

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application Nos.

- 1. 4045-46 of 2019 filed by Mr. Atul Saraogi [PAN: AUXPS5844D]**
- 2. 4047-48 of 2019 filed by Mrs. Sapna Saraogi [PAN: AMWPK4406A]**
- 3. 4049-50 of 2019 filed by Ms. Vimala Devi Kalantri [PAN: AAHPK8935D]**

in the matter of Saint Gobain Sekurit India Limited

1. Mr. Atul Saraogi, Mrs. Sapna Saraogi and Ms. Vimala Devi Kalantri (hereinafter referred to as the “applicants”) filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “Settlement Regulations”) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the pending enforcement proceedings initiated vide Show Cause Notice bearing No. SEBI/EAD-1/AA/9149/2019 dated April 09, 2019 and SEBI/HO/EFD1/DRA4/SPV/OW/P/2019/17439/3 dated July 10, 2019 for the alleged violation of Regulations 3(i), (ii) and 4 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the “PIT Regulations, 1992”) by Mr. Atul Saraogi and Regulations 3(i) and 4 of the PIT Regulations, 1992 read with Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the “PIT Regulations, 2015”) and Section 12A(d) and (e) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the “SEBI Act”) by Mrs. Sapna Saraogi and Ms. Vimala Devi Kalantri.
2. SEBI had conducted an investigation in the trading activities of certain entities in the scrip of Saint Gobain Sekurit India Limited (hereinafter referred to as the “SGSIL”) for

the period March 01, 2011 to May 18, 2011 (hereinafter referred to as the “investigation period”). Investigation revealed that, on May 18, 2011, SGSIL had announced that that promoters of the company have decided to seek voluntary delisting of the company. This announcement was a price sensitive information in terms of Regulation 2(ha) of the PIT Regulations, 1992.

3. JM Financial Limited (hereinafter referred to as “JMFL”), was providing advisory to SGSIL with respect to the said delisting offer. From the replies sought from JMFL and SGSIL, it was observed that Mr. Atul Saraogi, senior associate of JMFL, was responsible for coordination with the promoter of SGSIL on a regular basis, and thus was an insider with respect to the said unpublished price sensitive information (hereinafter referred to as “UPSI”) of SGSIL as per Regulation 2(e) of the PIT Regulations, 1992.
4. Mrs. Sapna Saraogi is the wife of Mr. Atul Saraogi and Ms. Vimala Devi Kalantri is the mother-in-law of Mr. Atul Saraogi and thus both are deemed to be connected persons in terms of Regulation 2(h)(vi) of the PIT Regulations. Mr. Atul Saraogi is alleged to have communicated the UPSI as mentioned in para 3 above to his wife, Mrs. Sapna Saraogi, who had traded in the scrip of SGSIL during the UPSI period, using the demat account of Ms. Vimala Devi Kalantri. It is further alleged that the notional profit made by the applicants is Rs. 2,14,338.
5. Pursuant to the application, during the meeting with the Internal Committee of SEBI on March 11, 2020, the authorized representatives of the applicants deliberated upon the settlement terms. Thereafter, the applicants vide e-mail dated March 20, 2020, proposed the revised settlement terms to settle the proceedings that were initiated for the said defaults.

6. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held through video-conferencing on May 29, 2020 considered the proposed settlement terms by the applicants and recommended the case for settlement under specific settlement terms as mentioned in column 3 of the table below.

S. No.	Name of Applicant	Settlement Terms	Payment Details
1.	Mr. Atul Saraogi	Rs. 30,18,600 (Rupees Thirty Lakhs Eighteen Thousand and Six Hundred Only)	CIUBH20192010486 dated July 10, 2020
2.	Mrs. Sapna Saraogi	Rs. 26,77,500 (Rupees Twenty Six Lakh Seventy Seven Thousand and Five Hundred Only)	CIUBH20192302707 dated July 10, 2020
3.	Ms. Vimala Devi Kalantri	Rs. 27,09,000 (Rupees Twenty Seven Lakh and Nine Thousand only) along with Rs. 2,14,338 (Rupees Two Lakhs Fourteen Thousand Three Hundred and Thirty-Eight only) as ill-gotten gains along with interest of Rs. 2,29,019 (Rupees Two Lakh Twenty Nine Thousand and Nineteen only).	CIUBH20192012014 dated July 10, 2020, and CIUBH20192012015 dated July 10, 2020

7. The applicants have remitted the amounts as proposed by them towards the settlement terms along with the amount of the ill-gotten gains to be disgorged, as part of the settlement terms, for the settlement of the proceeding as detailed in para 1 above, vide the payment details as mentioned in column 4 of the table above, and intimated the same to SEBI vide their e-mail dated July 10, 2020. Upon verification, the receipt of the same was also confirmed.
8. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged defaults as discussed in paragraph 1 above are settled *qua* the applicants as per the following terms;
- i. SEBI shall not initiate enforcement action against the applicants for the said defaults;
 - ii. this order disposes of the enforcement proceedings in respect of the applicants as mentioned above; and
 - iii. passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, if SEBI finds that:
 - a. any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

9. This settlement order is passed on this 23rd day of July, 2020 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicants and also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER