

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF

Settlement Application No.	Applicant	PAN
2249/2011	Hetal Rajesh Patel	AQUPP6130E

IN THE MATTER OF RTS POWER CORPORATION LIMITED

1. Ms. Hetal Rajesh Patel (hereinafter referred to as “**applicant**”) filed a settlement application on March 7, 2011, proposing to settle, by neither admitting nor denying the findings of fact and conclusions of law, the enforcement of the proceedings initiated under sections 11(4) and 11B of the SEBI Act, 1992 read with regulation 11 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 “the PFUTP Regulations”) as well as the enforcement of the adjudication proceedings initiated for the alleged violation of regulations 3(a), 3(c), 3(d), 4(2)(a) and 4(2)(g) of the PFUTP Regulations.
2. Brief facts of the matter:
 - (a) SEBI received complaints from certain stock brokers that a set of clients including the applicant had bought shares of RTS Power Corporation Ltd (hereinafter referred to as “RTS”) on February 11, 2009 and had allegedly failed to fulfil their respective pay-in obligations.
 - (b) SEBI, vide interim order dated June 5, 2009, restrained the applicant from accessing the securities market and from buying, selling or dealing in securities market, either directly or indirectly till further orders. Further, BSE was advised to withhold the payout in respect of the applicant amounting to ₹3,44,62,569/- (Rupees Three crore forty-four lakh sixty-two thousand five hundred sixty-nine only) for trades in the shares of RTS on February 11, 2009

in a separate escrow account till further orders. Subsequently, SEBI confirmed the directions issued vide order dated June 5, 2009 in respect of the applicant on October 26, 2009.

(c) Upon completion of the investigation, show cause notices dated October 29, 2010 and December 8, 2010 were issued, in respect of the proceedings under sections 11(4) and 11B of the SEBI Act, 1992 and for the adjudication proceedings, respectively, to the applicant for the alleged violations as detailed in paragraph 1, by entering into transactions with related persons/entities with the intention of not fulfilling the pay-in obligations with respect to the said trades on February 11, 2009.

3. The applicant filed the settlement application on March 7, 2011, proposing to settle the aforementioned proceedings. The Internal Committee of SEBI (hereinafter referred to as “**IC**”) held a meeting with the authorized representatives of the applicant on October 13, 2011. Pursuant to the IC meeting, the applicant proposed revised settlement terms and agreed to pay an amount of ₹25,00,000/- (Rupees Twenty-five lakh only) towards the settlement and undergo a voluntary debarment from buying, selling or otherwise dealing in securities or accessing the securities market, directly or indirectly, for three years. The applicant also indicated that the aforesaid settlement terms were being proposed based on the understanding that her pay-out of ₹3,44,62,569/- (Rupees Three crore forty-four lakh sixty-two thousand five hundred sixty-nine only) lying with BSE in terms of the order dated June 5, 2009, would be released to her upon passing of the settlement order.
4. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on December 21, 2011, considered the settlement terms proposed by the applicant and recommended that the case may be settled upon payment of ₹25,00,000/- (Rupees Twenty-five lakh only) as settlement amount, along with a voluntary debarment from buying, selling or otherwise dealing in securities or accessing the securities market, directly or indirectly, for three years and release of the pay-out to the applicant amounting to ₹3,44,62,569/- (Rupees Three crore

forty-four lakh sixty-two thousand five hundred sixty-nine only) that was lying with the BSE in terms of the order dated June 5, 2009.

5. The recommendation of the HPAC was approved by the Panel of Whole Time Members of SEBI on January 23, 2012. Thereafter a letter dated February 24, 2012 was issued to the applicant advising her to make the payment of ₹25,00,000/- (Rupees Twenty-five lakh only) towards the settlement terms by way of a Demand Draft. The applicant, vide letter dated March 7, 2012 enclosed a Demand Draft bearing no. 628718 dated March 5, 2012 for an amount of ₹25,00,000/- (Rupees Twenty-five lakh only) towards payment of the settlement charges.
6. In the interim, it came to the notice of SEBI that certain buy-side stockbrokers in the RTS scrip, viz. Network Stock Broking Private Limited and others had filed a Civil Suit No. 3022 of 2009 in February 2009 before the Hon'ble Hon'ble Bombay High Court seeking to *inter alia* annul certain trades in the scrip of RTS and restrain pay-outs to the sell-side parties and that by an order dated May 11, 2012, the Hon'ble Bombay High Court had directed BSE to deposit the pay-out amounts lying in an escrow account in Fixed Deposits of a nationalized bank initially for a period of 3 months and to renew the deposits from time to time.
7. In view these facts, the applicant was advised to attend a meeting before the IC. During the IC meeting held on September 17, 2013, the authorized representatives of the applicant were appraised of the Order dated May 11, 2012 of the Hon'ble Bombay High Court and representations received from various stock brokers. The authorized representatives of the applicant requested for time to file written submissions, but instead filed a letter dated December 27, 2013, enclosing a copy of an order dated December 19, 2013 passed by the Hon'ble Bombay High Court, in Suit no. 3022 of 2009 in which the Hon'ble court had *inter alia* observed as follows:

“there is nothing in the impugned order or any other order that prevents the SEBI or any other authority or body from proceeding in accordance with law including disbursing any amounts to the appropriate parties. However, no amounts shall be disbursed till after the expiry of the 72

hours of the service of the notice upon the plaintiffs/respondent no. 1 to 3 in writing of their intention to do so.”

8. It would be relevant to note that the applicant filed an Appeal No. 124 of 2014 before the Securities Appellate Tribunal (SAT), in which the Tribunal passed an order dated May 23, 2014 *inter alia* directing SEBI to convey the order/decision to the applicant by taking order dated February 24, 2012 to its logical conclusion within five weeks from the date of the order.
9. In the backdrop of the circumstances detailed above and the orders of the Hon'ble Bombay High Court and Hon'ble SAT, a letter dated June 27, 2014 was issued by SEBI to the applicant rejecting her settlement application. It was also brought to the notice of the applicant that the settlement proceedings cannot decide the appropriate parties to whom the pay-out amount (kept in an escrow account) is to be released. In view of the rejection of the settlement application, the Demand Draft submitted by the applicant was returned to her.
10. The applicant impugned the letter dated June 27, 2014 in Writ Petition No. 2195 of 2015 before the Hon'ble Bombay High Court. Vide order dated April 16, 2015, the Hon'ble Court stayed the rejection process and vide another order dated October 27, 2020, directed the applicant, without prejudice to her rights, to participate and cooperate in the pending enforcement proceedings and further directed that the final orders passed in the adjudication proceedings *qua* the applicant would not be enforced till the final disposal of the writ petition. The enforcement proceedings pending before the SEBI was disposed of vide Adjudication Order dated June 18, 2021, and the order dated October 27, 2021 passed by the Whole Time Member, SEBI, wherein it was mentioned that directions passed in the said orders would not be enforced *qua* the applicant till the final disposal of the Writ Petition No. 2195 of 2015 by the Hon'ble High Court.
11. Finally, in its Order dated July 9, 2025, the Hon'ble Bombay High Court while disposing of the Writ Petition, directed the applicant to make a fresh payment of ₹25,00,000/- (Rupees Twenty-five lakh only) on or before July 30, 2025, to SEBI towards settlement charges as communicated to her in the letter dated February

24, 2012. Further, upon her undertaking that she had not bought, sold or dealt in securities since the date of issuance of the show cause notices to her, the Hon'ble Court held that the applicant had satisfied the requirement of being debarred from buying, selling or dealing in securities market for a period of three years as set out in the terms of settlement.

12. The Hon'ble Court also directed that the issues and matters arising in the pending Suit No. 3022 of 2009 filed by the buy-side stock brokers in the RTS scrip (subsequently transferred to the City Civil Court and renumbered as Suit No. 1343 of 2024), including the issues of the pay-out of the amount of ₹3,44,62,569/- (Rupees Three crore forty-four lakh sixty-two thousand five hundred sixty-nine only) or any part thereof, as claimed by the applicant, shall be decided by the Court on its own merits, uninfluenced by the settlement order in respect of the proceedings concluded by the Adjudicating Officer vide order dated June 18, 2021 and by the Whole Time Member, SEBI vide order dated October 27, 2021.
13. Vide email dated July 25, 2025, the applicant has informed about the remittance of the aforesaid settlement amount in terms of the Hon'ble High Court order dated July 09, 2025 and SEBI has confirmed the credit of the same.
14. In compliance with the order dated July 9, 2025 of the Hon'ble Bombay High Court in the Writ Petition No. 2195 of 2015, the proceedings initiated vide the Show Cause Notices dated October 29, 2010 and December 08, 2010 stands settled and the Adjudication order dated June 18, 2021 and the order dated October 27, 2021 passed by Whole Time Member, SEBI, shall not be enforced against the Applicant. Further, as per direction of the Hon'ble Court the applicant shall hereafter be at liberty to access the capital markets and/or deal in securities forthwith.
15. This Settlement Order is being passed on this 6th day of August, 2025, as per direction of Hon'ble High Court within a period of two weeks from the date of receipt of the settlement amount, and shall come into force with immediate effect.

16. A copy of this Order shall be sent to the applicant and shall also be hosted on the website of SEBI.

ANANTH NARAYAN G
WHOLE TIME MEMBER

KAMLESH C VARSHNEY
WHOLE TIME MEMBER