *interalia* contended that she had no knowledge of counterparty to the trades. I note that it is not mere coincidence that Noticee could match her trades with the same counterparties with whom she had undertaken

first leg of the respective trades. This is the outcome of meeting of minds elsewhere and it was a deliberate attempt to deal in such a fashion. Here I would like to rely on the judgment of Hon’ble Supreme Court in SEBI v Kishore R Ajmera (AIR 2016 SC 1079), wherein it was held that - “…*in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. The illustrations are not exhaustive...”*

18. The Hon’ble Supreme Court further held in the same matter that – *“It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion.”*

19. I note that direct evidence is not forthcoming in the present matter as regards to meeting of minds or collusion of the Noticee with other entities. However, I note that the trading behaviour of the Noticee makes it clear that aforesaid non-genuine trades could not have been possible without meeting of minds at some level. In this context, I deem it appropriate to refer to the Hon'ble SAT order dated July 14, 2006, in the case of Ketan Parekh vs. SEBI (Appeal no. 2/2004), wherein the Hon'ble SAT has held that - *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

20. I place my reliance on the judgment of Hon'ble Supreme Court in the matter in respect of SEBI v Rakhi Trading Private Limited (Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011 decided on February 8, 2018), in which the Hon'ble Supreme Court held that - *"Considering the reversal transactions, quantity, price and time and sale, parties being persistent in number of such trade transactions with huge price variations, it will be too naive to hold that the transactions are through screen-based trading and hence anonymous. Such conclusion would be over-looking the prior meeting of minds involving synchronization of buy and sell order and not negotiated deals as per the board's circular. The impugned transactions are manipulative/deceptive*

device to create a desired loss and/or profit. Such synchronized trading is violative of transparent norms of trading in securities…..”

21. Further, the Hon’ble SAT in its judgement dated September 14, 2020 in the matter of Global Earth Properties and Developers Pvt relied upon the aforesaid judgement of Hon’ble Supreme Court and held that,
“*It is not a mere coincidence that the Appellants could match the trades with the counter party with whom he had undertaken the first leg of respective trade. In our opinion, the trades were non-genuine trades and even though direct evidence is not available in the instant case but in the peculiar facts and circumstances of the present case there is an irresistible inference that can be drawn that there was meeting of minds between the Appellants and the counter parties, and collusion with a view to trade at a predetermined price.*”

22. Noticee has *interalia* contended that no complaints were made and no loss was caused to any investor as regards the matter. I note that in the instant matter, the allegations pertaining to the violation of impugned provisions of PFUTP Regulations, 2003 are not contingent upon any complaints made or losses incurred by investors. Noticee has also contended that all taxes including STT, stamp duty etc were paid. I note that instant allegations do not pertain to payment of taxes by the Noticee. Therefore, I note that contentions of Noticee in this regard are without merits.

23. Noticee has also cited NSE circular Ref No NSE/INVG/2020/43144 of January 07, 2020, wherein it has been stated *interalia* that a penalty of 15% of the profit earned / loss incurred will be levied on the trading members for both profit and loss making non-genuine transactions, and argued that similar penalties or settlement cost should apply to instant matter. I note that the referred circular, which specifies penalty to be imposed on trading members pertains to NSE and is not relevant to instant adjudication proceedings.

24. Noticee has *interalia* contended that she entered into trades in usual manner, i.e. by purchasing option contracts and then selling them at a higher rate to earn profits. I note from the trade log that the Noticee entered into 12 reversal trades with different counterparties. I note that in 6 of these trades, she entered into buy trades first, while in rest of the 6 trades, she entered into sell trades first. I note details of following trades for instance:

Date	Name of buyer	Name of seller	Trade time	Trade rate (Rs per unit)
04/05/2015	Xion Gems & Jewellers Pvt Ltd	Noticee	14:03:22.739021	29
	Noticee	Xion Gems & Jewellers Pvt ltd	14:13:58.461453	14

In the aforesaid instance, Noticee executed a sell trade first at the rate of Rs 29 per unit, and then after approximately 10 minutes, she entered into a buy trade at the rate of Rs 14 per unit without any change in price of the underlying scrip as per the record. I note that Noticee sold the option contracts at a high rate, and then bought the same contracts from the same counterparty at a substantially lesser rate in a short span of time. Such a trading pattern, without any change in the price of underlying scrip, indicates manipulative intent behind execution of such trades. Therefore, I note that contentions of Noticee in this regard are without merits.

25. Noticee has also contended that the market was liquid when the trades were executed. I note the details of trades executed by Noticee vis-à-vis total trades/market volume in the options contracts in which the Noticee traded below:

S. No.	Contract Name	% of Non Genuine trades of Noticee in the contract to Total trades in the Contract	% of Artificial Volume generated by Noticee in the contract to Total Volume in the Contract
1	AXIS15JYL500.00PEW3	33.33	38.46
2	ICIC15JUL280.00PEW4	100	100
3	ITCL15JUL260.00PE	100	100
4	ITCL15JUL370.00CE	100	100
5	LNTL15JUL1470.00PEW4	100	100
6	STAC15MAY990.00PE	33.33	33.33

I note that the artificial volume generated by Noticee as a proportion of total market volume in the contract ranged from 33.33% to 100%, wherein in four contracts, market volume comprised only of artificial volume generated by Noticee. I note that Noticee's trades, which were few in number, contributed substantially to total market volume in such contracts indicating that the stock options segment of BSE was illiquid as regards the aforesaid contracts. Noticee has further contended that SEBI, BSE and clearing corporation should have cancelled the trades when they were entered, but the same was not done which shows that trades were considered genuine and not artificial. I note that instant adjudication proceedings were approved after conclusion of investigation by SEBI as regards *interalia* Noticee's trades in the stock options contracts on BSE during IP, wherein it was found that such trades created misleading appearance of trading leading to alleged violation of provisions of PFUTP Regulations, 2003. Therefore, I note that contentions of Noticees are without merits and liable to be rejected.

26. The trading behaviour of the Noticee confirms that such trades were not normal and wide variation in prices of the trades in the same contract in a short time without any basis for such wide variation, all indicate that the trades executed by the Noticee were not genuine trades and being non-genuine, created an appearance of artificial trading volumes in respective contracts. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003 by the Noticee stands established. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that - *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…".*

27. In view of the same, I am convinced that it is a fit case for imposition of monetary penalty on the Noticee under the provisions of section 15HA of the SEBI Act, 1992 which read as under:

[1][***Penalty for fraudulent and unfair trade practices.***

[1] Inserted by the SEBI (Amendment) Act, 2002, w.e.f.29-10-2002.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty [2][which shall not be less than five lakh rupees but which may extend to twenty - five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

28. While determining the quantum of penalty under section 15HA of the SEBI Act, it is important to consider the factors relevantly as stipulated in section 15J of the SEBI Act which reads as under:-

Factors to be taken into account by the adjudicating officer.

15J. While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

Explanation.—For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E,clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

29. I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticee and the losses, if any, suffered by the investors due to such violations on part

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[2] Substituted for the words ―twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher‖ by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014

of the said Noticee. However, Noticee has entered into 12 non-genuine trades in 6 stock option contracts which demonstrates the repetitive nature of default on her part.

30. Therefore, I note that Noticee indulged in execution of reversal trades in stock options contracts in the IP which were non-genuine and created false and misleading appearance of trading in terms of artificial volumes in stock options, leading to violation of regulation 3(a),(b),(c),(d) and 4(1),(2)(a) of the PFUTP Regulations, 2003.

ORDER

31. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in section 15J of the SEBI Act, 1992 and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15HA of the SEBI Act, 1992 on the Noticee:

Name of the Noticee	**Violation provisions**	**Penalty**
Nikita Deora PAN:ASKPD6662K	regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations, 2003	Rs 5,00,000/- (Rupees Five Lakh only)

I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

32. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO → PAY NOW

33. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department 1 DRA-2), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.". The Noticee shall also provide the following details while forwarding DD / payment information:
    - Name and PAN of the Noticee
    - Name of the case / matter
    - Purpose of Payment – Payment of penalty under AO proceedings
    - Bank Name and Account Number
    - Transaction Number

34. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest

thereon, *inter alia*, by attachment and sale of movable and immovable properties.

35. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee viz. Nikita Deora and also to the Securities and Exchange Board of India.

Date: August 27, 2021	**PARAG BASU**
Place: Mumbai	**ADJUDICATING OFFICER**