BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. PM/NR/2021-22/12491

UNDER SECTION15-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

Prateek Sarawgi
(PAN: BMKPS0835E)

In the matter of Infosys Ltd.,

BACKGROUND

1. SEBI carried out an investigation in the matter of circulation of Unpublished Price Sensitive Information (UPSI) in the scrip of Infosys Ltd., *(hereinafter referred to as "Infosys" / "Company")* to ascertain any possible violation of the provisions of the SEBI Act and SEBI Prohibition of Insider Trading Regulations, 2015 *(hereinafter referred to as "PIT" Regulations)* during the period December 16, 2016 to January 15, 2017 *(hereinafter referred to as "Investigation Period" / "IP").* It was observed that Infosys Ltd., had announced financial results for the quarter ended December 31, 2016 on January 13, 2017 on BSE and NSE between 09:04 AM an 09:18 AM.

2. It was observed that Prateek Sarawgi (*hereinafter referred to as "Prateek" / "Noticee"),* was working as Associate Manager- Business Finance with Infosys during the investigation period and being an "insider" as stated under Regulation 2(1)(g) of the SEBI (PIT) Regulations, 2015, had bought 100 shares of Infosys on January 12, 2017 and bought and sold 400 shares and 75 shares of Infosys respectively on January 13, 2017. Thus, it is alleged that the Noticee while in possession of UPSI by trading in the scrip of Infosys, had violated the provisions of Sections 12A(d) and 12A(e) of SEBI Act, 1992 read with Regulation 4 (1) of SEBI (PIT) Regulations, 2015.

3. It was also observed that Prateek was a Designated Person of the company when he traded in the scrip of Infosys on January 12 and January 13, 2017. As per the company's submission, the trading window was closed from December 16, 2016 to January 15, 2017 with regard to financial result for QE December 2016. Thus,

it was observed that the Noticee had traded in the scrip of Infosys when the trading window was closed. Therefore, it is alleged that the Noticee being a Designated Person of Infosys by trading in the scrip of Infosys when the trading window was closed had violated the provisions of Clause 4 of the Code of Conduct prescribed under Schedule B of Regulation 9(1) and (2) of the SEBI (PIT) Regulations, 2015.

APPOINTMENT OF ADJUDICATING OFFICER

4. Pursuant to investigation, SEBI initiated Adjudication Proceedings against the Noticee and appointed the Ms. Sangeeta Rathod as the Adjudicating Officer vide Order dated September 8, 2020 under Section 19 of SEBI Act read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (*hereinafter referred to as "Adjudication Rules"*) to inquire into and adjudge under Sections 15G and 15HB of the SEBI Act, for the alleged violation of the provisions of SEBI Act and SEBI (PIT) Regulations by the Noticee. Pursuant to internal restructuring, the instant proceedings have been transferred to the undersigned vide Order dated October 28, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice (*hereinafter referred to as "SCN")* bearing ref. no. EAD-8/PM/NJMR/10242/2021/1 dated May 12, 2021 was served on the Noticee under Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry be not held against him in terms of Rule 4 of the SEBI Adjudication Rules and penalty be not imposed under Sections 15G and 15HB of the SEBI Act, 1992, for the violation alleged to have been committed by him. I note that the SCN sent by Speed Post was delivered to the Noticee on May 24, 2021. Vide the aforesaid SCN, the Noticee was given a timeframe of 14 days to submit his reply, if any, to the charges alleged in the SCN. I note from the records that the Noticee did not file his reply.

6. Thereafter, in the interest of natural justice and in terms of Rule 4(3) of SEBI Adjudication Rules, vide notice dated June 22, 2021, the Noticee was given an opportunity of personal hearing through video conference on July 12, 2021. I note that the notice of hearing sent by Speed Post was delivered to the Noticee on June

25, 2021. I note that the notice did not appear for the hearing on the scheduled date.

7. Vide another notice of hearing ref. no. EAD-8/PM/NJMR/ 15076/1/2021 dated July 13, 2021 the Noticee was once again provided with final opportunity to submit his reply, if any, so as to reach the undersigned by July 27, 2021, besides providing with final opportunity of hearing through videoconference on July 29, 2021. I note that the aforementioned notice dated July 13, 2021 sent by Speed Post was delivered to the Noticee on July 17, 2021, yet the Noticee neither submitted his reply nor appeared for the hearing.

8. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd., vs. SEBI (Appeal 68 of 2003 decided on December 08, 2006) wherein the Hon'ble SAT, inter alia, observed that - *"............ the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them".*

9. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others vs SEBI (Appeal 68 of 2013 decided on February 11, 2014), interalia, observed that – *"………………As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices……………..".*

10. In view of the above, I note that the Noticee, even after due service of Notices, has neither provided any reply to the allegations made in the SCN nor availed the opportunity of personal hearing to advance his submissions before me. Therefore, I am convinced that the principles of natural justice have been duly followed in the matter, as enough opportunities were provided to the Noticee to reply to the SCN and to appear for hearing. In such circumstance, the allegations in the SCN against the Noticee are taken up for consideration, on the basis of the material available on record.

CONSIDERATION OF ISSUES

11. I have taken into consideration the facts and material available on record. The charge against the Noticee is that he traded in the scrip of Infosys while in possession of Unpublished Price Sensitive Information regarding financial results for QE December 2016 and during the trading window closure while being the Designated Person of the Company.

12. After perusal of the material available on record, I have the following issues for consideration, viz.,

    I. *Whether the Noticee has violated the provisions of Section 12 A (d) and 12 A (e) of SEBI Act, 1992 read with Regulation 4 (1) of SEBI (PIT) Regulations, 2015?*

    II. *Whether the Noticee has violated the provisions of Clause 4 of the Code of Conduct prescribed under Schedule B of Regulation 9(1) and (2) of the SEBI (PIT) Regulations, 2015?*

    III. *Does the violation, if any, attract monetary penalty under Sections 15G and 15HB of SEBI Act?*

    IV. *If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?*

ISSUE-I: Whether the Noticee has violated the provisions of Section 12A d) and 12A(e) of SEBI Act, 1992 read with Regulation 4(1) of SEBI (PIT) Regulations, 2015?

13. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI Act and SEBI (PIT) Regulations, 2015 alleged to have been violated by the Noticee, which reads as under:

    Section 12 A (d) of SEBI Act

    "No person shall directly or indirectly engage in insider trading".

    Section 12 A (e) of SEBI Act

    "No person shall directly or indirectly deal in securities while in possession of material or non-public information or communicate such material or non-public

information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder".

Regulation 4 (1) of SEBI (PIT) Regulations, 2015

"No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information……."

14. The chronological events related to financial results of Infosys Ltd., for the quarter ended December 31, 2016 are as under:

Date	*Particulars of Events*
Dec 15, 2016	*Intimation of trading window closure to stock exchanges:* *Trading window was closed from December 16, 2016 to January 15, 2017.* *Intimation of meeting of Board of Directors on January 13, 2017 to consider the financial results*
Dec 16, 2016	*Newspaper advertisement published and stock exchanges intimated of the same.*
Jan 4-5, 2017	*Confirmation taken from all the teams when they close all accounting entries pertaining to their respective areas.*
Jan 05, 2017	*Books closed for most of the areas and confirmed through email by corporate finance team to all finance teams. All subsequent entry were approved by the corporate finance team.* *For few items such as tax, reclassification etc., the computation commenced post books closure.*
Jan 06, 2017 onwards	*Post consolidation of subsidiaries, financials/ stock exchange releases prepared by technical accounting team.* *Corporate finance team prepared other related documents relating to results- fact sheet, press releases, investor sheets.* *Documents are prepared and checked post closure of financials over the next few days to ensure accuracy.*
Jan 08, 2017 onwards	*Preparation of CFO presentation commenced and the financial numbers were inserted 3 days before the date of announcement*
Jan 10, 2017	*Presentation by CFO and DY CFO to the CEO and COO to provide financial update*
Jan 10-11, 2017	*Hard copy of financials shared only with designated statutory auditors for their audit purposes.*
Jan 11, 2017	*Draft press releases prepared by Investor Relations Team and circulated to the CFO and members of the corporate finance team.* *Stock exchange release, Press releases and CFO presentation reviewed by CFO*
Jan 12, 2017	*Stock exchange release, press releases and CFO presentation reviewed by the CEO and COO.* *Audit Committee meeting was held in two parts. The first part commenced at 11:30 AM to discuss agenda items 1 to 16 and adjourned at around 1:30 PM. The second part was reconvened for the financials section at 7:00 PM to discuss agenda items from 17 to 22 and concluded at around 9:00 PM.* *Hard copies of stock exchange and press release were shared with audit committee and necessary sign-offs obtained before the results are announced to exchanges*
Jan 12-13, 2017	*Board meeting was held in two parts. The first part commenced at 6:00 PM on January 12, 2017 to discuss business updates and was adjourned at around 07:00 PM. The second part was reconvened to discuss other agenda items on January 13, 2017 at 7:30 AM and concluded at 8:50 AM. Final sign-off on press releases, stock exchanges release obtained.*
Jan 13, 2017	*Stock exchanges were intimated about the outcome of the Board Meeting on January 13, 2017 between 9:04 am to 9:18 am*

15. The definition of 'unpublished price sensitive information' as prescribed under Regulation 2(1)(n) of SEBI (PIT) Regulations, 2015 is as follows:

"Unpublished price sensitive information" means any information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

i. *financial results*
ii. *dividends*
iii. *change in capital structure*
iv. *mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions*
v. *changes in key managerial personnel; and*
vi. *material events in accordance with the listing agreement*

16. As specifically stated under the aforesaid provision of 2(1)(n) of SEBI (PIT) Regulations, 2015, declaration of financial results by the Company is a "unpublished price sensitive information" which I note is of the nature that is not generally available and upon becoming generally available, is likely to materially affect the price of the securities. Further, from the chronological events relating to financial results for the quarter ended December 31, 2016 as mentioned in Para 14 above, I note that with the preparation of financial results on January 6, 2017, the Price Sensitive Information (PSI), came into existence on January 6, 2017. I also note that Infosys held its Board meetings in two parts. The first part commenced at 6:00 PM on January 12, 2017 to discuss business updates and was adjourned at around 07:00 PM. The second part was reconvened to discuss other agenda items on January 13, 2017 at 7:30 AM and concluded at 8:50 AM. Consequent upon of approval of financial results of the Company by the Board of Directors on January 13, 2017, a public announcement on financial results were disseminated on the website of BSE & NSE on January 13, 2017 between 9:04 am to 9:18 am Accordingly, I note that the period of UPSI was from January 6, 2017 to January 12, 2017.

17. In terms of Regulation 2(1)(g) of SEBI (PIT) Regulations, 2015, *"insider" means any person who is:*

i. *A connected person, or*
ii. *in possession of or having access to unpublished price sensitive information*

NOTE: Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive *information should be considered as "insider" regardless of how one came in possession of or had access to such information…"*

18. I note from the information provided by Infosys vide email dated September 12 and 20, 2019 that Prateek was working as Associate Manager- Business Finance with Infosys during the investigation period and was part of the presentation team and responsible for making PPT of financial result of QE December 2016 for Audit Committee and Board. The PPT team had the information regarding organization-wide revenue and cost numbers from January 08, 2017 to January 13, 2017, the day of company's results and thus I conclude that the Noticee was aware of the financial results of the Company. Hence, the Noticee was an insider as per the provisions of Regulation 2(1)(g) of SEBI PIT Regulations, 2015.

19. Therefore, as noted from the above, that fact that during the UPSI period, the Noticee had traded in the scrip of Infosys, the details of which are furnished hereunder:

Name	Date of trading	Instrument	Buy Quantity	Sell Quantity	Buy Value	Sell Value
Prateek Sarawgi	12/01/2017	EQ	100	0	99,040	0
	13/01/2017	EQ	400	75	3,90,375	74,525

20. I note from the above table that Prateek while in possession of UPSI relating to results of Infosys for QE December 2016 had bought 100 shares of Infosys on January 12, 2017 and bought and sold 400 shares and 75 shares of Infosys on January 13, 2017. It is further observed that Prateek's first order on January 13, 2017 was placed at 09:19 am while the result of Infosys for QE December 2016 was announced on exchanges between 09:04 am to 09:18 am.

21. It can be seen from the findings from pre-paragraphs, that the Noticee was an "insider" having access to UPSI under regulation 2(1)(g) of the SEBI (PIT) Regulations. Therefore, it is concluded that he had traded in the shares of Infosys Ltd., while in possession of the unpublished price sensitive information.

22. Further, I deem it appropriate to refer to the observations of the Hon'ble SAT in the case of Shri E. Sudhir Reddy vs. SEBI [Appeal no. 138 of 2011 decided on December 16, 2011], which reads as follows:

"A shareholder becomes an owner of the company to the extent of the value of shares held by him. He is therefore, entitled to his share in the profits earned by the company. Therefore, performance of a company is of primary importance to the investors as well as to the general public who might be interested in investing in the company. The shareholders and general public get information about the company either through the annual report or during the annual general meeting. However, persons in the company or otherwise concerned with the affairs of the company are in possession of such information before it is actually made public. The directors of the company or for that matter even professionals like Chartered Accountants and Advocates advising the company on its business related activities are privy to the performance of the company and come in possession of information which is not in public domain. Knowledge of such unpublished price sensitive information in the hands of persons connected to the company puts them in an advantageous position over the ordinary shareholders and the general public. Such information can be used to make gains by buying shares anticipating rise in the price of the scrip or it can also be used to protect themselves against losses by selling the shares before the price falls. Such trading by the insider is not based on level playing field and is detrimental to the interest of the ordinary shareholders of the company and general public. It is with a view to curb such practices that section 12A of the SEBI Act makes provisions for prohibiting insider trading and the Board also framed the Insider Trading Regulations to curb such practice."

23. The instances cited above clearly indicates that the Noticee in his official capacity had access to price sensitive information pertaining to the financial position and earnings of the company and on the basis of the said information, had bought 500 shares and sold 75 shares of Infosys Ltd., while in possession of UPSI. Further, in consonance with the ratio laid down by the Hon'ble SAT in the aforementioned case, I am not inclined to take a different view. Accordingly, in view of the findings as mentioned in previous paragraphs, I conclude that the Noticee while in possession of UPSI had traded in the scrip of Infosys Ltd., and accordingly violated the provisions of Section 12A(d) and 12A(e) of SEBI Act read with Regulation 4 (1) of SEBI (PIT) Regulations.

ISSUE-II: Whether the Noticee has violated the provisions of Clause 4 of the Code of Conduct prescribed under Schedule B of Regulation 9(1) and (2) of the SEBI (PIT) Regulations, 2015?

Clause 4 of the Code of Conduct prescribed under SCHEDULE B
[See sub-regulation (1) and sub-regulation (2) of regulation 9]

Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders

> 4. *Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.*

***Code of Conduct - Regulation 9 (1) of SEBI (PIT) Regulations**:*
The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

***Code of Conduct - Regulation 9 (2) of SEBI (PIT) Regulations**:*
The board of directors or head(s) of the organisation, of every other person who is required to handle unpublished price sensitive information in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule C to these regulations, without diluting the provisions of these regulations in any manner.

24. The objective of framing a Model Code of Conduct (CoC) under the SEBI (PIT) Regulations, 2015 is to prevent insider trading and prevent misuse of the price sensitive information which undermines the confidence of investors. I note that SEBI (PIT) Regulations specifically provide that every listed company should frame its own code of conduct for prevention of insider trading and adopt appropriate mechanisms and procedures to enforce the codes. Further, Model Code of Conduct also requires that a listed company should appoint a senior level employee as a Compliance Officer, who shall report to the Managing Director/ Chief Executive Officer, and who shall inter alia be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information and implementation of the code of conduct under the overall supervision of the Board of the listed company. The CoC is applicable to

all the Designated Persons / Insiders of the group as defined in the code from time to time. Against this backdrop, I would like to record my findings hereunder:

25. I note from the records that trading window was closed by the Compliance Officer of Infosys Ltd., from December 16, 2016 to January 15, 2017 with regard to financial result for QE December 2016. I also note that Prateek was a Designated Person under the company's code of conduct for prevention of insider trading. In terms of Clause 4 of the Code of Conduct under Schedule B of Regulation 9(1) and (2) of the SEBI (PIT) Regulations, Designated Persons and their immediate relatives shall not trade when the trading window is closed. However, it is observed that Prateek had bought 100 shares of Infosys on January 12, 2017 and on January 13, 2017 he had bought 400 shares and sold 75 shares of Infosys. It is pertinent to note that the aforementioned transactions executed by the Noticee were during the period when the trading window was closed.

26. On a bare perusal of the various provisions stipulated under the Model Code of Conduct for Listed Companies under the SEBI (PIT) Regulations, it is clear that these provisions are intended to prevent the possible abuse of unfair insider practices by the Company's management/officials/employees etc., The CoC for listed companies under Regulation 9 of the SEBI (PIT) Regulations will make it clear that these provisions are formulated with a view to serve as a guiding charter for all concerned persons associated with the functioning of the company and their trading in its securities. The code of conduct applies to all connected persons and not only to designated persons. I also note that Designated Persons are specified by the Board of Directors in consultation with the Compliance Officer. It is pertinent to note from the findings of pre-paragraphs, wherein it is established that the Noticee while in possession of UPSI had traded in the scrip of Infosys, further corroborates the fact that the Noticee being a Designated Person as specified by the Board of Directors of the Company, had traded in the scrip of Infosys during the trading window closure period. Accordingly, I conclude that the Noticee being a Designated Person, by trading during the window closure period had violated the provisions of Clause 4 of CoC prescribed under Schedule B of Regulations 9(1) and 9(2) of SEBI (PIT) Regulations, 2015.

ISSUE-III: Does the violation, if any, attract monetary penalty under Sections 15G and 15HB of SEBI Act?

27. I am of the view that Insider trading is a serious violation and can cause severe damage to public confidence in the securities market. An act of insider trading, therefore, has to be viewed strictly irrespective of its ultimate outcome for the person indulging in the same. In the facts and circumstances of the present case discussed in the foregoing paragraphs, it becomes imperative that appropriate action in accordance with law is warranted against the Noticee who indulged in insider trading. Since, it is established that the Noticee while in possession of UPSI had traded in the scrip of Infosys Ltd., which is in violation of the provisions of Section 12A(d) and 12A(e) of SEBI Act read with Regulation 4 (1) of SEBI (PIT) Regulations, 2015, the Noticee is liable for monetary penalty under Section 15G of the SEBI Act, the contents of which are reproduced hereunder:

Section 15G of SEBI Act

If any insider who—

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

(ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

(iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price-sensitive information

28. Any violation of the code of conduct that is specifically designed to protect the interests of investors cannot be treated lightly. It is of utmost importance that a sense of fair play be maintained in the market so that innocent investors do not find themselves at the receiving end of irregular conduct by entities related to the companies. Since, it is established that the Noticee by trading in the shares of

Infosys Ltd., during the trading window closure period had violated the provisions of Clause 4 of the Code of Conduct prescribed under Schedule B of Regulation 9(1) and (2) of SEBI (PIT) Regulations, 2015, the Noticee is liable for monetary penalty under Section 15HB of SEBI Act, the provisions of which are reproduced hereunder:

Section 15HB of SEBI Act

"Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees".

ISSUE-IV: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

29. While determining the quantum of monetary penalty under Sections 15G and 15HB of SEBI Act, I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

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.

30. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticee and the loss suffered by the investors as a result of the Noticee's default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticee as a result of default.

31. I am of the opinion that basic premise that underlines the integrity of securities market is that persons connected with such market conform to the standards of

transparency, good governance and ethical behaviour prescribed in Securities Laws. SEBI (PIT) Regulations have put in place a framework for prohibition of insider trading in securities and the prohibitions provided in the SEBI (PIT) Regulations ensure a level-playing field in the securities market and safeguard the interest of investors and integrity of securities market. Moreover, as observed above, trading by any insider during UPSI period and during window closure period is itself against the legislative / regulatory framework. I am of the view that the object and spirit of the SEBI (PIT) Regulations would get defeated if the violators of the said Regulations are not dealt as per the spirit of SEBI (PIT) Regulations. Therefore, I am not inclined to view the lapse on the part of the Noticee leniently and consider it necessary to impose monetary penalty on the Noticee.

ORDER

32. Having considered all the facts and circumstances of the case, I, in exercise of the powers conferred upon me under Section 15I of the SEBI Act read with Rule 5 of the SEBI Adjudication Rules, hereby impose penalty of ₹10,00,000 (Rupees Ten lakhs only) under Section 15G of SEBI Act and ₹2,00,000 (Rupees Two lakhs only) under Section 15HB of SEBI Act on the Noticee i.e., Prateek Sarawgi.

33. The said penalty imposed on the Noticee, as mentioned above, is commensurate with the violation committed and acts as a deterrent factor for the Noticee and others in protecting the interest of investors.

34. The Noticee shall remit / pay the said amount of penalty within 45 days from the date 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 SEBI website **www.sebi.gov.in** on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

35. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-I, SEBI, in the format as given in table below

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

36. In terms of Rule 6 of the SEBI Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

Date: August 9, 2021
Place: Mumbai

PRASANTA MAHAPATRA
ADJUDICATING OFFICER