BEFORE THE ADJUDICATING OFFICER SECURITIES

AND EXCHANGE BOARD OF INDIA [SETTLEMENT

ORDER NO. SO/BD/AA/2020-21/6250]

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UNDER SECTION 15JB OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 23(1) OF THE SEBI (SETTLEMENT OF ADMINISTRATIVE AND CIVIL PROCEEDINGS) REGULATIONS, 2018.

In respect of:

Application No. 4136/2020 submitted by **Shri Govind Agarwal (PAN: ABGPA7640F)**

In the matter of Circulation of UPSI through WhatsApp with respect to Wipro Ltd.

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') observed from a newspaper article that unpublished financial results of some major companies were posted on private WhatsApp group prior to their announcement by the companies. Wipro Ltd. (hereinafter referred to as '**Wipro**') was one of the companies about which the information was leaked on the WhatsApp group. In this respect, SEBI conducted an investigation, wherein it was observed that:

    a) A WhatsApp message – "Wipro revenue 13700 PBIT 2323 PBT 2758" dated January 18, 2017 was found in the WhasApp chat of Ms. Shruti Vora, a member of Market Chatter group, whose device was seized by SEBI.

    b) Based on the available evidence, it was observed that the referred WhatsApp message was received by Ms. Shruti Vora from Shri Govind Agarwal (hereinafter referred to as '**the Applicant**') through WhatsApp on January 18, 2017.

c) The Applicant was working as a research analyst and as part of his job he was required to attend the quarterly conference calls, analyze the results and prepare research reports. Ms. Shurti Vora was a colleague of the Applicant working in institutional equity sales team of Antique Stock Broking.

d) The financial figures of Wipro communicated on WhatsApp, before the disclosure of same on the stock exchanges by Wipro, were within a range of 0.03% to 0.47% of the actuals.

e) In view of the above, it was observed that the above information falls under the category of Unpublished Price Sensitive Information ('**UPSI**') and the disclosure of the same by the Applicant in WhatsApp message resulted in the violation of Regulation 3(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Section 12A(d) and (e) of the SEBI Act, 1992.

2. Pursuant to above, the competent authority in SEBI was satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged aforesaid violations. The competent authority, vide a communication-order dated November 07, 2019, had appointed the undersigned as Adjudicating Officer under section 15-I of SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules**') to inquire into and adjudge under Section 15G of the SEBI Act, 1992 for the aforesaid alleged violations.

3. Accordingly, in terms of Rule 4(1) of SEBI Adjudication Rules read with section 15I of SEBI Act, 1992, a Show Cause Notice dated November 20, 2019 (hereinafter referred to as '**the SCN**') was issued to the Applicant, by the undersigned, calling upon him to show cause as to why an inquiry should not be held against him in terms of Rule 4 of the SEBI Adjudication Rules and penalty be not imposed under Section 15G of the SEBI Act, 1992.

4. The Applicant, vide application filed on May 18, 2020, proposed to SEBI to settle the instant proceedings, without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement application bearing reference no. 4136/2020 with SEBI in terms of Regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2018 (hereinafter referred to as **'Settlement Regulations**').

5. After attending meeting with the Internal Committee of SEBI on July 22, 2020, in terms of the Settlement Regulations, the Noticee vide email dated August 03, 2020, proposed the revised settlement terms. The High Powered Advisory Committee ('**HPAC**') in its meeting held on September 22, 2020, considered the settlement terms proposed and recommended the case for settlement upon payment of Rs. 27,89,063/- (Rupees Twenty Seven Lakh Eighty Nine Thousand and Sixty Three only) towards settlement charges.

6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on September 28, 2020 and the same was communicated by SEBI to the Applicant vide email dated September 29, 2020. Accordingly, the Applicant, has remitted the sum of Rs. 27,89,063/- (Rupees Twenty Seven Lakh Eighty Nine Thousand and Sixty Three only) through RTGS on October 26, 2020 towards settlement charges. The said information has been communicated by the Applicant to SEBI vide email dated October 26, 2020. The concerned department of SEBI vide their email dated October 27, 2020 has confirmed the receipt of the settlement charges.

7. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant adjudication proceedings initiated against the Applicant vide SCN dated November 20, 2019 are disposed of in terms of section 15JB of the SEBI Act, 1992 read with regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.
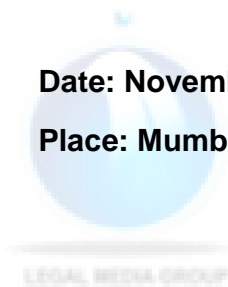
8. This order shall come into force with immediate effect. Further, in terms of Regulation 28 of the Settlement Regulations, this order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:

    (i)   any representation made by the Applicant in the settlement proceedings are subsequently discovered to be untrue; or

    (ii)   the Applicant breaches any of the clauses/conditions of undertakings/ waivers filed during the current settlement proceedings.

9. In terms of Regulation 25 of the Settlement Regulations, a copy of this order is sent to the Applicant and the order is also published on the website of SEBI.

Date: November 06, 2020   **B J DILIP**

Place: Mumbai   **ADJUDICATING OFFICER**