BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. RA/CB/328-332/2018]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995.

In respect of –

1. **Prayag Infotech Hi-Rise Limited (PAN – Not available. CIN – U74999WB2002PLC094328)** having address at c/o Prayag Infotech Hi-Rise Limited, P-45, Bhupen Roy Road, Kolkata – 700 034 (West Bengal)
2. **Mr. Basudeb Bagchi (PAN – AFVPB0383D)** having address at c/o Prayag Infotech Hi-Rise Limited, P-45, Bhupen Roy Road, Kolkata – 700 034 (West Bengal)
3. **Mr. Avik Bagchi (PAN – Not available)** having address at c/o Prayag Infotech Hi-Rise Limited, P-45, Bhupen Roy Road, Kolkata – 700 034 (West Bengal)
4. **Mrs. Swapna Bagchi (PAN – AFHPB4216R)** having address at c/o Prayag Infotech Hi-Rise Limited, P-45, Bhupen Roy Road, Kolkata – 700 034 (West Bengal)
5. **Mr. Lakshmi Kant (PAN – AVUPK7049Q)** having address at c/o Prayag Infotech Hi-Rise Limited, P-45, Bhupen Roy Road, Kolkata – 700 034 (West Bengal)

In the matter of *Prayag Infotech Hi-Rise Limited*

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as the "**SEBI**") had initiated an investigation in the matter of Prayag Infotech Hi-Rise Limited to ascertain whether the activities of Prayag Infotech Hi-Rise Limited, including the money mobilization activities were detrimental to the interest of the investors and to find out possible violations of the Companies Act, Securities and Exchange Board of India Act, 1992 (hereinafter be referred to as, the "**SEBI Act**") or rules or regulations made thereunder.

2. During the course of investigation, the Investigating Authority issued various summons seeking production of documents and information from Prayag Infotech Hi-Rise Limited (hereinafter be referred to as, the "**Noticee 1**" or "**Company**") and its directors,

namely Mr. Basudeb Bagchi (hereinafter be referred to as, the "**Noticee 2**"), Mr. Avik Bagchi (hereinafter be referred to as, the "**Noticee 3**"), Ms.Swapna Bagchi (hereinafter be referred to as, the "**Noticee 4**") and Mr. Lakshmi Kant (hereinafter be referred to as, the "**Noticee 5**"), which they *prima facie* had failed to provide in violation of Section 11C (3) and 11C (5) of the SEBI Act. . The Noticee 1 – 5 may hereinafter collectively be referred to as, "**the Noticees**".

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI initiated adjudication proceedings vide order dated March 16, 2017 under Section 15I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter be referred to as, the "**Adjudication Rules**") to inquire into and adjudge under Section 15A (a) of the SEBI Act against the Noticees for the alleged violation of Section 11C (3) and 11C (5) of the SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice No. EAD/EAO/RA/CB/1710/2018 dated January 17, 2018 (hereinafter be referred to as the "**SCN**") was served upon the Noticees under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against them under Section 15A (a) of the SEBI Act for the alleged violations of Section 11C (3) and 11C (5) of the SEBI Act. .

5. The core allegations levelled against the Noticees in the SCN are as below:
   a) During the course of investigation, the Investigating Authority vide summons dated January 01, 2014 asked the Company / Noticee 1 to submit information / documents i.e. Audited final accounts for the financial year 2012-13 and for the half year that ended on September 30, 2013, information with regard to the real estate / multi projects of the Company and information with regard to all the plans of Hotel and Tourism membership facility of the Company / Noticee 1.
   b) In response to the summons dated January 01, 2014, the Company / Noticee 1 furnished some of the information by way of letter dated January 14, 2014, however, allegedly, the complete information as sought under summons dated January 01, 2014 was not provided.

c) SEBI issued another summons dated January 17, 2014 along with list of documents / information requiring the Noticee 1 it to submit the information and to appear before the Investigating Authority on January 22, 2014. However, allegedly, the Company / Noticee 1 or its representatives neither appeared before the Investigating Authority nor submitted required documents / information by aforesaid date.

d) SEBI further issued another summons dated January 27, 2014 along with list of documents requiring the Noticee 2, a promoter-director of the Company / Noticee 1, to furnish the required information and to appear before the Investigating Authority on January 30, 2014. However, allegedly, the Noticee 2 neither appeared nor submitted the required documents to the Investigating Authority by the aforesaid date.

e) SCN stated that the Noticee 2-5 were the directors of the Company / Noticee 1 and were responsible on behalf of the Noticee 1 to submit the required information / documents but, they have allegedly failed to provide such documents and also failed to appear before the Investigating Authority.

f) In view of the aforesaid, it was alleged that the Noticees have deliberately failed to appear in person and to produce the required documents / information before the Investigating Authority despite the aforesaid 3 summons thereby, have violated the provisions of Section 11C (3) and 11C (5) of the SEBI Act, 1992 The texts of the said provisions are reproduced as under :-

> ***SEBI Act, 1992***
>
> *11C. (3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*
>
> *(5) Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.*

6. It was stated in the SCN that the aforesaid alleged violations, if established, would make the Noticees liable for monetary penalty under Section 15A (a) of the SEBI Act, text of which is reproduced as under:

   "15A. Penalty for failure to furnish information, return, etc-

   If any person, who is required under this Act or any rules or regulations made thereunder,-

   (a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty [which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;"

7. The aforesaid SCN was served upon the Noticees on January 23, 2018 by way of Speed Post with Acknowledgment Due ("**SPAD**") at the addresses of the Noticees available on records. Delivery proof of the SCN as shown on the website of the India Post are available on records. At paragraph 11 of the SCN, the Noticees were advised to furnish their reply, if any, towards the SCN within 14 days of its receipt, failing which, it shall be presumed that the Noticees have no reply to submit and the matter will be proceeded on the basis of evidence available on record in terms of Rule 4(7) of the Adjudication Rules. However, no reply towards the SCN has been received till date.

8. An opportunity of personal hearing was also provided to the Noticees on March 13, 2018 vide hearing notice dated February 23, 2018. Vide the said hearing notice, the Noticees were also advised to file their reply towards the SCN by March 09, 2018. It was clearly mentioned in the said hearing notice that in the event of non-appearance of the Noticees on the date of hearing, the matter would be decided on the basis of evidence available on record in terms of Rule 4(7) of the Adjudication Rules. The said hearing notice was also served upon the Noticees by way of SPAD on March 03, 2018 and proof of delivery of the same is available on records. However, the Noticees had neither submitted any reply towards the SCN nor availed the opportunity of hearing on March 13, 2018.

9. The consequences of failure to reply and / or non-appearance were mentioned in the SCN and the hearing notice dated February 23, 2018, wherein, the Noticees were informed that if no appearance is made by them, then the matter would be decided on

the basis of evidence available on record in terms of Rule 4(7) of the Adjudication Rules.

10. I note that sufficient time to submit reply and to appear for personal hearing has been given to the Noticees, however, the Noticees had failed to reply and to appear in the instant matter. At this juncture, it would be relevant to refer to the judgment dated December 08, 2006 of the Hon'ble Securities Appellate Tribunal (hereinafter be referred to as, the "**Hon'ble SAT**") in the matter of ***Classic Credit Ltd.*** v. ***SEBI*** (Appeal No. 68 of 2003) wherein, it observed, "…*the appellants did not file any reply to the second show-cause. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them*". I also find it pertinent to refer to order of the Hon'ble SAT in the matter of ***Sanjay Kumar Tayal & Ors.*** v ***SEBI*** (Appeal 68 of 2013 dated February 11, 2014), wherein the Hon'ble SAT had *inter alia* observed that, "*...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 leveled against them in the show cause notices...''*.

11. In view of the aforesaid, I am of the opinion that the SCN and the hearing notice dated February 23, 2018 were duly served upon the Noticees but they have deliberately failed to reply towards the SCN and also failed in availing the opportunity of hearing in this matter. The principles of natural justice have duly been followed in the instant matter. Therefore, the adjudication proceedings against the Noticees are now being decided *ex-parte* on the basis of material available on records.

CONSIDERATION OF ISSUES AND FINDINGS

12. The issues that arise for consideration in the instant matter are:

Issue No. I	Whether the Noticees failed to provide the requisite information to the Investigating Authority as sought from them vide summons dated January 01, 2014, January 17, 2014 and January 27, 2014 and whether they failed to appear before the Investigating Authority as required under summons dated January 17, 2014 and January 27, 2014?
Issue No. II	If yes, whether such failure to provide the requisite information and to appear before the Investigating Authority is a violation of Section 11C (3) & (5) of the SEBI Act?

Issue No. III If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A (a) of the SEBI Act?

Issue No. IV If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

Issue No. I **Whether the Noticees failed to provide the requisite information to the Investigating Authority as sought from them vide summons dated January 01, 2014, January 17, 2014 and January 27, 2014 and whether they failed to appear before the Investigating Authority as required under summons dated January 17, 2014 and January 27, 2014?**

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Issue No. II **If yes, whether such failure to provide the requisite information and to appear before the Investigating Authority is a violation of Section 11C (3) & (5) of the SEBI Act?**

13. It is noted from the available records that the Investigating Authority (hereinafter be referred to as, the "**IA**"), vide summons dated January 01, 2014 asked the Noticee 1 to provide the following documents / information:

a) *"Audited final accounts for the year ended on March 31, 2013 & for the half year ended on September 30, 2013.*

b) *With regard to your Real Estate / Multi Projects, the following information:*

i. *Terms and conditions of the schemes*

ii. *Structure of the Plans / Schemes*

iii. *Details of the scheme(s) wise amount mobilized by you along with the number of investors under the schemes;*

iv. *Promises or assurances or assured returns made in the scheme(s);*

v. *Copies of offer documents, application fporm, pamphlets, brochures of the scheme(s) launched;*

vi. *Sample copies of the registration letter and allotment letter issued to the investors who subscribed to your scheme(s)*

vii. *Sample copies of the agreement letter / contract required to be entered into by investor / applicant under your scheme(s)*

viii. *Options available with the investor if he does not want to hold his investment till maturity;*

ix. *Details of investors who have taken possession of the land / building (deed of conveyance) executed or taken delivery of products / services in case of Multi projects. In case any refund is made, details of the same may also be provided*

x. *Whether any instrument is issued to the investors after receipt of fund;*

xi. *If such instruments are issued to the investors after receipt of fund;*

xii. *If such instruments are issued whether they are transferable*

xiii. *In case the 'Scheme(s)' pertain to booking / purchase of goods / properties, please specify the options available with the investors if he does not want to possess the good / property after payment of initial amount;*

c) *With regard to all your plans of Hotels & Tourism membership facility, the following information may be provided:-*

i. *Total number of individuals who have subscribed to the plan(s)*

ii. *Details (number of rooms available etc.) about the accommodation provided / projected to be provided*

iii. *Total number of individuals who have actually availed the services (accommodation) under all the plan(s)*

iv. *Details of assets held by Prayag Infotech Hi-Rise Ltd. You may submit the latest asset schedule certified by the Auditor / Chartered Accountant*

v. *Total amount refunded by Prayag Infotech Hi-Rise Ltd. towards principal investment and towards interest."*

14. It is noted that the Noticee 1 had furnished some of the information by way of letter dated January 14, 2014, however, complete information [as mentioned in paragraph 13. b.(iii) & (ix) and 13. c. (ii), (iii), (iv) & (v) hereinabove] and sought by IA by way of summon dated January 01, 2014 was not provided by the Noticee 1. It is also noted that the IA vide another summons dated January 17, 2014 had again asked the Noticee 1 for furnish documents as shown in the list enclosed therewith and also asked to appear before the IA on January 22, 2014. The details of the documents / information details as sought from the Noticee 1 is reproduced as under:

a) *"Details of the scheme(s) wise amount mobilized by you along with the number of investors under the scheme till date;*

b) *Details of investors who have taken possession of the land / building (deed of conveyance executed) or taken delivery of products / services in case of Multi projects. In case any refund is made, details of the same shall also be provided;*

c) *In respect of Hotel & Tourism membership facility, Hotel wise details (number of rooms available etc.) about the accommodation provided / projected to be provided shall be submitted;*

d) *Total number of individuals who have actually availed the services (accommodation) under all the plan(s);*

e) *Latest schedule of assets held by Prayag Infotech Hi-Rise Ltd. You may submit the latest asset schedule certified by a Chartered Accountant who is in the panel of any public authority or public institution;*

f) *Detailed break-up of the refund made (Principal & Interest).*

g) *Names and Addresses of the Redeemable Preference Share Holders to whom refund, if any, has been made in the following format:*

Sl. No.	Name of the investor	Address & Phone Number	Amount Refunded	Refund details	PAN of the Investor	TDS, if any

Proof of such refund (Bank Statement / Receipt from the investor etc.)."

15. I note that the Noticee 1 had duly acknowledged the receipt of the said summons dated January 01, 2014 and January 17, 2014. I also note that the Noticee 1 was also informed of consequence of failure in providing information / appearance viz. initiation of appropriate proceedings under the SEBI Act and Regulations. However, the Noticee 1 neither furnished the details / information specifically sought under the aforesaid summons nor appeared before the IA.

16. As the information was not submitted and no appearance before the IA was made by the Noticee 1 or its representative; therefore, the Noticee 2, a promoter – director of the Noticee 1 was asked vide summons dated January 27, 2014 to appear before the IA and provide the following information:

a) *"Details of the scheme(s) wise amount mobilized by you along with the number of investors under the schemes;*

b) *Details of investors who have taken possession of the land / building (deed of conveyance executed) or taken delivery of products / services in case of Multi projects. In case any refund is made, details of the same shall also be provided;*
c) *In respect of Hotel & Tourism membership facility, Hotel wise details (number of rooms available etc.) about the accommodation provided / projected to be provided shall be submitted;*
d) *Total number of individuals who have actually availed the services (accommodation) under all the plan(s);*
e) *Latest schedule of assets held by Prayag Infotech Hi-Rise Ltd. You may submit the latest asset schedule certified by a Chartered Accountant who is in the panel of any public authority or public institution;*
f) *Detailed break-up of the refund made (Principal & Interest).*
g) *Names and Addresses of the Redeemable Preference Share Holders to whom refund, if any, has been made in the following format:*

Sl. No.	Name of the investor	Address & Phone Number	Amount Refunded	Refund details	PAN of the Investor	TDS, if any

h) *Proof of such refund (Bank Statement / Receipt from the investor etc.).”*

However, the Noticee 2 had neither appeared before the IA nor furnished the required information / documents to the IA despite due receipt of said summons which clearly indicated the consequence of non-submission of documents / information within time mentioned therein.

17. It is relevant here to mention that the information sought by the IA (as shown in paragraph 14 & 16 hereinabove) was material in nature and was necessary in furtherance of investigation. Needless to say that non-submissions of the said material information and non-appearance before the IA by the Noticee 1 & 2 was likely to cause hindrance in the investigation. In my view, if the required information (which was supposed to be in the possession of the Company) is not submitted or the person required to appear fails to appear during investigation, the purpose of investigation may get defeated.

18. Further, it is not the case of the Noticees that they were not in possession of the said information and no reason of non-appearance was adduced by them. Such blatant non-submission / non-appearance is certainly a non-compliance of aforesaid summons.

19. At this juncture, I would like to refer to the order of the Hon'ble SAT in the matter of ***Asian Films Production and Distribution Ltd.*** v. ***SEBI*** (Appeal No. 203 of 2010 dated January 19, 2011), wherein, it had held, "*Non-compliance with summons is, indeed, a serious matter and cannot be viewed lightly. The respondent Board is the market regulator and has to regulate the securities market and the law provides that every person associated with the market in any manner should cooperate in the matter of carrying out investigations. In the year 2002, the provisions of the Act were amended and penalty for non-compliance with summons was enhanced considerably to make it more deterrent. Market players who do not cooperate with the regulator in the matter of investigations commit a serious wrong which can have serious repercussions in the market.*" I also find it relevant to refer to the order of Hon'ble SAT in the matter of ***Gennex Laboratories Ltd.*** v. ***SEBI*** (Appeal No. 172/2011), wherein, it observed that, "*non compliance to summons and consequent non furnishing of information hampers investigation by statutory authorities and it acts as a severe handicap in arriving at just and reasonable conclusion by the statutory authorities within a reasonable period of time."*

20. I also note that the Hon'ble SAT in the matter of ***M/s Kajol Impex Ltd.*** v. ***SEBI*** (Appeal No. 167 of 2009 dated October 08, 2009) has held, "*The market regulator under the provisions of the Act will not be able to perform its statutory functions and duties if persons connected with the securities market throttle the investigations by not responding to the summons issued to them. In the present case, the appellant did not even respond to the show cause notice issued by the adjudicating officer and at no stage of the proceedings did it cooperate with the authorities nor did it avail of the opportunity of appearing in person before the adjudicating officer*". I note that the Noticees did not respond to the SCN nor did they avail the opportunity of hearing despite having received both, the SCN and hearing notice.

21. I also find it relevant to refer to the order of the Hon'ble SAT in the matter of ***Mr. N Narayanan v. The Adjudicating Officer, SEBI*** (Appeal No. 29 of 2012 dated October

05, 2012) wherein, the Hon'ble SAT observed, "*With the changing scenario in the corporate world the concept of corporate responsibilities is also rapidly changing day by day. The director of a company cannot confine himself to lending his name to the company but taking light responsibility for its day to day management. While functions may be delegated to professionals, the duty of care, diligence, verification of critical points by directors cannot be abdicated. The directors are expected to have a hands on approach in the running of the company and take up responsibility not only for the achievements of the company but also the failings thereto*".

22. As regards to the liability of the directors of the Company, viz. Noticee 2, 3, 4 and 5, it is noted from the records, viz. the Company Master Data as available on the website of Ministry of Corporate Affairs that the Noticee 3 & 4 were not the directors of the Company / Noticee 1 during the time when the summons were issued to the Company / Noticee 1. The details of directorship of the Noticee 2-5 as available on the Company Master Data are reproduced as under:

DIN	Name of the Noticee	Designation of the Noticee	Date of Appointment	Date of Cessation
00743904	Basudeb Bagchi (Noticee 2)	Director	05/03/2002	-
02003461	Avik Bagchi (Noticee 3)	Director	25/01/2008	02/03/2012
00743969	Swapna Bagchi (Noticee 4)	Director	05/03/2002	02/03/2012
03122893	Lakshmi Kant (Noticee 5)	Director	21/07/2010	-

Thus, on perusal of the director details of the Noticee 1 / Company, I note that the Noticee 2 and Noticee 5 were the only directors of the Noticee 1 / Company when summonses seeking information / appearance were issued to the Noticee 1; while the Noticee 3 and Noticee 4 had ceased to be directors of the Noticee 1 / Company on March 02, 2012 (i.e. much before the issuance of the summonses). Further, no evidence is available on record to show that Noticee 3 & 4 were the directors of the Company during relevant time when summonses were issued to the Company. It is also noted that no summonses have been issued against Noticee 3 & 4 independently.

Therefore, I am of the view that violation of provisions of Section 11C (3) and 11C (5) by Noticee 3 and Noticee 4 does not stand established for the reasons as discussed above.

23. At this juncture, I cannot ignore to mention that the Noticee 2 and 5, who were the directors of the Company / Noticee 1 during the time the aforesaid summonses were issued, cannot shirk their responsibility of complying with summons, especially when their position of director warrants them to discharge the functions on behalf of the Company. In view of the aforesaid, I am of the considered view that the Noticee 1, 2 and 5 did not furnish information sought nor did they make appearance before the IA required by way of summonses dated January 01, 2014, January 17, 2014 and January 27, 2014 respectively and thus, had failed to comply with the provisions of Section 11C (3) & (5) of the SEBI Act.

24. In view of the aforesaid, I am of the view that allegation of violation of the provisions of Section 11C (3) & (5) of the SEBI Act by the Noticee 1 and its directors, Noticee 2 and Noticee 5 stands established.

Issue No. III If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15A (a) of the SEBI Act?

25. I have taken into account the well-known judgment of the Hon'ble Supreme Court in the matter of ***The Chairman, SEBI*** v. ***Shri Ram Mutual Fund*** [2006] 68 SCL 216, wherein it was held that, *"In our considered opinion, penalty is attracted as soon as contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of parties committing such violations becomes wholly irrelevant"*.

26. Further, I note that the Hon'ble SAT in the matter of ***Skylark Land Developers & Infrastructure & Ors.*** v. ***SEBI*** (Appeal No. 131 of 2016 dated January 15, 2018) has held, "…. *Since the appellants are guilty of suppressing material information without any justification, imposition of maximum penalty imposable under Section 15A (a) of the SEBI Act for violating Section 11C (3) of the SEBI Act cannot be faulted."* In view of the aforesaid, I am convinced that the failure on the part of the Noticee 1, 2 and 5 in furnishing information to and making appearances before the IA under Section 11C(3)

and 11C(5) of the SEBI Act attracts imposition of monetary penalty on the Noticee 1, 2 and 5 respectively under Section 15A (a) of the SEBI Act, text of which is reproduced as under:

> "***15A. If any person, who is required under this Act or any rules or regulations made thereunder--***
> *(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;.*"

Issue No. IV **If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?**

27. While determining the quantum of penalty under Section 15A(a) of the SEBI Act, I have considered the factors stipulated in Section 15J of the SEBI Act, which reads as under:

> "***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.*
> *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.*"

28. Material available on record did not reveal any specific disproportionate gains or unfair advantage made by the Noticee 1, 2 and 5 or specific loss suffered by the investors. No past default against them could also be revealed from the material available on records. However, the gravity of non-compliance of summons cannot be taken lightly in view of observations made at pre-paragraphs and several judgments of the Hon'ble SAT and the Supreme Court.

29. Taking into account aforesaid factors, considering the facts / circumstances of the case and aforesaid judgments, I am of the view that a justifiable penalty needs to be imposed upon the Noticee 1, 2 and 5 to meet the ends of justice.

ORDER

30. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose penalty of Rs. 1,00,00,000/- (Rupess One Crore only) upon the Noticee 1 (M/s Prayag Infotech Hi-Rise Limited), Noticee 2 (Mr. Basudeb Bagchi) and the Noticee 5 (Mr. Lakshmi Kant) under Section 15A (a) of the SEBI Act for violation of Section 11C (3) and 11C (5) of the SEBI Act. The Noticee 1, 2 and 5 shall be liable to pay the aforesaid penalty jointly and severally. I am of the view that the said penalty would commensurate with the violations committed by the Noticee 1, 2 and 5.

31. The Noticee 1, 2 and 5 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 e-payment facility into Bank Account the details of which are given below;

Account No. for remittance of penalties levied by Adjudication Officer	
Bank Name	State Bank of India
Branch	Bandra-Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

32. The Noticee 1, 2 and 5 shall forward said Demand Draft or the details / confirmation of penalty so paid to the <u>Enforcement Department – Division of Regulatory Action – IV of the SEBI</u>. The format for forwarding details of e-payments shall be made in the following tabulated form as provided in the SEBI Circular No. SEBI/HO/GSD/T&A/CIR/P/2017/42 dated May 16, 2017 and details of such payment shall be intimated at e-mail ID – tad@sebi.gov.in.

Date	Department of SEBI	Name of Intermediary /	Type of Intermediary	SEBI Registration	PAN	Amount in Rs.	Purpose of Payme	Bank name and	UTR No.

		Other entities		Number (if any)			nt (including the period for which payment was made e.g. quarterly, annually etc.)	Account number from which payment is remitted	

33. Copies of this Adjudication Order are being sent to the Noticees and also to the SEBI in terms of Rule 6 of the Adjudication Rules.

Date : March 27, 2018 **(Rachna Anand)**

Place : Mumbai **Adjudicating Officer**