BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/GR/KG/2020-21/8743]

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 BY ADJUDICATING OFFICER) RULES, 1995

In respect of T.A.N. Murti (PAN No AAGPT9677A)

In the matter of Satyam Computer Services Ltd.

BACKGROUND

1. The Hon'ble Securities Appellate Tribunal (hereinafter referred to as **'SAT'**) in Appeal No. 55 of 2013 of Mr. T.A.N. Murti Vs. SEBI in the matter of Satyam Computer Service Ltd., (now merged into Tech Mahindra Ltd.) noted that by a Miscellaneous Application No. 62 of 2013 filed before the Hon'ble SAT, the Appellant Mr. T.A.N. Murti wanted to bring on record certain documents. Instead of considering the applicability of the said documents in the appeal, the Hon'ble SAT vide Order dated March 14, 2014, set aside the Adjudication Order dated December 21, 2012 against T.A.N. Murti (hereinafter referred to as '**the Noticee'**) by a majority opinion and remanded the matter to the file of the Adjudicating Officer for passing fresh order on merits and in accordance with law. Further vide the said order, the Hon'ble SAT stated that it would be open to SEBI to issue supplementary notice to the Noticee and it would also be open to the Noticee to file additional affidavit. Further, all contention of both the parties were kept open.

FACTS OF THE CASE IN BRIEF

2. Securities and Exchange Board of India (SEBI) had conducted investigation pertaining to issues relating to insider trading in the scrip of Satyam Computer Services Ltd., (hereinafter referred to as **"SCSL/ Satyam"**) during the financial year 2008-09 (hereinafter referred to as **"investigation period"**). The investigation revealed that SCSL's announcement on December 16, 2008 to acquire Maytas Infra Ltd., (hereinafter referred to as **"MIL"**) and Maytas Properties Ltd., (hereinafter referred to as **"MPL"**), and the subsequent withdrawal of the said proposal on December 17, 2008 and the confession made by Mr. B Ramalinga Raju, the then Chairman of SCSL on January 07, 2009 were price sensitive information. It was also observed that certain employees and clients had sold SCSL shares between November 25, 2008 and December 16, 2008 till before the announcement and some 80 clients sold shares before January 07, 2009. The trading window was closed from December 17, 2008 and stayed closed till June 12, 2009. On December 17, 2008 the price of the scrip fell to a low of Rs. 151 i.e. 33.5% fall from previous close price, but, after the cancellation of decision of acquisition, it recovered marginally to close at Rs.157.10 on NSE.

3. The investigation alleged that Shri T.A.N. Murti, Head of Investor Relations of SCSL, indulged in insider trading when he was in possession of unpublished price sensitive information relating to the acquisition of MIL and MPL by SCSL which was announced on December 16, 2008. It has been alleged that the Noticee was one of key personnel of SCSL, who got to know about the announcement of acquisition of MIL and MPL in advance and traded immediately before the announcement of acquisition, and sold 14,500 shares on December 15, 2008 from around 11.30 AM, after which the holding of the Noticee in SCSL reduced to 3,000 shares.

4. In view of the above, it was alleged that the Noticee had violated Regulation 3(i) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**the PIT Regulations'**) read with Section12 A (d) and (e) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **'SEBI Act'**).

APPOINTMENT OF ADJUDICATING OFFIER

5. SEBI vide Orders dated January 07, 2011 and April 08, 2011 had appointed Mr. Piyoosh Gupta, General Manager, SEBI as the Adjudicating Officer under Section 15-I of SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **'SEBI Rules'**) to inquire into and adjudge under Section 15G of SEBI Act. Subsequent to the order of the Hon'ble SAT remanding the matter, Ms. Anita Kenkare was appointed as the Adjudicating Officer on April 28, 2014. Thereafter on her transfer the undersigned was appointed as AO vide order of the competent authority dated August 14, 2019 (conveyed vide communique dated October 23, 2019).

SHOW CAUSE NOTICES, REPLIES AND PERSONAL HEARINGS

6. A Show Cause Notice dated August 17, 2011 (hereinafter referred to as **'SCN'**) was issued by the erstwhile AO Shri. Piyoosh Gupta to the Noticee in terms of the provisions of Rule 4 (1) of the SEBI Rules to show cause as to why an inquiry should not be held against the Noticee in respect of the violations alleged to have been committed by him. The SCN alleged that the Noticee had traded in the shares of SCSL when in possession of unpublished price sensitive information. Copy of the statement of the Noticee recorded by SEBI, Noticee's letter dated February 01, 2010 to SEBI, telephone records of the Noticee of his mobile number 9849171150 mentioning details of calls to the number (9849098158) of Mr. SrinivasuSatti and copies of e-mails received by the Noticee on December 14, 2008 from Mr. SrinivasuSatti were furnished to the Noticee along with the SCN.

7. In response to the SCN, the Noticee had sought vide e-mail dated September 02, 2011, six weeks time for filing reply. Vide e- mail dated September 14, 2011, the Noticee was advised to submit response to the SCN. Also, vide letter dated September 09, 2011, Noticee was advised to appear for personal hearing on September 29, 2011. The Noticee appeared for hearing on September 29, 2011 and submitted that he had filed consent application for

settling the proceedings. Thereafter, SEBI vide communication dated September 04, 2012 informed that the consent application filed by Noticee had been rejected. Vide e-mail dated September 27, 2012, the Noticeealso intimated that the consent application filed by him had been rejected by SEBI and sought time till October 25, 2012 for filing reply. Vide notice dated October 05, 2012, the request of the Noticee for extension of time was acceded to partially and the Noticee was advised to file the reply on or before personal hearing scheduled for October 19, 2012. The Noticee's representative, vide letter dated October 15, 2012 sought time for filing reply till October 25, 2012 and also requested for rescheduling the personal hearing fixed for October 19, 2012. The Noticee was then advised to appear for hearing on November 05, 2012. The Noticee submitted detailed reply vide letter dated October 31, 2012 and appeared for hearing on November 05, 2012. During the hearing, while reiterating the submissions made vide reply dated October 31, 2012, the Noticee sought time till November 12, 2012 for filing additional submissions. The Noticee submitted additional submissions vide letter dated November 09, 2012.

8. The salient submissions of the Noticee in response to the SCN, made vide his letters dated October 31, 2012 and November 09, 2012 are as under:
   a) That he is an alumni of the prestigious Indian Institute of Management (IIM) Bangalore and Birla Institute of Technology (BITS) Ranchi;
   b) That he joined SCSL in 2001 and he has never been a designated employee nor a key managerial person in any offer document and public record. He was not part of the "Leadership council";
   c) That as an Assistant Vice President of Finance & Investor Relations, he was not always privy to information available to Board of Directors or the senior management of SCSL;
   d) That with regard to the merger of MIL & MPL, he received a draft version of the proposal from Mr. SrinivasuSatti on December 14, 2008 and the said proposal did not mention the names of the entities to be merged, the date of merger or any other material particulars based on which a decision could have been taken to sell the shares of SCSL;
   e) That he met the Chairman of SCSL only late in the evening of December 15, 2008 (after he had sold his shares) i.e. on the eve of the Board meeting and only in the said meeting for the first time he came to know about the merger and the identity of the entities that

were proposed to be merged with SCSL. He was involved in the Board meeting with the Chairman and was given information regarding the merger for having interaction with investors following the announcement of the merger. Further, he was equally surprised by the decision of the Board to withdraw the proposal for merger on December 17, 2008. He sold the shares of SCSL in December, 2008 to accumulate funds for purchase of a house/flat at a better location and having better amenities in Hyderabad;

f) That he had received the draft presentation on proposed acquisition of the two companies from Mr. SrinivasuSattiat 7.53 pm and 10.09 pm on December 14, 2008. However, he would not have been able to take the decision to sell a major portion of his holdings in SCSL based on such incomplete data / information.

g) That the contract notes issued by broker in respect of the sale of 14,500 shares of SCSL on December 15, 2008 show the time of sale as 11.16 am, whereas in the Show Cause Notice, the time of sale is stated to be from around 11.30 a.m.;

h) That it is not established from the SMS sent by the Noticee or the conversation the Noticee had with Mr. SrinivasuSatti that it was with the knowledge of the proposed merger or the details thereof. The call on December 14, 2008 at 12:36:05 was for a mere 7 seconds thereby precluding the chance of Mr. SrinivasuSatti passing on the purported unpublished price sensitive information, as falsely alleged or otherwise;

i) That even the Compliance Officer of SCSL closed the trading window only on December 17, 2008. As the trading window was not closed, he did not suspect the presence of UPSI;

j) That the sale of these shares was influenced by numerous analyst and Bloomberg indicating lower profit estimates and target prices for many IT sector companies.

9. Pursuant to appointment, the erstwhile AO Ms. Anita Kenkare was also issued a Supplementary Show Cause Notice dated October 22, 2014 (hereinafter referred to as **'Supplementary SCN'**) in continuation to the earlier Show Cause Notice dated August 17, 2011to inquire into and adjudge under Sections 15G of the SEBI Act, the alleged violations/non-compliance of the provisions of SEBI Act and PIT Regulations..

10. Vide letter dated November 19, 2014, the Authorized Representative (AR) of the Noticee requested for further time to reply to the above supplementary show cause notice. SEBI vide email dated November 24, 2014, informed the AR that the request for extension had been acceded to, and that a reply in the matter may be filed latest by December 04, 2014. However, since no reply was received, vide Hearing Notice dated December 10, 2014, the Noticee was advised to submit his reply at the earliest and appear for personal hearing before the AO on January 13, 2015. A copy of the hearing Notice dated December 10, 2014 was also forwarded to the AR of the Noticee by email. Vide email dated January 09, 2015, the AR requested that the hearing be adjourned and rescheduled on January 19, 2015 or any date thereafter. Vide email dated January 12, 2015, the AR was informed that their request for adjournment had been granted, and that the hearing had been rescheduled for January 19, 2015. The AR was also once again advised to file the reply latest by January 16, 2015.

11. Thereafter, the AR of the Noticee filed a reply vide letter dated January 16, 2015. Vide the said letter, the AR/ Noticee sought to rely upon the reply dated October 31, 2012 and additional written submissions dated November 9, 2012. Accordingly, the submissions made by the AR on behalf of the Noticee in addition to the earlier submissions made, *inter alia,* are summarized as under:

    a. That the Noticee joined SCSL in January 2001 and was primarily responsible for handling Investor Relations till September 2008 and reported to the Chief Financial Officer (CFO) of SCSL;

    b. That in fact, by an email dated September 28, 2008 the Noticee was informed about the appointment of Mr. K. Venkatrangam as the Full Life Cycle Leader (FLCL)/ Head Investor Relations, after which the Noticee was no longer concerned or involved with the Investor Relations functions of SCSL;

    c. That on December 15, 2008 and at around 11:15 am, the Noticee through IL&FS Investmart Securities (his stock broker) sold 14,500 shares of SCSL acquired by him under Employee Stock Options Plans (ESOPs) of SCSL;

d. That all the relevant documents and records have not been provided to the Noticee, for instance, a copy of the complete investigation report and copies of all statements recorded by SEBI have not been given to the Noticee, amounting to gross violation of well-established principles of natural justice;

e. That he had not traded in the scrip of Satyam on basis of UPSI and further denied that he had violated the provision of Regulation 3(i) of the PIT Regulations and Section 12A (d) (e) of the SEBI Act or any other law in force;

f. That SEBI has not shown how and in what manner the announcement made by Satyam on December 16, 2008 to acquire MIL and MPL, the subsequent withdrawal of the said proposal on December 16, 2008 and confession made by Ramalinga Raju the then Chairman of Satyam on January 7, 2009 was Price Sensitive Information;

g. That the Noticee was never aware of the alleged fraud / lack of disclosure in the books of accounts of Satyam which were the principal subject matter of the said alleged confession made by Mr. Ramalinga Raju, the then Chairman of Satyam on January 7, 2009.

h. That the life cycle of a proposal at Satyam comprised of (a) an ideation stage (b) preliminary stage (c) a final proposal stage and (d) approval of Board. At the ideation stage, the proposal would be sketchy and subject to significant changes based on inputs received from senior leadership. In the next stage i.e. the preliminary stage further details and analysis are included in the proposal and the proposal is subject to further discussion. Thereafter, the proposal reaches the final stage when internal approval for the proposal is given. It is at this stage the final proposal in pdf format is created and sent to Board for its approval. The emails about acquisition of B1 and B2 did not appear to be at a final and they were not in the usual PDF form;

i. That even if it is assumed, but not admitted, that at the time of aforesaid sale of shares, the Noticee knew about the details of the acquisition proposal, he did not

have any reason to assume that the disclosure of the same to the public would have a negative impact on the price. The Noticee has placed on record an article which was published in DNA dated December 18, 2008 titled "Counterview from Big Four" wherein the columnist has justified the acquisition as being in interest of the shareholders;

j. That the Noticee was not present in the meeting with Mr. Ramalinga Raju held on December 6, 2008. Further, the impugned emails did not indicate that MIL and MPL were B1 and B2, nor was he called to act upon the said emails. Moreover, the Noticee was only called upon in the internal meeting held in the evening of December 15, 2008, immediately preceding the Board meeting to be assigned tasks, as confirmed by Shri SrininvasSatti (in his statement) and by Shri G Jayaraman (in his letter of dated September 18, 2009).The Noticee sold his shares in the morning of December 15, 2008 as evidenced by the contract note and other documents already provided to SEBI. Hence, the Noticee could not have been certain about the identities of the companies proposed to be acquired or the definitive or immediate nature of the acquisition. The Noticee has also stated that he was not aware of the Agenda or other details of the Board meeting. In fact, the Noticee traded almost 30 hours prior to the announcement. The Noticee sold the 14,500 shares of Satyam with the intention of raising funds for purchase of an apartment in and around the city of Hyderabad and not with the intention of avoiding possible loss when the proposal of acquisition of MIL and MPL was made public as falsely alleged or otherwise;

k. That the Noticee was not a Designated Employee and therefore, Satyam's policy on trading by Designated Employees did not apply to him; hence he did not need the prior approval of the Compliance Officer of Satyam to trade in the shares of the Company when the trading window was open. When the trading window was closed, non-Designated Employees had to take pre clearance for sale of shares.

l. That the e-mails sent by Mr. Satti were addressed to the CFO and the compliance offer. If these persons, who were part of the senior leadership and who took the decision to close and open the trading window had considered that proposal at that stage to be price sensitive, they would have closed the trading window so to prevent all employees, designated or otherwise for indulging in insider trading. Since the trading window remained open, the Noticee had no reason to presume that he proposal was UPSI and / or that there was any restriction on selling the shares owned by him. The trading window in respect of trades by employees was admittedly not closed when he sold the said 14,500 shares nor did the compliance officer or any other competent officer of the company make any intimation regarding closure of the trading window;

m. That the Noticee had been from time to time selling shares of Satyam that accrued to him from maturity of the ESOPs granted to him, in order to meet his personal financial requirements;

n. That there was no mention of the identity of B2 in the emails sent or in the attachments, and the financial details i.e. valuation, turnover etc. relating to B2 vary across emails and presentations. This variation and vagueness of the figures was intended to prevent identification of the target companies;

o. That the identity of B1 was also deliberately camouflaged in the slides/ presentations;(to start)

p. that in paragraph 12 of the present show cause notice dated October 22, 2014, it is alleged that Noticee avoided a total loss of approximately Rs. 10.25 Lakhs. But, in the earlier show cause notice dated August 17, 2011, it was alleged that Noticee avoided a total loss of Rs.21.54 Lakhs. Evidently, even SEBI is not certain about the loss avoided by Noticee;

q. The previous order against Noticee put a penalty of three times the loss avoided and any increase in the ratio at this point would appear unfair. Given that the severity or

occurrences of the offence have not increased even while a lower loss-avoided figure has emerged, any increase in the penalty ratio would only indicate a bias towards the fact that Noticee exercised his statutory right to go to appeal, which resulted in a remand. His actions may not be considered or used to penalize him by increasing the penalty ratio.

r. That the scrip of SCSL was under severe pressure following negative news. Ignoring the other extrinsic market factors, which were outside of Noticee's control and far removed from anyone's culpability, the show cause notices overstate the "loss avoided" that should be attributed to Noticee. Thus, a 24- hour period after the dissemination of the inside information is deemed to be a reasonable period for the impact on the share price to be visible and for the price to stabilize. In majority of the instances, the closing price or the weighted average price of the share 24 hours after UPSI became public has been used to calculate the notional gain / loss avoided in various insider trading cases. A similar calculation in this case would result in a lower loss avoided figure. In the unlikely event that the explanations of noticee regarding his trades in the shares of Satyam on December 15, 2008 are not satisfactory, noticee prays that he may be given the benefit of the doubt and the notional loss avoided by him may be computed on the basis of the price of the scrip prevailing 24 hours after the UPSI was disseminated i.e. the announcement was made regarding the acquisition of MIL and MPL which is to say, the price as on December 18, 2008 may be considered as the relevant price. Since the announcement of acquisition (UPSI) was disseminated at 5 PM on December 16, 2008, the price of the share after 24 hours would correspond to a price on December 18, 2008. This prayer of noticee may be considered on the following among other grounds:-

    (a) To prevent a disparity in sentence

    (b) Recognising the facts and circumstances surrounding the case

    (c) Considering the past track record of noticee

12. A personal hearing in the matter was also held on January 19, 2015 with erstwhile AO, wherein, the Noticee along with the Authorized Representative (AR) were present. During the hearing it was clarified that the dates mentioned in para 8 of SCN dated October 22, 2014 should be read as December 14, 2008 and not December 14, 2014. The AR reiterated the submissions made in the reply of the Noticee dated January 16, 2015. The AR also submitted that from time to time the Noticee had been selling the shares of SCSL that had accrued to him from maturity of ESOPs grated to him. The AR was advised to submit the details of such shares of SCSL sold by the Noticee prior to the sale made on December 15, 2008 along with the documentary evidence thereof.

13. The AR was advised to submit who were designated by the company as the "designated employees" of SCSL as per the company's policy as at December 2008, along with documentary evidence thereof. The AR also submitted that there were contradictions in the slides of the presentation and financial details attached to the various emails forwarded by Mr.Satti. The AR/ Noticee also stated that this may have been deliberate camouflaging so that B1 and B2 could not be ascertained. The AR/ Noticee submitted email dated October 09, 2007 from Mr.Satti to the Noticee in respect of acquisition of NITOR, which was going to be put up for approval in the Board meeting. Also email dated October 22, 2007 from Mr.Satti to Shri Jayraman and Shri Srinivas, which in turn, was forwarded to the Noticee by Mr.Srinivas in respect of acquisition of NITOR attaching the Press Note was placed on record. Further, a copy of email dated January 17, 2007 from Mr.Satti to the Noticee placing on record the acquisition of Project Radical (Bridge Strategy Group LLC) on January 21 Board Meeting. It was informed by the Noticee that all these emails were received by the Noticee at the final stage of the acquisition for analyst interaction. The Noticee drew attention to the fact that as opposed to these emails, the emails sent by Mr.Satti in the extant matter do not have any instructions.

14. The AR/ Noticee also submitted that the Noticee was never officially designated as the head of Investor Relations, though he was carrying out the function of Head of Investor Relations

till the appointment of Mr.Venkat Rangam. The AR/ Noticee were advised to submit the formal designation of the Noticee as per the company's records as on December 2008, along with documentary evidence thereof. The AR were also informed to submit past non-compliance of SEBI Act and Regulations, if any, and action taken by SEBI in the past, if any against the Noticee. The AR sought time to file further written submissions. The AR was advised to submit the aforesaid details latest by January 30, 2015.

15. The Noticee vide letter dated February 02, 2015 reiterated earlier submissions, and made additional submissions, *inter alia,* as under:

i. With respect to the names of persons who were Designated Employees of Satyam as per the Company's Insider Trading Policy as of December 2008, the Noticee/ AR submitted a copy of the said Insider Trading Policy, and stated that in paragraph F at page 5 of the Insider Trading Policy, it is specifically set out that all associates in the grade of Senior Vice President and above would be considered as Designated Employees. Noticee has stated that as on December 2008, he was not in the grade of Senior Vice President.

ii. With regard to the designation of the Noticee during the relevant period and their submission in the course of the personal hearing that the Noticee was aggrieved by the appointment of one Mr. Venkatrangam K as Head Investor Relations, the Noticee has submitted that vide email dated July 16, 2008, the Noticee was given the information that the designation of Head Investor Relations had been cleared by HR, and he would continue to report to Mr. SrinivasVadlamani, the CFO. In this regard, the Noticee/ AR stated that an erroneous submission was made in the course of the personal hearing that Noticee was never designated as head Investor relations and apologized for this lapse. Thereafter, on and around July 22, 2008, even as the Noticee was awaiting a more formal notice regarding the change in designation (the earlier intimation was on an excel sheet only), he came to know that HR had cleared the title "Head Investor Relations" for Mr. Venkatrangam. Thereafter, the Noticee wrote a number of emails to the HR of

the company regarding the same. However, vide email dated September 28, 2008, Mr. Venkatrangam was appointed as FLCL – Investor Relations.

iii. From the above, it is clear that the Noticee was superseded as the Full Life Cycle leader (FLCL) – Investor Relations i.e. Head of Investor Relations function by Mr. Venkatrangam who, after September 28, 2008 headed the Investor Relations function of Satyam. Thus, the Noticee was aggrieved that despite his several years of experience and loyalty to Satyam, he did not have any role clarity and was unsure of his designation. As a result, Noticee decided to leave the organization. He even applied for a leave of absence so that he could and before doing so, wanted to secure his family with an apartment of his own in Hyderabad. It is for this purpose that he sold 14,500 shares of Satyam on December 15, 2008.

iv. With respect to the details of "Force 5" of Satyam sought, the Noticee stated that he did not possess any official document designating the members of "Force 5"; however, he is in possession of 2 emails which refer to a meeting of the Force 5; the invitees / names mentioned in these mails comprised the Force 5. It may observed that noticee's name does not figure in the list of invitees or in the "Force 5".

v. Noticee has always complied with all existing laws including the provisions of the Securities and Exchange Board of India Act, 1992, and the Regulations framed thereunder. No prior regulatory action by SEBI (except for the earlier Show Cause Notice dated August 17, 2011) has been initiated by SEBI or any other regulatory body against Noticee.

vi. Noticee had, during the course of hearing, submitted that the Board meeting of December 16, 2008 was not a scheduled one and was probably arranged at the instance of the Chairman to consider only the proposed acquisition of MIL and MPL. In this regard, a copy of email dated September 2, 2008 sent by Mr. SrinivasVadlamani to

several persons including the Noticee setting out the schedule of Board Meetings was placed on record. Thus, when the Noticee received the emails sent by Mr. Satti on December 14, 2008, he had no reason to assume that these were anything but mere ideas because no board meeting was scheduled on December 2008.

a. With respect to the mention of MIL in the graphs in the presentation (Annexure 8A of the Show Cause Notice), the Noticee/ AR submitted as under:
b. The presentation title is indicative of the intent to disguise the names. In line with the same, there is no mention of MPL in the presentation and all along the reference is only to B2.
c. However, it is seen that there is a mention of MIL when there is a comparison with peers. But simultaneously, there is the use of B1 also in the presentation. Therefore, there was no reason to presume that B1 referred to MIL.
d. In the slide No. 10 titled "peer comparison", when MIL is mentioned alongside B1 and B2, it would not be wrong to conclude that neither B1 nor B2 would be MIL.

16. Thereafter, the Noticee, vide letter dated February 5, 2015 further reiterated and confirmed all that was stated in the reply dated January 15, 2015 and in course of hearing dated January 19, 2015 and additional written submissions dated February 3, 2015. During the hearing the Noticee was directed to produce documentary evidence regarding his designation as of December 2008.However, the Noticee could not produce the same during the hearing. The Noticee then obtained a letter dated February 4, 2015 from M/s Tech Mahindra Ltd. which amalgamated with Satyam Computers Services Ltd., setting out the Noticee's designation as Asst. Vice President as on December 2008. The said letter also states that the Notice was not a Designated Associate as defined under Prevention of Insider Trading Policy of Satyam during December 2008.

17. Subsequently, the AR of the Noticee vide letter dated February 25, 2015 informed that in order to avoid prolonged litigation, the Noticee had made an application for settlement of the present adjudication proceedings in terms of SEBI (Settlement of Administrative and

Civil Proceedings) Regulations 2014 on February 13, 2015. However, subsequently, the application of the Noticee was rejected, and SEBI informed him of the same vide letter dated June 9, 2015. Thereafter, vide email dated June 29, 2015, the AR of the Noticee was advised that if they had any further submissions to make in the matter, they must do so latest by July 10, 2015. In the matter, vide email dated June 26, 2015, the AR of the Noticee was requested to forward soft copies of their replies. While vide email dated July 3, 2017 the AR forwarded the soft copy, no further submissions were filed by them in the matter.

18. During the course of the adjudication proceedings, the Hon'ble Supreme Court vide its Order dated November 26, 2015 in the matter of *SEBI v. Roofit Industries Ltd.* opined that the Adjudicating Officer had no discretion under Section 15J in deciding the quantum of penalty for offences committed between 2002 and 2014, other than penalty under Section 15F(a) and Section 15HB of the SEBI Act. However, subsequently, another Bench of the Hon'ble Supreme Court in the matter of *Siddharth Chaturvedi v. SEBI* vide Order dated March 14, 2016 stated that the matter deserved consideration at the hands of a larger Bench. Accordingly, the Supreme Court directed that the papers of these appeals be placed before the Hon'ble Chief Justice of India for placing these matters before a larger Bench. Hence, the current Adjudication proceedings were kept on hold until determination of the issue of applicability of Section 15J to Sections 15A(a), (b) and (c), 15B, 15C, 15D, 15E, 15F(b)& (c), 15G, 15H and 15HA of the SEBI Act, for offences committed between 2002 and 2014.

19. However, subsequent to the amendment made vide the Finance Act, 2017 to Section 15J of the SEBI Act, 1992 (notified on April 26, 2017), the following Explanation has been inserted in Section 15J:

"*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.*".

20. Thus, it is now settled that Section 15J also applies to Sections 15A(a), (b) and (c), 15B, 15C, 15D, 15E, 15F(b)& (c), 15G, 15H and 15HA of the SEBI Act, for offences committed between 2002 and 2014.

21. Subsequent to the notification of the Finance Act, 2017 and the amendment made thereby to Section 15J of the SEBI Act, an opportunity of personal hearing was granted to the Noticee vide the hearing notice dated October 27, 2017. However, the AR of the Noticee sought adjournment of the hearing, and the same was granted. Accordingly, a Personal Hearing was scheduled to be held on December 14, 2017.

22. In the meanwhile, vide email dated December 4, 2017, certain details were sought from Tech Mahindra Ltd (formerly SCSL), including the formal designation of the Noticee as per records of SCSL as on December 2008, and whether the Noticee was a Designated Employee of SCSL. Tech Mahindra Ltd. Vide email dated December 7, 2017 stated that the Noticee was Assistant Vice President in SCSL in 2008 and confirmed that the Noticee was not a Designated Employee of SCSL. The aforementioned communication was forwarded to the Noticee, and the Noticee was advised that if he wished to make any submissions in the matter, he may do so at or prior to the scheduled personal hearing.

23. On the date of the personal hearing, the AR of the Noticee, along with the Noticee, Shri TAN Murti appeared for the Personal Hearing and made submissions. The AR reiterated the earlier submissions of the Noticee. The AR/ Noticee were advised to submit details of number of shares of SCSL received by the Noticee as ESOP, number of shares of SCSL otherwise held, and number of shares of SCSL sold by the Noticee during the financial years 2006-07, 2007-08 and 2008-09.

24. Thereafter vide letter dated December 29, 2017 the Noticee made the following submissions:

i. The Noticee submitted details of SCSL shares held by him through exercise of ESOP, number of shares of SCSL otherwise held and number of shares sold by him in the Financial Years 2006-07, 2007-08 and 2008-09.

ii. The Noticee cited SAT Order dated December 24, 2013 in the matter of *G Jayaraman Vs. SEBI* and submitted that the said Order notes that Shri G Jayaraman vide a separate email sent to Board Members of Satyam had clarified that in the earlier emails (which were also forwarded to the Noticee) "Alpha" meant SCSL, "B1" meant MIL and "B2" meant MPL, and that the names were disguised in the main presentations. The Noticee has stated that this corroborates the fact that the Noticee was not aware of the identity of the target companies.

iii. The Noticee has stated that the Board of SCSL approved the proposal on December 16, 2008 and the announcement of the same was made after 5 pm on that day. Thereafter, the Board decided not to go ahead with the acquisition and the announcement of revocation was made on December 17, 2008, before the markets opened. Hence, the proposed acquisition of MIL and MPL had no impact on the price of the shares.

iv. Law suits filed against Satyam, World Bank decision to bar Satyam from contracts for 8 years and the pledge of shareholding by the promoters of Satyam are amongst other reasons that may have caused the price fall. The Noticee has stated that he did not make any profit or derive any benefit using the said UPSI when he sold 14500 shares of SCSL on December 15, 2008.

25. Subsequent to the transfer of Ms. Anita Kenkare and the appointment of the undersigned as the AO in the instant case vide order dated August 14, 2019 conveyed by a communiqué dated October 23, 2019, an opportunity of personal hearing was provided to the Noticee on August 17, 2020. The Noticee along with his AR attended the said hearing through web based video conference on the said date and reiterated his earlier submissions.

CONSIDERATION OF ISSUES AND FINDING

26. I have carefully examined the SCN, the replies of the Noticee and other material available on record. The issues that arise for consideration in the present case are:

a. Whether the information that SCSL was to acquire Maytas Infra Ltd**.** (MIL) and Maytas Properties Ltd. (MPL)**,** was a UPSI in terms of regulation 2 (ha) read with 2(k) of PIT Regulation on December 15, 2008, when TAN Murti sold 14500 shares?

b. Whether TAN Murti was a 'connected person' of the company SCSL in terms of Regulation 2(c) of the PIT Regulation and whether he was an 'insider' of the company in term of Regulation 2(e) of PIT Regulations?

c. Whether TAN Murti traded in the scrip of SCSL while in possession of UPSI?

d. Whether through the above acts TAN Murti violated Sections 12A (d) and 12A (e) of the SEBI Act, 1992 read with Regulation 3 of the PIT Regulations?

e. Does the violation, if any, on the part of the Noticee attract monetary penalty under sections 15G of the SEBI Act? If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of SEBI Act?

27. Before moving forward, it will be appropriate to refer to the relevant provisions of SEBI Act., PIT Regulations, which read as under:

PIT Regulations, 1992

Prohibition on dealing, communicating or counselling on matters relating to insider trading.

3. No insider shall—

(i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of] any unpublished price sensitive information;

SEBI Act

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

…

(d) engage in insider trading;

(e) 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;

28. I will first deal with the issue of whether the information that SCSL was to acquire Maytas Infra Ltd**.** (**MIL**) and Maytas Properties Ltd. (**MPL**)**,** was a UPSI in terms of Regulation 2 (ha) read with 2(k) of PIT Regulation on December 15, 2008, when the Noticee had sold 14500 shares of SCSL. The details of corporate announcements made on December 16 and 17, 2008 with regard to the acquisition and withdrawal of the decision is as given below:

i. **December 16, 2008 (04:59:11 PM):** The company, SCSL, announced the decision of its board approving its acquisition of the two promoter related companies, Maytas Infra Ltd.(MIL), Maytas Properties Ltd.(MPL).

ii. **December 17, 2008 (09:57:04 AM):**SCSL announced the decision of its board to withdraw their decision to acquire MIL and MPL.

iii. **January 7, 2009: (11:11:11 AM):** Release of the confessional letter from Mr. Ramalinga Raju admitting to financial fraud and revealing the dire state of SCSL. The price of the scrip fell from a high of `188.70 to close at Rs. 41.05, on that day.

29. Since the announcement of December 16, 2008 came after the market hours, the effect of the same was felt only at the beginning of trading on December 17, 2008, when the price of the share opened at Rs. 214.90. This was lower than closing price of Rs. 225.65 on December 16, 2008, and fell to a low of Rs. 151 by 09:56:16 AM. At 09:57:04 AM, the announcement of the cancellation of the decision to acquire MIL and MPL came about, but could not salvage the situation for SCSL as the market opinion had already turned against it. The market price of the share recovered marginally from a low of Rs.151.00 and closed at Rs.157.10 on NSE for the day. Thus the key event in this case was the announcement of December 16, 2008 which was widely viewed as extremely negative for the company. The Noticee, in his reply dated December 29, 2017 has stated that the announcement of the planned acquisition of MPL and MIL had no impact on the price of the scrip of SCSL since the approval of the Board of Satyam came at 5 pm when the markets were closed and the same was withdrawn prior to opening of markets the next day. However, from the above it is evident that the price was crashing soon after the markets opened on December 17, 2008, and reached a low of Rs 151 till the announcement of withdrawal of the said proposal, subsequent to which it marginally recovered. It is clear that the proposal was not withdrawn prior to start of trading, but only at 09:57:04 AM.

30. The Noticee stated that SEBI has not shown how and in what manner the announcement made by Satyam on December 16, 2008 to acquire MIL and MPL, the subsequent withdrawal of the said proposal on December 16, 2008 and confession made by Ramalingam Raju the then Chairman of Satyam on January 7, 2009 was Price Sensitive Information. In this regard, I note that Regulation 2 (ha) of the PIT Regulations reads as follows:

2(ha) "price sensitive information" means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company.

Explanation.—The following shall be deemed to be price sensitive information :—

i. periodical financial results of the company;

ii. intended declaration of dividends (both interim and final);

iii. issue of securities or buy-back of securities;

iv. any major expansion plans or execution of new projects.

v. <u>amalgamation, mergers or takeovers;</u>

vi. disposal of the whole or substantial part of the undertaking;

vii. and significant changes in policies, plans or operations of the company;

(emphasis supplied)

31. From the above, I note that as per Regulation 2(ha)(v) of the PIT Regulations, amalgamations, mergers or takeovers are deemed to be price sensitive information. In view of the same, the information that SCSL was to acquire MIL and MPL is a deemed price sensitive information. Further, as per Regulation 2(k), "unpublished" means information which is not published by the company or its agents and is not specific in nature. It is an accepted fact that the news that SCSL was planning to acquire MPL and MIL was made public only on December 16, 2008. However, on December 6, 2008 itself Mr Ramalinga Raju had called top officials of SCSL to his residence and informed them about the proposed acquisitions. Thus, I am of the view that UPSI came into existence on December 6, 2008, as has also been held in the Order dated July 27, 2012 of the Adjudicating Officer, SEBI in the same matter, in respect of Mr. G Jayaraman. I further note that the Hon'ble Securities Appellate Tribunal (SAT) has, vide its Order dated December 24, 2013, upheld the said Order dated July 27, 2012 of the Adjudicating Officer, SEBI, stating as follows:

"For all aforesaid reasons no fault can be found in the order impugned in this appeal."

32. As noted above, the Noticee/ AR have submitted that the SCN does not show how the information was price sensitive. However, I am of view that the contention is without merit, as the same is a deemed price sensitive information under Regulation 2 (ha) (v) of the PIT Regulations. The Noticee/ AR have also contended that since the trading window was not closed, the Noticee had no indication that UPSI was in existence. In this regard, I note that the afore-cited Order of the Hon'ble SAT relates to closing of trading window. Hence, it has already been held by the Tribunal that non-closure of the trading window was erroneous in this matter. Furthermore, I note that the Hon'ble SAT in *E Sudhir Reddy vs. SEBI* (Appeal no. 138 of 2011, order dated December 16, 2011) the Hon'ble SAT has observed that

> *"The definition of price sensitive information for the purpose of closing the trading window by the company under its code of conduct is much narrower than the definition of price sensitive information as given in section 2(ha) of the Insider Trading Regulations".*

In view of the same, since the definition of price sensitive information as given in section 2(ha) of the PIT Regulations has been held to be wider than that for closure of trading window, the mere fact that the trading window was not closed does not mean that there was no UPSI in existence. Moreover, I find that since the Tribunal has found that the news of acquisition of MIL and MPL by SCSL was UPSI in the matter relating to closing of the trading window, I have no hesitation in holding that the same was UPSI under Section 2(ha) of the PIT Regulations.

33. The Noticee has also submitted that SEBI cannot look at the events that occurred after the sale of shares by Noticee to come to a conclusion that the Noticee should have seen the future and refrained from trading in shares owned by him. I note that the two Hyderabad based firms – MIL and MPL were owned by Ramalingam Raju's family and friends. The money from the deal would have gone to the promoters as it was not a fresh issue of shares. The announcement of the deal attracted a lot of shareholder ire and also raised questions about corporate governance. I am of the view that this was a foreseeable reaction, and hence I am unable to agree with the submission of the Noticee.

34. Moving ahead, we come to the issue of whether the Noticee is/ was a 'connected person' of the company SCSL in terms of Regulation 2(c) of the PIT Regulation and whether he was an 'insider' of the company in term of Regulation 2(e) of PIT Regulations. At the outset, it is to be examined whether the Noticee is a 'connected person' or not. I find that the term 'connected person' as defined under Regulation 2 (c) means any person who is a director or a person who occupies the position as an officer or an employee of the company etc., is a connected person of a company. Thus, being an employee of SCSL, the Noticee was a connected person.

35. Further, in terms of Regulation 2(e) of PIT Regulations, I find that the Noticee was an 'insider' within the meaning of regulation 2(e) of the PIT Regulations, which is reproduced as hereunder:

> ***"2(e)"insider" means any person who,***
>
> *(i) is or was connected with the company or is deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or*
>
> *(ii) has received or has had access to such unpublished price sensitive information"*

36. From the above definition I note that a connected person who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company is an "insider" as per the PIT Regulations. Since it is already established that the Noticee was a connected person, we must now examine whether the Noticee could be reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or if he had received or had access to such unpublished price sensitive information.

37. I find that during investigation, details were obtained from the company about the employees who were involved with any work related to the acquisition of MIL & MPL at any stage. From the statement of Mr. Srinivasu Satti, the then Head of Mergers & Acquisitions it was found that Mr. Ramalinga Raju had a meeting with Mr. Srinivasu Satti at his residence along

with Mr. Rama Raju, Mr. Srinivas Vadlamani, Mr. G. Ramakrishna and Mr. Jayaraman on December 6, 2008, where for the first time, they got to know from him about the plan to acquire the Maytas companies. Mr. Satti was also assigned by Mr. Ramalinga Raju to prepare the necessary presentation for the Board meeting. After the meeting of December 06, 2008, as per the statement of Mr. Satti, he *inter alia* had 3-4 further meetings with Mr. Ramalinga Raju between December 10, 2008 and December 15, 2008 and that he was taking the instructions directly from Mr. Ramalinga Raju and Mr. Srinivas Vadlamani.

38. It was observed that the Noticee had traded on December 15, 2008 i.e., immediately before the announcement of acquisition. The Noticee was observed to have sold 14,500 shares on December 15, 2008 (Monday) from around 11:30 AM, after which his holding in SCSL reduced to 3000 shares. Investigation further observed that the Noticee had never sold more than 5,000 shares of SCSL in a single trading session except on this occasion.

39. The Noticee had submitted vide letter dated February 1, 2010 to SEBI and in his statement that he came to know about the acquisition late in the afternoon on December 15, 2008. However, I find that Mr. Srinivasu Satti had mailed the draft presentation on the acquisition deal to the Noticee on December 14, 2008 at 7:56 PM. The financial results of MIL (referred to as B1) and MPL (referred to as B2) were also sent by him to the Noticee on December 14, 2008 through two emails, at 7:53PM and 10:09 PM. Although the aforesaid emails referred to B1 and B2, however, it is observed from the slides in the presentation that it was obvious that B1 and B2 referred to MIL and MPL. Details of the aforesaid emails are as follows:

Date/Time	From	To	Subject	Content	Annexure
December 14, 2008 at 19:53	Srinivas_Satti	Murti_T (cc)	RE:B2:Balance Sheet	"This is the P&L and B/S for BI	Annexure clearly shows name of Maytas Infra Limited

December 14, 2008 at 19:56	Srinivas_Satti	Murti_T	Latest board ppt draft, and will undergo changes	-	*Acquistion of B1&B2 by Alpha-notes.pptx* Annexure contains a presentation on the purported acquisition.
December 14, 2008 at 22:09	Srinivas_Satti	Murti_T (cc)	B2:Financial statements	-	*Maytas Properties_2008.pdf:Maytas Properties_2008_Auditor Report.pdf*

40. As noted above, the said emails clearly indicated the identity of B1 and B2.

i. Email dated December 14, 2008 sent at 19:56 bears the subject line "Latest board ppt draft, and will undergo changes" and the Annexure name states "Acquisition of B1&B2 by Alpha-notes.pptx". I find that the subject line indicates with reasonable certainty that PPT contained therein is for approval of the Board. Further, upon opening the attachment, one finds that the Annexure contains a presentation on the purported acquisition. The first slide states "proposed Acquisition of B1 and B2 for Board's Consideration" and the date mentioned is December 16, 2008. Thus, it is also evident from the draft PPT that the acquisition would be put up to the Board on December 16, 2008. Further, the slides also indicate the identity of B1 and B2.For example,

   a. Slide no. 26 mentioned *inter alia* that B1& B2 have been mastering the art of innovative funded development deals, Hyderabad metro is one such example.

   b. Slide no. 18 stated *"B2-Corporate Presentation-Architects impression of Maytas Hill County".*

ii. Email dated December 14, 2008 sent at 19:53. The subject of this email is "RE:B2:Balance Sheet", however, the email contents state "*This is the P&L and B/S for B1*". Upon opening

the attachment, one can clearly see the name "*Maytas Infra Ltd*" as the heading for the Profit and Loss Account and Balance Sheet. Thus, it is evident that MIL was B1.

iii. Email dated December 14, 2008 sent at 22:09: The subject of the email stated "B2: Financial statements", the name of the attachment was "Maytas Properties_2008.pdf:Maytas Properties_2008_Auditor Report.pdf". Further, upon opening the attachment, one finds the Profit and Loss account, Balance Sheet with Schedules thereto, Cash Flow Statement etc. At the head of each of the pages "*Maytas Properties Ltd (formerly known as Maytas Hill County Private Limited)*" is clearly mentioned. Thus, this email makes it clear that B2 was MPL.

41. From the slides of the presentation of the email sent by Mr. Srinivas Satti to the Noticee at 19:56 on December 14, 2008, as well as the Annexure to the emails regarding the financials of the company sent by Mr. Srinivas Satti to the Noticee on December 14, 2008 at 19:53 and at 22:09, it was more than obvious that B1 and B2 referred to MIL and MPL. Further, even the fact that the proposed acquisition was being put up to the Board for its consideration on December 16, 2008 was clear. Moreover, being a seasoned finance professional with substantial experience in the said field, the Noticee would have had no difficulty in understanding that the acquisition was of MIL and MPL by SCSL and anticipating the possible market reaction on the said deal. Thus, the Noticee was informed of the forthcoming acquisition deal at least by December 14, 2008 itself and the public announcement of the same came on December 16, 2008. The Noticee has submitted that he could not have been certain about the identities of the companies proposed to be acquired or the definitive or immediate nature of the acquisition. However, the above paragraphs clearly demonstrate how the identity of B1 and B2 was easily ascertainable. In light of the same, I do not find the submission of the Noticee tenable. The Noticee has also submitted that he was never informed that the proposal was initiated at the behest of the chairman and he was never called upon to act upon or to even react/ reply to the said emails. However, I am unable to find any merit in this submission of the Noticee. Even if he was not aware that the proposal was initiated at the behest of the chairman or required to act upon the emails, upon receipt of these emails he became aware of the proposed acquisition, which was a UPSI. The Noticee has stated that it was a practice for the M&A team of Satyam to prepare a detailed note to

the Board at the final stage of a proposal, which contained details of proposed acquisition. This "Proposal" document was made available / circulated to all involved parties.

42. However, as is an admitted fact, the Noticee received the emails in the evening on December 14, 2008. As per the attached PPT, the proposal of acquisition of MIL and MPL was to be put up for consideration of the Board on December 16, 2008. Thus, the information that the Noticee received via email was to be put up for consideration of the Board within a day's time. I am unable to agree that the Noticee had remained convinced that the proposal was still at the "ideation" stage even a day prior to the same being put up for the Board's consideration. Further, I note that in the matter of *Manoj Gaur Vs. SEBI* (Order dated October 3, 2012), it was argued by counsel for SEBI that merely because the financial results were crystalized on October 17, 2008 for placing it before audit committee it does not mean that the appellant could not have ascertained the performance of the company from the information available in the trial balances of the company which were available to him on October 11, 2008. In the matter, the Tribunal held that

> *"To summarise, we are of the considered view that the trial balances for the quarter ending September 2008, which were available with the company by October 11, 2008, was price sensitive information within the meaning of regulation 2(ha) of the Regulations and was unpublished till the collated and finalised accounts were placed before the Board on October 21, 2008. Mr. Manoj Gaur became privy to it when trial balances were considered on October 11, 2008 and therefore, he was in possession of UPSI on that date."*

Hence, I find the information need not be in its complete final stage in order to be UPSI. Rather, even if the information is at a finalization stage, but gives adequate information about a material event of a price sensitive nature, the same must be considered as UPSI until it is disseminated by the Company.

43. In this regard, I also note from the judgment of the Hon'ble SAT in the matter of *VK Kaul Vs SEBI* (Order dated October 08, 2012)

"It has been observed by this Tribunal earlier also in the case of Dilip S. Pendse (supra) that charge of insider trading is one of the most serious charge in relation to the securities market and having regard to the gravity of this wrong doing, higher must be the preponderance of probabilities in establishing the same. In support, reliance was also placed on the observations made by the Apex Court in the case of Mousam Singha Roy v. State of West Bengal (2003) 12 SCC 377 in the context of administration of criminal justice and observing that these principles apply to civil cases as well where the charge is to be established not beyond reasonable doubt but on the preponderance of the probabilities. The measure of proof in civil or criminal cases is not an absolute standard and within each standard, there are degrees and probabilities and in this context reference was also made to what Denning, L.J. observed in Bater v. Bater (1950) 2 All E.R. 458 and we reproduced the same for ease of reference :-

> *"It is true that by our law there is a higher standard of proof in criminal cases than in civil cases, but this is subject to the qualification that there is no absolute standard in either case. In criminal cases the charge must be proved beyond reasonable doubt, but there may be degrees of proof within that standard. Many great judges have said that, in proportion as the crime is enormous, so ought the proof to be clear. So also in civil cases. The case may be proved by a preponderance of probability, but there may be degrees of probability within that standard. The degree depends on the subject-matter. A civil court, when considering a charge of fraud, will naturally require a higher degree of probability than that which it would require if considering whether negligence were established. It does not adopt so high a degree as a criminal court, even when it is considering a charge of a criminal nature, but still it does require a degree of probability which is commensurate with the occasion."*
>
> *We are also of the view that the adjudicating officer has rightly relied on the observations of U.S.Court in Rajaratnam case (supra) on the relevance of circumstantial evidence in para 38 of the impugned order which reads as under :- "38. Regarding the issue of relevance of circumstantial evidence, the Hon'ble District Court Southern District of New York in the matter of United States of America V Raj Rajaratnam 09 Cr. 1184 (RJH) decided on 11.08.2011 has observed as follows:*

"...Moreover, several other Courts of Appeals have sustained insider trading convictions based on circumstantial evidence in considering such factors as "(1) access to information; (2) relationship between the tipper and the tippee; (3) timing of contact between the tipper and the tippee; (4) timing of the trades; (5) pattern of the trades; and (6) attempts to conceal either the trades or the relationship between the tipper and the tippee." United States v. Larrabee, 240 F.3d 18, 21-22 (1st Cir. 2001)..."

The above principles are not in conflict with the regulatory framework prescribed by the Board and can be looked into while deciding case of insider trading under the Indian regulatory framework."

44. I note that in the case at hand, the Noticee had access to the UPSI as discussed in detailed above. The emails from Mr Satti were received from him after close of trading on December 14, 2008, and he sold 14,500 shares on December 15, 2008, when the Board meeting was scheduled for December 16, 2008. Thus the timing of the receipt of information and trades also indicate that there was *mala fide* involved. Lastly, by repeatedly trying to deny that the emails dated December 14, 2008 revealed the identity of B1, B2 and the details of the Board Meeting, the Noticee has further established his *mala fide*.

45. The Noticee has contended that he traded almost 30 hours prior to the announcement. I am of the view that 30 hours, or one day previous to the actual announcement is very close, especially when the Noticee had received the emails referred to above after close of trading on December 14, 2008. The Noticee traded the very next day, i.e on December 15, 2008 as he was well aware that the proposal was being put up for the consideration of the Board on December 16, 2008, which was also the date of the public announcement. The Noticee has also argued that SEBI's Model Code Of Conduct itself emphasizes a 24 hour closure of trading window, and that a 24- hour period after the dissemination of the inside information is deemed to be a reasonable period for the impact on the share price to be visible and for the price to stabilize. However, as already discussed above, the Hon'ble SAT in the matter of

E Sudhir Reddy has held that the mere fact that the trading window was not closed does not mean that there was no UPSI in existence. Further, Regulation 3 of the PIT clearly states that no insider should deal in securities of a listed company while in possession of UPSI. The provision of the Model Code of Conduct has to be read in the context of Regulation 3, and can in no way override or supersede the regulation itself. Hence, while those who are in possession of UPSI must not deal in the securities of a company under any circumstance, other employees/ designated employees as per Code of Conduct must not deal in the securities while the trading window is closed. Thus, I find the argument of the Noticee flawed, and am unable to find any merit in the same.

46. Noticee had, during the course of hearing, submitted that the Board meeting of December 16, 2008 was not a scheduled one and was probably arranged at the instance of the Chairman to consider only the proposed acquisition of MIL and MPL. Thus, when the Noticee received the emails sent by Mr. Satti on December 14, 2008, he had no reason to assume that these were anything but mere ideas because no board meeting was scheduled in December 2008. The Noticee has also stated that he was not aware of the Agenda or other details of the Board meeting including the fact that an "announcement of acquisition" was to be made therein. However, as noted above, the very first slide of the PPT attached to the email dated December 14, 2008 states "proposed Acquisition of B1 and B2 for Board's Consideration" and the date mentioned is December 16, 2008. In such a scenario I find there is no doubt that the Noticee was well aware of both, the date as well as the Agenda of the Board meeting.

47. The Noticee has submitted that at slide no. 18 of the presentation, the words "*Architects impression of Maytas Hill County*" were not visible on the computer screen as the said words were in white font. They were not visible even in a black and white /color printout of the presentation. The only instance when the words are visible in print are when the printout is taken in "grey scale" or when the printout is taken after setting presentation mode to "black and white". These words were not visible in the printout of slide no. 18 sent along with show cause notice dated August 17, 2011. Now, for the first time, in the Annexure 8A to the second Show Cause Notice dated October 22, 2014, a printout of slide no.18 contains the aforesaid

words. Further, that the Hyderabad Metro project involved 4 infrastructure companies viz. Navbharat Ventures Limited, Ital Thai Development Public Company Limited, IL&FS and MIL. It was therefore, not possible for the Noticee to come to a conclusion that B2 was MPL merely on the basis of such a statement in the penultimate slide of a draft and incomplete presentation at the ideation stage of a proposal. The Noticee has also stated that there was no mention of the identity of B2 in the mails of December 14, 2008 sent at 7:53 PM and 7:56 PM or in the attachments thereto, and that the financial details i.e. valuation, turnover etc relating to B2 vary across emails and presentations.

48. I note that the above submissions are without merit, because the two emails sent at 19:53 and 22:09 clearly showed that B1 and B2 were MIL and MPL. There can be no doubt about the same upon reviewing the contents and attachments of the emails sent at 19:53 and 22:09, as noted in the preceding paragraphs. In view of the emails sent at 19:53 and 22:09, any mention of MIL/ MPL in the PPT attached to the email sent at 19:56 would only reaffirm/ corroborate that they were B1 and B2.

49. From the emails, it, thus, becomes evident that the Noticee was informed of the impending acquisition deal atleast by December 14, 2008 itself and the announcement of the same came on December 16, 2008. Besides, it is observed that Mr. G Jayaram, Company Secretary of SCSL, on behalf of SCSL has vide letter dated January 5, 2010 elucidated the sequence of activities from December 6, 2008 to December 16, 2008. Here too, it has been stated that the Noticee was part of a meeting on December 14, 2008, and had joined the discussion to share updates on investor sentiment on the IT sector and competitive information. With regard to the letter dated January 5, 2010 sent by Mr. G. Jayaraman, the then Company Secretary and Compliance Officer of Satyam, the Noticee has submitted that in the absence of independent corroboration of the purported facts mentioned therein, the same may not be relied upon by SEBI to arrive at the allegations made against him in the aforesaid show cause notices. Further, it is contended that the letter of Mr. G Jayaraman dated September 18, 2009 to SEBI mentions the names and designations of various officials who were informed about the

acquisition. In that letter, he states that noticee's involvement in the acquisition was on December 15, 2008. In his subsequent letter, he has not contradicted his statement.

50. With reference to the above, I am of the view that the letter dated January 5, 2010 has been relied upon only as corroborative evidence. The 3 emails sent on December 14, 2008 already conclusively establish that the Noticee was aware of the fact that there was a proposal to acquire MIL and MPL, and that the same would be put up for consideration of the Board on December 16, 2008.

51. In the case at hand, the Noticee, by virtue of being an employee of the Company was in fact a connected person. Further, upon receiving access to the UPSI he became an insider. Thus, I find that the Noticee was an "insider" in terms of Regulation 2(e) of the PIT Regulations.

52. The next issue is whether the Noticee traded in the scrip of SCSL while in possession of UPSI. I note that the Noticee sold 14,500 shares of SCSL on December 15, 2008 (Monday) from around 11:30 AM, i.e, after he had come to know the UPSI on December 14, 2008, as already detailed in the preceding paragraphs. I further note that the Noticee had never sold more than 5,000 shares of SCSL in a single trading session except on this occasion.

53. I note that in this regard the Noticee has repeatedly submitted that he had sold the 14,500 shares of SCSL with the intention of raising funds for purchase of an apartment in and around the city of Hyderabad and not with intention of avoiding possible loss when for acquisition of MIL and MPL was made public. However, he has not submitted any evidence to show that he had actually purchased the flat.

54. I note that in the case of *Rajiv Gandhi Vs. SEBI* (date of judgment May 9, 2008) the Hon'ble SAT held that:

"We are of the considered opinion that if an insider trades or deals in securities of a listed company, it would be presumed that he traded on the basis of the unpublished *price sensitive information in his possession unless he establishes to the contrary. Facts necessary to establish the contrary being especially within the knowledge of the insider, the burden of proving those facts is upon him. The presumption that arises is rebuttable and the onus would be on the insider to show that he did not trade on the basis of the unpublished price sensitive information and that he traded on some other basis. He shall have to furnish some reasonable or plausible explanation of the basis on which he traded. If he can do that, the onus shall stand discharged or else the charge shall stand established."* (emphasis supplied)

55. Similarly, in the matter of *Harish K Vaid vs. SEBI* (date of judgment October 03, 2012), the Hon'ble SAT held that:

"When trading is done during the existence of UPSI, the presumption *is* that *it is on the basis of UPSI. The appellants have not placed any material on record to rebut this presumption."*

56. The Noticee has not submitted any evidence with respect to his claim that he was in talks to purchase an apartment. Since the Noticee supposedly actually sold shares to raise funds for the purchase, it can be presumed that if the submission of the Noticee is correct, if only the talks must have been at a very advanced stage. However, the Noticee has not been able to produce a single document that shows that he was in any kind of discussion for the purchase of an apartment. In view of the same, I cannot rely upon the mere *ipse dixit* of the Noticee. Moreover, I find that the Noticee sold his shares on December 15, 2008 after he received the emails on December 14, 2008 in the evening, which indicated that the acquisition of MIL and MPL would be put up for the consideration of the Board on December 16, 2008. In view of the same, the submission of the Noticee that he wanted to buy an apartment because of which he sold the SCSL shares, cannot be relied upon. The timing of the two events would amount to a huge coincidence given the fact that there is no evidence/ documents on record in support of the contention of the Noticee.

57. Furthermore, I, note that Hon'ble SAT vide its Order dated October 31, 2013 in the matter of *M/s. N R Mercantiles Private Ltd. Vs. SEBI(Appeal No. 138 of 2013)* has observed as follows:

"Reliance placed by counsel for appellants on two decisions of this Tribunal, do not support case of appellants. In case of Rajiv B. Gandhi (supra), this Tribunal while upholding penalty imposed for violating regulation 3(i) of PIT Regulations as it then stood held that if the motive of trade during the period when trading window was closed was to meet emergency situation, then, person executing such trade would not be guilty of the charge of insider trading. As rightly held by Adjudicating Officer, regulation 3(i) of PIT Regulations has been amended in 2002 by deleting words "on the basis of" and substituting words "when in possession of". As a result of above amendment trading in securities even "when in possession" of any unpublished price sensitive information constitutes violation of PIT Regulations. Hence decision of this Tribunal in case of Rajiv B. Gandhi (supra) based on provisions of PIT Regulations as in force prior to 2002 would not be relevant to fact of present case".

Hence, as per the above judgment of the SAT trading in shares while in possession of UPSI itself amounts to violation of PIT Regulations.

58. Thus, I find that through the above acts T.A.N Murti violated Sections 12A (d) and 12A (e) of the SEBI Act, 1992 read with Regulation 3 of the PIT Regulations.

59. I note that the Noticee has submitted that he was never aware of the alleged fraud / lack of disclosure in the books of accounts of Satyam which were the principal subject matter of the said alleged confession made by Mr. Ramalinga Raju, the then Chairman of Satyam on January 7, 2009. While there is no doubt that if the Noticee was aware of the fraud being played out in SCSL, his culpability would have been far greater, the knowledge of the fraud has not even been alleged against the Noticee. The charge against the Noticee is simply that he sold 14500 shares of SCSL after becoming aware of the plans of SCSL to acquire MPL and MIL. I am of the view that it has been established that the Noticee was aware that there was a proposal that SCSL would acquire MPL and MIL, and the said proposal was being put to the Board for its consideration on December 16, 2008. He became aware of this fact latest by December

14, 2008, and traded on December 15, 2008. Accordingly, the Noticee was guilty of trading in the scrip of SCSL while in possession of UPSI. I am of the view that being aware or unaware of the fraud as per confession of Shri Ramalinga Raju is not under consideration in this matter.

60. I also note that the Noticee has argued that all documents and records have not been provided to him, including the complete investigation report. Hence, it is stated, they have been deprived of a full opportunity to defend himself. In this regard, I note that the Hon'ble SAT in the matter of VK Kaul Vs SEBI (Order dated October 08, 2012) observed as under

> *"We are also unable to accept the arguments of learned senior counsel for the appellants that either the principles of natural justice were not followed or that any prejudice has been caused to the appellants by not making available complete report of the investigating officer. Regulation 9 of the regulations specifically provide that after consideration of the investigation report, the Board will communicate the findings to the person suspected to be involved in the insider trading or violating provisions of the regulations. There is no denying of the fact that findings of the investigation report were made available to the appellants. When the requirements in the rules were complied with, the question of violation of principles of natural justice does not arise."*

61. Further with respect to the decision of the Hon'ble Supreme Court in the case of *SEBI vs Price Waterhouse* (Civil Appeal No. 6003-6004 of 2012 decided on 10.01.2017) wherein the Apex Court directed SEBI to furnish all statements recorded during the course of Satyam's investigation and further directed SEBI to give inspection of all the documents collected during the investigation of Satyam, the Hon'ble SAT in *Shri B. Ramalinga Raju Vs SEBI* (Order dated May 12, 2017) has observed that the

> *Apex Court in case of Price Waterhouse has specifically recorded that the directions given in that case are general directions given as and by way of clarifications without going into the merits of the case. Therefore, directions given in the facts of Price Waterhouse cannot be said to be the ratio laid down by the Apex Court applicable to all other cases. In these circumstances, appellants are not*

justified in contending that the directions given by the Apex Court in case of Price Waterhouse must be applied to the case of the appellants.

62. I also note that the matter at hand was remanded by the Hon'ble SAT in order to provide/ bring on record the statement of Mr. Satti, e-mail dated December 14, 2008 and letter dated January 5, 2010. I note that the Noticee did not make any further requests for documents or complete Investigation Report at that stage.

63. The next issue for consideration is whether the failure on the part of the Noticee as aforesaid attracts monetary penalty under section 15G of the SEBI Act, and, if so, what would be the monetary penalty that can be imposed on the Noticee. The ***Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC)*** has 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…".*

64. In view of the foregoing, I am convinced that it is a fit case to impose monetary penalty on the Noticee under section 15G of the SEBI Act, which read as under:

Penalty for insider trading.

15G. 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; or

(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; or

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

shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

65. While determining the quantum of penalty under Section 15G of SEBI Act, as applicable, it is important to consider the factors stipulated in section 15J of 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."

[1][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.][1]"

66. In view of the charges as established, the facts and circumstances of the case and the various judgments referred to and mentioned hereinabove, the quantum of penalty would depend on the factors referred to in Section 15J of SEBI Act read with Section 15G of SEBI Act, as applicable.

67. I find that the Noticee had traded on this price sensitive insider information on December 15, 2008 by selling 14,500 shares at an average price of Rs.226 per share. The trading window

[1]Inserted by Part VIII of Chapter VI of the Finance Act, 2017 vide Gazette Notification No. 7, Extraordinary Part II Section 1 dated March 31, 2017, wef April 26, 2017

that was closed on December 17, 2008, remained closed till June 12, 2009. Thus the employees could trade again only on June 15, 2009, (13, 14 being Saturday and Sunday) when the scrip of SCSL opened at Rs.77.40. Accepting the argument of the Noticee that he was not a designated employee, as per SCSL's Prevention of Insider Trading Policy, the Noticee could have sold a maximum of 2500 shares or Rs. 5 lakh in aggregate whichever is less, per day. Hence, the Noticee could have sold the 14,500 shares only in tranches of 2500 shares, as depicted in the table below:

Date	**Closing price on NSE**	**No. of shares Noticee could have sold**	**Total Sale price (Rs.)**
17-Dec-08	157.10	2500	3,92,750
18-Dec-08	169.50	2500	4,23,750
19-Dec-08	162.70	2500	4,06,750
22-Dec-08	162.45	2500	4,06,125
23-Dec-08	140.70	2500	3,51,750
24-Dec-08	134.65	2000	2,69,300
Total		14500	22,50,425

Date	**Closing price on BSE**	**No. of shares Noticee could have sold**	**Total Sale price (Rs.)**
17-Dec-08	158.05	2500	3,95,125
18-Dec-08	169.35	2500	4,23,375
19-Dec-08	162.80	2500	4,07,000

22-Dec-08	162.40	2500	4,06,000
23-Dec-08	140.40	2500	3,51,000
24-Dec-08	134.95	2000	2,69,900
Total		14500	22,52,400

By selling at an average price of Rs.226 per share, the Noticee received a total price of approximately Rs.32,77,000. Hence the Noticee avoided a loss of approximately Rs. 10.25 lakhs.

68. I note that the Noticee has submitted that while the supplementary SCN states that the Noticee avoided a total loss of approximately Rs. 10.25 Lakhs. But, in the earlier show cause notice dated August 17, 2011, it was alleged that Noticee avoided a total loss of Rs.21.54 Lakhs, and that even SEBI is not certain about the loss avoided by Noticee. In this regard I note that the supplementary SCN, before assessing the loss avoided as approximately Rs. 10.25 Lakhs, clearly states that the same is taking into account the submission of the Noticee that he was not a designated employee. During investigation it *inter alia* came to light that the company's policy was to close the trading window fifteen days before the end of each calendar quarter and keep it closed till 48 hours after the declaration of the results. Designated employees were not allowed to trade during this 'quiet period'. However, other associates (employees of the company and subsidiary companies, directors who were not in designated employees list), could sell upto 2,500 shares or shares worth upto Rs.5,00,000/-, whichever was less, after obtaining pre-clearance from the Compliance Officer. In light of the above policy, it was a common expectation within employees of the company that the quiet period for the quarter to end on December 31, 2008 would start on December 17, 2008. The Noticee has himself asserted that he was not a designated employee and therefore, Satyam's policy on trading by Designated Employees did not apply to him. At para 12 of the supplementary SCN it is stated "*Even if the argument of the Noticee, that he was not a designated employee, is correct…"* before proceeding to the calculation of the loss avoided. Hence, I am of the view that there is no contradiction between the two calculations, only that the criterion is different, based on the

submissions of the Noticee. Thus I find that the contention of the Noticee that even SEBI is not certain about the loss avoided by Noticee, is baseless.

69. The Noticee has also submitted that there were several extrinsic factors that may have contributed to the drop in price. Several major developments took place in SCSL from December 2008, as noted above. Mainly, these were as follows:

    (a) 16/12/2008 (04:59:11 PM) : The company announced the decision of its board approving its acquisition of the two promoter related companies, Maytas Infra Ltd.(MIL), Maytas Properties Ltd.(MPL).
    (b) 17/12/2008 (09:57:04 AM): The company announced the decision of its board to withdraw their decision to acquire MIL and MPL.
    (c) 07/01/2009: (11:11:11 AM) Release of the confessional letter from Mr. Ramalinga Raju admitting to financial fraud and revealing the dire state of the company. The price of the scrip fell from a high of `188.70 to close at `41.05, on that day.

70. Apart from the above mentioned major events, the following events also took place which though were comparatively less significant. These include:
    (a) 12/10/2008: World Bank banned SCSL from doing any off shore work and SCSL objected to the World Bank's comments in a press release dated 25/12/2008.
    (b) 18/12/2008: Satyam Computer Services informed that their BoD would meet on 29/12/2008 to consider a proposal to buy back the shares of the company.
    (c) 29/12/2008 (08:38:49 AM) – SCSL Board meeting postponed to Jan 10, 2009
    (d) 29/12/2008 (08:42:02AM) –Company disclosure on sale of shares pledged by promoters
    (e) Non executive independent director Dr. Mangalam Srinivasan resigned from her position on 26/12/2008.
    (f) On 28/12/2008 SCSL hired DSP Merrill Lynch Ltd. to explore strategic options to reinforce shareholders confidence.

(g) Confirmation of resignation by 3 more independent non executive directors on 29/12/2008, few hours after the announcement by Mr. Ramalinga Raju to expand and change the composition of the Board.

(h) Sale of 2,45,20,500 pledged shares of SCSL by IL&FS disclosed on the evening of 06/01/2009.

(i) On 06/01/2009 DSP Merrill Lynch ltd. terminated their advisory services for considering various strategic options.

71. Even the positive news of Board of Directors considering a buy back proposal [at (b) above] also did not have any positive effect as the news of sale of shares pledged by the promoters came along. In this slew of events, it is impossible to identify the impact of any of these relatively lesser events given the overwhelming trend that got generated on 16/12/2008 and culminated after 07/01/2009. As a result, it is not possible to exactly quantify the disproportionate gain or unfair advantage made by the Noticee as a result of violation of the provisions of Sections 12A (d) and 12A (e) of the SEBI Act, 1992 read with Regulation 3 of the PIT Regulation. Also from the material available on record, it may not be possible to ascertain the exact monetary loss to the investors on account of violation of the aforesaid provisions of the PIT Regulations by the Noticee.

72. I find further that ***in the matter of Mr. Harish K Vaid Vs. SEBI, the*** *Hon'ble SAT vide Order dated October 03, 2012* has held as follows:

"The purpose of insider trading regulations is to prohibit trading by which an insider gets advantage by virtue of his access to price sensitive information. ***The quantum of trading done or the profits earned become immaterial.*** *The case of the appellant, who is a Company Secretary and a designated employee of the company, has to be viewed differently as compared to case of a person who is neither an employee of the company nor involved in its day to day affairs. …….. When trading is done during the existence of UPSI, the presumption is that it is on the basis of UPSI."*

73. In the said case of *Mr. Harish K Vaid Vs. SEBI*, the profits booked out of the alleged trades were **Rs.2,216/- only**. In the matter, the Hon'ble SAT, I find, has further observed as follows:

"It was then argued by the learned counsel for the appellants that keeping in view the quantum of shares purchased, the penalty imposed by the Board is excessive. The appellant has not derived any benefit as there was no sale of shares based on UPSI. The adjudicating officer, while imposing the penalty, although noted provisions of Section 15J of the Act regarding factors to be taken into account while adjudging the quantum of penalty, he has not applied them correctly to the facts of the case. We have given our thoughtful consideration to this aspect and are unable to accept the argument of the learned counsel for the appellant. The evil of insider trading is well recognized. The purpose of the insider trading regulations is to prohibit trading to which an insider gets advantage by virtue of his access to price sensitive information. The appellant is the Company Secretary and Compliance Officer of the company who was involved in the finalization of quarterly financial results and was fully aware of the regulatory framework and code of conduct of the company. Under such circumstances, when there is a total prohibition on an insider to deal in the shares of the company while in possession of UPSI, the quantity of shares traded by him becomes immaterial. Section 15G of the Act prescribes the penalty of twenty-five crore rupees or three times the amount of profit made out of the insider trading, whichever is higher. Section 15HB of the Act prescribes a penalty which may extend to one crore rupees. However, the adjudicating officer has imposed a penalty of Rs. 10 lacs only on each of the violators. In the facts and circumstances of the case, we are not inclined to interfere even with the quantum of penalty imposed."

74. The trading of the Noticee in SCSL shares showed reckless disregard to the regulations framed by SEBI to prevent the misuse of insider information.As found above, the Noticee dealt in shares of SCSL while in possession of UPSI. The fact that insider trading can cause significant harm to the fairness and efficiency of the securities markets is already a well known fact. However, even the perception that insider trading is prevalent can cause harm, as it undermines investor confidence in the fairness and integrity of the securities markets. Under the scenario, the quantum of trading done or the quantum of profits made or loss avoided becomes irrelevant, which has been held as such by the Hon'ble SAT as well.

75. Thus, taking into account all of the above and the fact that insider trading is a serious offence, I am of the view that justice and fairness to investors cannot get underestimated.

ORDER

76. After taking into consideration all the facts and circumstances of the case, I impose the following penalties under Section 15G of the SEBI Act, which will be commensurate with the violations committed by the Noticee:

Name of the Noticee	Provisions Violated	Penal Section of SEBI Act	Penalty Amount (Rs.)
Mr. TAN Murti	Regulation 3(i) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 read with 12A (d) and (e) of the SEBI Act, 1992	15G	**10,00,000/-(Rupees Ten Lacs only)**

77. The Noticee shall remit / pay the said amount of penalty within 45 (forty five) 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 by online payment through following path at SEBI website www.sebi.gov.in ENFORCEMENT → Orders → Orders of AO → Click on PAY NOW or at link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html

78. The said demand draft and its details or details of online payments made (in the format as given in table below) should be forwarded to "The Division Chief (Enforcement Department I-DRA-3, the Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4 – A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051."

Case Name :	
Name of Payee :	
Date of Payment:	
Amount Paid :	
Transaction No. :	
Bank Details in which payment is made :	
Payment is made for : (like penalties/ disgorgement/ recovery/ settlement amount and legal charges along with order details)	

79. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, consequential proceedings including, but not limited to, recovery proceedings may be initiated under section 28A of the SEBI Act, for realization of the said amount of penalty along with interest thereon, *inter alia,* by attachment and sale of movable and immovable properties.

80. In terms of Rule 6 of the SEBI Rules, 1995, copy of this Order is sent to Noticee and also to the Securities and Exchange Board of India.

Date: **August 25, 2020** **G Ramar**

Place: **Mumbai** **Adjudicating Officer**