

SECURITIES AND EXCHANGE BOARD OF INDIA**FINAL ORDER**

Under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995

In respect of

SL. NO.	NOTICEE(S)	PAN
1.	Pranshu Bhutra	AJGPB4087R
2.	Amit Bhutra	ADTPB1150A
3.	Bharath C. Jain	AFTPJ6299J
4.	Capital One Partners	AANFC3427C
5.	Tesora Capital	AAMFT3003A
6.	Manish C Jain	AGDPJ5605M
7.	Ankush Bhutra	ASIPB1460F
8.	Venkata Subramaniam V. V.	AAKPV6612K
9.	Sunil Kumar Dhareshwar	ADUPD9704D
10.	New World Capital	AARFN3823B
11.	Optimus Capital	AAGFO5430N
12.	Tattva Capital	AANFT8922B
13.	Akhil Jain	ASAPJ0704E
14.	Mahesh Chand Bhutra	ABMPB7033R
15.	Aishwarya Ravishankar	AVVPR0778E
16.	Manish Bhutra	ABMPB7032Q

The aforesaid entities are hereinafter individually referred to by their respective names/ noticee numbers and collectively as “the Noticees”.

In the matter of alleged insider trading activities of certain entities in the shares of Infosys Ltd.

Background:

1. Pursuant to generation of alerts indicating insider trading in the scrip of Infosys Limited (hereinafter referred to as “**INFY**” / “**Infosys**” / “**Company**”) for the period around July 15, 2020 (close to the announcement of audited financial results of INFY for the quarter ended June 30, 2020, made to BSE and NSE), Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted a preliminary examination in the scrip of INFY to ascertain whether certain persons / entities traded in the said scrip while they were in possession of / on the basis of unpublished price sensitive information, in contravention of the provisions of the SEBI Act, 1992 read with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “**PIT Regulations, 2015**”).
2. Based on preliminary examination, it was *prima facie* found that Noticees 1 to 8 had violated the provisions of the PIT Regulations, 2015 and accordingly, an interim order dated May 31, 2021 (hereinafter referred to as “**Interim Order**”) was passed by SEBI whereby certain interim directions were issued against the said Noticees. The Interim Order was later confirmed vide an order dated September 15, 2021 (hereinafter referred to as “**Confirmatory Order**”).
3. A detailed investigation was undertaken in the matter by SEBI to ascertain whether there was any insider trading by the Noticees during the period from December 01, 2019 to November 30, 2020 (hereinafter referred to as the “**Investigation Period**” / “**IP**”). Reference was also made outside the IP wherever deemed necessary. The IP covered the financial results of INFY for the four quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020.
4. In the meantime, Pranshu Bhutra (Noticee 1) and Venkatasubramaniam V.V. (Noticee 8) filed appeals (Appeal Nos. 689 and 744 of 2021) against the Interim Order and the Confirmatory Order before the Hon’ble Securities Appellate Tribunal (“**SAT**”). The Hon’ble SAT vide order dated April 25, 2022 quashed the Interim Order and the Confirmatory Order, in so far as it related to the said two Noticees.

The grounds on which the said orders were quashed are discussed later in this order.

5. Subsequently, based on the findings of investigation, a show cause notice dated December 02, 2022 was issued to the 16 Noticees named on page 1 of this order. The findings of investigation, as mentioned in the SCN, are provided in subsequent paragraphs.

Unpublished Price Sensitive Information (UPSI) and the UPSI Period:

6. Regulation 2(1)(n) of the PIT Regulations, 2015 defines 'Unpublished Price Sensitive Information' (UPSI) as any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to, *inter alia*, **financial results**.
7. The abovementioned definition of UPSI makes it clear that information relating to financial results, prior to its publication, qualifies to be UPSI. During the course of investigation, INFY provided to SEBI extract of the Structured Digital Database (SDD) that captured the chronology of events leading to the corporate announcements pertaining to financial results along with details of persons who were privy to the events mentioned in the SDD. It was submitted by INFY that apart from Deloitte (INFY's statutory auditor), no other third party was involved in auditing / preparing the financials of the Company. INFY also provided the details of documentary evidences related to the extract of the SDD and communications made with Deloitte.
8. It was observed from INFY's email dated October 28, 2021 that the information titled as "Flash" was generated when the financial estimates for the quarter ended were crystallized and prepared for the first time. Accordingly, for each of the quarters under examination, the date on which the file pertaining to "Flash" was first prepared and the details of its sharing were logged in the SDD was taken as

the date when the UPSI pertaining to the financial results came into existence. The said UPSI came to an end when INFY disseminated the quarterly financial results to the public through stock exchange announcements. Therefore, the start and end of the UPSI periods for the financial results for each quarter were as under:

Quarter	Start of UPSI Period	End of UPSI Period
December 31, 2019	December 30, 2019	January 10, 2020
March 31, 2020	March 28, 2020	April 20, 2020
June 30, 2020	June 29, 2020	July 15, 2020
September 30, 2020	September 28, 2020	October 14, 2020

9. It was observed from the SDD that the UPSI had various components such as revenue, margin, etc. Therefore, in order to ascertain the nature of the UPSI for each quarter, the increase in revenue, quarter-on-quarter, and the increase in revenue, year-on-year, were considered. From the audited financial results of INFY disclosed to the stock exchanges, it was observed that the revenue of INFY was increasing on a quarter-on-quarter basis as well as on a year-on-year basis for every quarter. Hence, for each quarter, the nature of the UPSI was considered as positive in nature.

Insiders/ Connected Persons:

10. Regulation 2(1)(d)(i) of PIT Regulations, 2015, defines a “connected person” as *“any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.”*

11. Regulation 2(1)(g) of PIT Regulations, 2015 defines “*Insider*” as any person who is (i) *a connected person*; or (ii) *in possession of or having access to unpublished price sensitive information*.
12. In terms of the abovementioned definitions, certain Noticees were identified as “Insiders” with respect to INFY, whose details are provided in the following paragraphs.

Pranshu Bhutra (Noticee 1):

13. Pranshu Bhutra (“**Pranshu**”) was an employee of INFY. As per the findings of investigation, Pranshu had access or was expected to have access to UPSI by virtue of his professional relationship and position in the Company. Being an employee of INFY, he was in frequent communication with other officers of the Company, including those who had direct access to UPSI, during the UPSI Periods as well as in non-UPSI Periods. Further, Pranshu’s reporting structure and elevation to a role handling higher responsibilities that allowed him or was reasonably expected to allow him, directly or indirectly, access to UPSI pertaining to INFY, making him a “Connected Person” in terms of regulations 2(1)(d)(i) of the PIT Regulations, 2015. Consequently, Pranshu was an “Insider” of INFY, in terms of regulation 2(1)(g)(i) of PIT Regulations, 2015.

Venkatasubramaniyam V. V. (Noticee 8):

14. Venkatasubramaniyam V. V. (“**Venkat**”) was an employee of INFY, as a Senior Principal, Corporate Accounting Group of INFY. He was identified as a Designated Person by INFY in terms of regulation 9(4) read with regulation 9A (2)(a) of PIT Regulations, 2015. It was observed that he frequently communicated with employees of Infosys who had access to UPSI as per the SDD given by Infosys and were insiders in terms of the provisions of PIT Regulations, 2015. The professional relationship between Venkat and INFY and his position within INFY was such that it allowed Venkat or was reasonably expected to allow him, directly or indirectly, access to UPSI pertaining to INFY, making him a “Connected Person”

in terms of regulations 2(1)(d)(i) of the PIT Regulations, 2015. Consequently, Venkat was an “Insider” of INFY, in terms of regulation 2(1)(g)(i) of PIT Regulations, 2015.

Mr. Sunil Kumar Dhareshwar (Noticee 9):

15. Mr. Sunil Kumar Dhareshwar (“**Sunil**”) was an employee of INFY and designated as Senior Vice President, Global Head, Tax & Corporate Accounting. As per the Structured Digital Database (SDD) provided by INFY, Sunil had direct access to the UPSI pertaining to the financial results of INFY for the quarters under investigation. Therefore, Sunil was an “Insider” in terms of regulations 2(1)(g)(ii) of the PIT Regulations, 2015.

Noticees who had traded during the UPSI Periods:

16. Investigation revealed that certain Noticees, who were directly or indirectly related to Pranshu (an insider of INFY), had traded in the scrip of INFY during the UPSI Periods pertaining to the quarters under investigation. The details of such Noticees and the dates when they commenced trading during the UPSI Periods for different Quarters are provided in the Table below:

Sr. No.	Entity Name	For Dec 2019 Qtr	For Jun 2020 Qtr	For Sep 2020 Qtr
1	Capital One Partners	Jan 07, 2020	Jul 10, 2020	Oct 12, 2020
2	Tesora Capital	Jan 08, 2020	Jul 13, 2020	Oct 12, 2020
3	New World Capital	-	Jul 10, 2020	Oct 12, 2020
4	Tattva Capital	Jan 07, 2020	Jul 10, 2020	Oct 12, 2020
5	Optimus Capital	Jan 07, 2020	Jul 14, 2020	Oct 13, 2020
6	Amit Bhutra	-	Jul 13, 2020	-
7	Akhil Jain	Jan 07, 2020	Jul 13, 2020	Oct 13, 2020

17. The Noticees at Sr. Nos. 1 to 5 in the Table above, viz., Capital One Partners (“**Capital One**”), Tesora Capital (“**Tesora**”), New World Capital (“**New World**”), Optimus Capital (“**Optimus**”) and Tattva Capital (“**Tattva**”), were all inter-connected by virtue of having common Working Partners amongst them. It was observed that the said common Working Partners were in-charge of the day-to-

day operations of these firms and were controlling these partnership firms. They had also placed orders on behalf of these firms. The details of the common Working Partners of the said partnership firms are provided below:

Partnership firm	Common Partner
Capital One and Tesora	Amit Bhutra (working partner)
Capital One, Tesora and New World Capital	Amit Bhutra (working partner)
Capital One and Optimus Capital	Bharath Jain (working partner)
Capital One and Tattva	Bharath Jain (working partner)
Tesora and New World Capital	Amit and Ankush Bhutra (working partners)
Tesora and Optimus Capital	Ankush Bhutra (working partner)

18. The details of direct / indirect connection between the above named Noticees / their common working Partners and Pranshu are provided in the following paragraphs.

Amit Bhutra (Noticee 2):

19. Mr. Amit Bhutra (“**Amit**”) was a Working Partner in Capital One Partners, Tesora Capital and New World Capital. Amit and Pranshu were closely connected with each other as they were second cousins. They had known each other since childhood and were close friends since 2013 onwards. It was observed that Pranshu was in frequent telephonic conversation with Amit during the IP. Further, there were fund transfers of around Rs.1.15 Crore (during June 06-July 09, 2020) between Pranshu and Mahrishi Alloys Private Limited (hereinafter referred to as ‘**MAPL**’), an entity where Amit and Ankush Bhutra (“**Ankush**”) were Directors. Further, Pranshu’s father, Mr. Rambilas Bhutra, was a Whole-Time Director in MAPL, until November 30, 2019. Pranshu had also stated that he was aware that Amit was a trader in the securities markets.
20. The close connection between Pranshu and Amit, which went beyond a normal familial connection as discussed in the previous paragraph, and the frequent communication between Pranshu (an insider of INFY having access to UPSI) and Amit were such that the same allowed Amit or were reasonably expected to allow Amit, directly or indirectly, access to UPSI pertaining to INFY, making him a

“Connected Person” in terms of regulations 2(1)(d)(i) of the PIT Regulations, 2015. Consequently, Amit was an “Insider” of INFY in terms of regulation 2(1)(g)(i) of PIT Regulations, 2015. Further, it appeared from the findings of investigation that Pranshu had communicated the UPSI pertaining to financial results of INFY to Amit in some form and manner and that Amit had procured the UPSI from Pranshu in some form and manner. It was therefore alleged that Amit was in possession of the UPSI pertaining to financial results of INFY and therefore was an “Insider” in terms of regulation 2(1)(g)(ii) of the PIT Regulations, 2015.

Bharath Jain (Noticee 3):

21. Mr. Bharath Jain (hereinafter referred to as “**Bharath**”) was a Working Partner in Capital One Partners (along with Amit), Tattva Capital and Optimus Capital. Bharath and Amit were closely connected with each other as they were close friends over last 15 years and were Working Partners in Capital One Partners. It was observed that Amit was in frequent telephonic conversation with Bharath during the IP.
22. As already stated above, Amit was in close connection and frequent communication with Pranshu (an insider of INFY having access to UPSI), which allowed Amit access to UPSI, making him a ‘Connected Person’ and consequently, an ‘Insider’. Thus, Bharath was indirectly connected to Pranshu through Amit and Bharath’s professional and personal relationship with Amit gave him, directly/indirectly, access to UPSI through Amit. It appeared that Amit had communicated the UPSI pertaining to financial results of INFY to Bharath in some form and manner and that Bharath had procured the UPSI from Amit in some form and manner, which made Bharath an “Insider” in terms of regulations 2(1)(g)(ii) of the PIT Regulations, 2015.

Ankush Bhutra (Noticee 7):

23. Mr. Ankush Bhutra (“**Ankush**”) was a Working Partner in Tesora Capital (along with Amit and Manish Jain), Optimus Capital (along with Bharath) and New World

Capital (along with Amit and Mr. Manish Jain). Ankush was closely connected to Amit and Bharath. Amit and Ankush were related by family as they both were first cousins. Since Pranshu and Amit were also related by family being second cousins, there was a family connection between Ankush and Pranshu.

24. Further, Amit and Ankush were professionally connected as they were working partners in Tesora Capital and New World Capital and Directors in MAPL. Further, Ankush and Bharath were working partners in Optimus Capital while Ankush's father, Mahesh Chand Bhutra, was also a Working Partner in Tattva Capital, where Bharath was also a Working Partner. It was observed that Amit was in frequent telephonic conversation with Ankush during the IP. Similarly, Bharath and Ankush were also in frequent telephonic conversation during the IP.
25. As already stated above, Amit was in close contact and had frequent communication with Pranshu (an insider of INFY having access to UPSI) which allowed Amit access to UPSI, making him a 'Connected Person' and consequently, an 'Insider'. It appeared that Amit had communicated UPSI pertaining to financial results of INFY to Ankush in some form and manner and that Ankush had procured the UPSI from Amit in some form and manner, which made Ankush an "Insider" in terms of regulations 2(1)(g)(ii) of the PIT Regulations, 2015.

Insider Trading alleged to have taken place:

26. As per the findings of investigation, as explained in later paragraphs, the seven Noticees named in the Table under para 16 above, had traded in the scrip of INFY during UPSI periods pertaining to three quarters while in possession of and on the basis of UPSI. It was observed that Pranshu, apart from having independent access to UPSI of INFY himself by virtue of being an insider of INFY, had also received UPSI from other insiders of INFY, viz., Venkat and Sunil, and had directly / indirectly passed on the UPSI to the seven Noticees who had traded during the UPSI periods. In this regard, when the timing of the communication of Pranshu with other insiders of INFY and with other Noticees was juxtaposed with the start

of trading of the said seven Noticees, the following was observed for each quarter under examination:

Financial results pertaining to quarter ended December 31, 2019:

27. The UPSI Period for this quarter was from December 30, 2019, to January 10, 2020. Capital One and the other entities commenced trading in the scrip of INFY from January 07, 2020 onwards.
28. As per the SDD provided by INFY, Sunil had direct access to the UPSI pertaining to the financial results of INFY. Sunil was in possession of figures of revenue, a component of the financials of INFY, on January 05, 2020. He also had received information related to margin and tax which were components of the UPSI, on January 06, 2020. Hence, it was observed that as on January 06, 2020, Sunil was in possession of UPSI pertaining to the financials of INFY.
29. It was observed that between January 01 and 04, 2020, Pranshu and Sunil had exchanged 10 phone calls with each other for a total duration of 1647 seconds. This showed that they were in frequent communication with each other during the UPSI Period. The dates and timing of the phone calls between the Noticees and the receipt of the UPSI by Sunil is shown below:

Sr. No.	Date	Event	Time	Remarks
1	Dec 30, 2019	UPSI Period started		
2	Jan 01-04, 2020	<p>The UPSI pertaining to the financial results had already come into existence during this period.</p> <p>Several calls seen to be exchanged between:</p> <ol style="list-style-type: none"> 1. Pranshu and Amit, 2. Pranshu and Sunil and 3. One call exchanged between Pranshu and Manish Bhutra (brother of Amit and partner in Tattva Capital). 		
3	Jan 05, 2020	Sunil received information pertaining to the revenue of INFY	9:36 AM	-
4	Jan 05, 2020	Sunil made two calls to Pranshu	15:25 PM and 15:32 PM	158 seconds total duration

Sr. No.	Date	Event	Time	Remarks
5	Jan 05, 2020	Sunil received information pertaining to the margin of INFY	22:55 PM	-
6	Jan 06, 2020	Sunil received more information pertaining to the margin of INFY	2:51 AM	-
7	Jan 06, 2020	Sunil and Pranshu exchanged 3 phone calls	10:23 AM, 15:03 PM and 15:05 PM	164 seconds total duration
8	Jan 06, 2020	Sunil had received tax related information	18:16 PM	
9	Jan 06, 2020	Sunil and Pranshu had exchanged 1 phone call and 1 SMS	19:04 PM and 19:05 PM	13 seconds call
10	Jan 06, 2020	Sunil had received tax note for Q3	8 PM	
11	Jan 06, 2020	Sunil and Pranshu had exchanged 1 phone call	21:07 PM	41 seconds call
12	Jan 07, 2020	Capital One and other entities started trading		

30. It was observed that there was no telephonic communication between Pranshu and Sunil after the Noticees had started trading.
31. Based on the above, it was alleged that Sunil communicated the UPSI pertaining to the financial results of INFY for the quarter ended December 31, 2019, to Pranshu in some form or manner and that Pranshu had procured UPSI from Sunil in some form or manner. It is further alleged that Pranshu then communicated the UPSI to other Noticees and their working partners who then traded in the scrip of INFY while in possession of and on the basis of UPSI.

Financial results pertaining to quarter ended June 30, 2020:

32. The UPSI Period for this particular quarter was from June 29-July 15, 2020. Capital One and the other entities had commenced trading in the scrip of INFY from July 10, 2020 onwards.
33. From June 02, 2020 onwards, an increase in the telephonic communication between Pranshu and Venkat was observed. Between June 02 and 25, 2020, both had exchanged 12 phone calls for a duration of 2285 seconds. On July 09, 2020

(i.e., one day prior to the start of trading by Capital One), Pranshu had a long duration call with Venkat which lasted for 333 seconds. Immediately after said call, Pranshu spoke to Amit for 297 second. The frequency of calls between Pranshu and Venkat had increased significantly during the period June 2020 to July 2020. Post the two calls in the UPSI period pertaining to the financial results for quarter ended June 30, 2020, there were just three more phone calls between them and none in the UPSI period pertaining to the financial results for quarter ended Sept 30, 2020.

34. The close proximity of the phone call of Pranshu with Venkat, immediately followed by Pranshu's call with Amit and the start of trading by the entities the next day showed that Venkat communicated the UPSI pertaining to the financial results for the quarter ended June 30, 2020 to Pranshu.

Financial results pertaining to quarter ended September 30, 2020:

35. The UPSI Period for this particular quarter was from September 28-October 14, 2020. Capital One and the other entities had commenced trading in the scrip of INFY from October 12, 2020 onwards. The dates and timing of the phone calls between the Noticees and the receipt of the UPSI by Sunil is shown below:

Sr. No.	Date	Event	Time	Remarks
1	Sep 28, 2020	UPSI Period started		
2	Oct 06, 2020	Sunil and Pranshu exchanged one phone call	15:11 PM	141 seconds duration
3	Oct 07, 2020	Sunil was in possession of information related to margin, which was a part of the UPSI	9:21 AM	-
4	Oct 09, 2020	Pranshu and Amit exchanged one phone call	18:39 PM	74 seconds duration
5	Oct 10, 2020	Financials shared with Deloitte i.e., the UPSI had been crystallized		
6	Oct 10, 2020	Pranshu and Amit exchanged three phone calls	12:06 PM, 12:31 PM and 12:32 PM	72 seconds duration
7	Oct 12, 2020	Sunil and Pranshu exchanged one phone call	9:49 AM	181 seconds duration
8	Oct 12, 2020	Capital One and Tesora started trading and their orders were entered after 2 PM on October 12, 2020		

36. From the above, it was observed that Pranshu and Sunil were in communication with each other during the UPSI Period, especially on Oct 12, 2020, i.e., before the Noticees commenced trading in INFY. As observed from the SDD, Sunil was in direct possession of the UPSI related to the financials and had access to the same. It was also observed that there was no telephonic communication between Pranshu and Sunil after the Noticees started trading.
37. It was alleged that Sunil communicated the UPSI pertaining to the financial results of INFY for the quarter ended September 30, 2020 to Pranshu in some form and manner, who in turn communicated the UPSI to other Noticees and their working partners, who then traded in the scrip of INFY while in possession of and on the basis of UPSI.
38. In view of the above observations, it was alleged that Pranshu, apart from having independent access to UPSI by virtue of being a “connected person” and “insider” with respect to INFY, had also procured the UPSI pertaining to the financial results for quarter ended December 31, 2019 and September 30, 2020 from Sunil and the UPSI pertaining to the financial results for quarter ended June 30, 2020 from Venkat. It was further alleged that Pranshu communicated the said UPSI to Amit who in turn communicated the same to Bharath and to Ankush and thereafter, the trading by the abovementioned seven Noticees in the scrip of INFY commenced.

Trades of the Noticees:

39. Apart from the above, the trades of the Noticees in the scrip of INFY were also analyzed by employing a method called ‘Delta analysis’. “*Delta*”, in brief, is a metric that is used by the market and traders to monitor their overall net position across all their trades/positions. Essentially, the net *Delta* of the various positions taken by a trader indicates:

(a) What was the overall directional view of the trader, i.e., did he expect the share price to go up or down?

(b) If the directional view was positive and if the share price of the company went

- up by Re. 1/-, what was the approximate profit the trader would make?
- (c) If the directional view was negative and if the share price of the company went down by Re. 1/-, what was the approximate profit the trader would make?
- (d) If the directional view of the trader turned out to be wrong, i.e., the share price moved opposite to his view, then what would be the approximate loss?
- (e) How confident was the trader about his view?
40. Net *Delta* is a very strong indicator of trading on the basis of UPSI and gives a measure of how much gains the insider stands to make if his directional view based on the UPSI turns out to be right and equally, how much loss he stands to make if his directional view turns out to be wrong. If an insider thinks that the share price will go up, then the net *Delta* of his positions will be positive, say Rs.1,00,000, which means that for every Re.1/- increase in the share price, the insider will make an approximate profit of Rs.1,00,000/-. But if his view goes wrong and the share price goes down, then for every Re. 1/- fall in the share price, he will make an approximate loss of Rs.1,00,000/-. Similarly, if the insider thinks that the share price will go down then the net *Delta* of his positions will be negative, say – Rs.1,00,000, and it means that for every Re. 1/- fall in the price of the company's share price, the insider will make an approximate profit of Rs. 1,00,000/-. But if his view goes wrong, and the share price goes up, then for every Re. 1/- increase in share price, he will make an approximate loss of Rs.1,00,000.
41. On the basis of the Delta analysis of the trades of the Noticees, the following was observed:
- (a) The trades executed by Capital One in the scrip of INFY during the UPSI periods pertaining to the financial results for quarters ended December 31, 2019, June 30, 2020, and September 30, 2020 were executed while in possession of the UPSI and on the basis of UPSI. Amit and Bharath had executed orders on behalf of Capital One in the scrip of INFY while in possession of the UPSI and on the basis of the UPSI. Accordingly, Capital One, Amit and Bharath had engaged in Insider Trading in the scrip of INFY.

- (b) The trades executed by Tesora in the scrip of INFY during the UPSI periods pertaining to the financial results for quarter ended June 30, 2020 and September 30, 2020 were executed while in possession of the UPSI and on the basis of the UPSI. Amit had executed orders on behalf of Tesora in the scrip of INFY while in possession of the UPSI and on the basis of the UPSI. Ankush Bhutra (“**Ankush**”) and Manish Jain (“**Manish**”), along with Amit, were partners in Tesora. Accordingly, Tesora, Amit, Ankur and Manish had engaged in Insider Trading in the scrip of INFY.
- (c) The trades executed by Amit in his personal account in the scrip of INFY during the UPSI periods pertaining to the financial results for quarter ended June 30, 2020, were executed while in possession of the UPSI and on the basis of the UPSI. Accordingly, Amit had engaged in Insider Trading in the scrip of INFY in his personal account.
- (d) The trades executed in the scrip of INFY by New World during the UPSI Period pertaining to financial results for quarters ended June 30, 2020 and September 30, 2020; Tattva during the UPSI Period pertaining to financial results for quarters ended December 31, 2019, June 30, 2020 and September 30, 2020; and Optimus during the UPSI Period pertaining to financial results for quarters ended December 31, 2019, June 30, 2020 and September 30, 2020 were executed while in possession of the UPSI and on the basis of the UPSI.
- (e) Ankush Bhutra, Manish Jain, Amit Bhutra and Akhil Jain were the working partners of New World. Aishwarya Ravishankar, Bharat Jain and Ankush Bhutra were the working partners of Optimus. Manish Bhutra, Bharat Jain and Mahesh Chandra Bhutra were the working partners of Tattva Capital. New World, Tattva, Optimus and their working partners engaged in insider trading in the scrip of INFY.
- (f) Akhil Jain, by trading in the scrip of INFY in his personal account, engaged

in insider trading in the scrip of INFY.

Unlawful Gains Generated:

42. The total alleged unlawful gains generated from the alleged insider trading, along with entity-wise liability for the same, were as under:

Table A

Sr. No.	Entity	Total proceeds generated from Insider trading that are to be disgorged (Rs.)	Entities responsible for the impounding and subsequent disgorgement, jointly and severally
1	Capital One Partners	29,122,650.96	Capital One Partners, Mr. Amit Bhutra, Mr. Bharath C Jain, Mr. Pranshu Bhutra, Sunil Kumar Dhareshwar and V V Venkatasubramaniyam
2	Tesora Capital	2,385,413.33	Tesora Capital, Mr. Amit Bhutra, Mr. Manish C Jain, Mr. Ankush Bhutra, Mr. Pranshu Bhutra, Sunil Kumar Dhareshwar and V V Venkatasubramaniyam
3	New World Capital	10,452,401.00	New World Capital, Mr. Amit Bhutra, Mr. Ankush Bhutra, Mr. Akhil Jain, Mr. Manish Jain, Mr. Pranshu Bhutra, Sunil Kumar Dhareshwar and V V Venkatasubramaniyam
4	Optimus Capital	210,360.00	Optimus Capital, Ms. Aishwarya Ravishankar, Mr. Bharath Jain and Mr. Ankush Bhutra
5	Tattva Capital	14,174,646.67	Tattva Capital, Mr. Manish Bhutra, Mr. Bharath Jain and Mr. Mahesh Chand Bhutra
6	Mr. Amit Bhutra	818,400.00	Mr. Amit Bhutra, Mr. Pranshu Bhutra, Sunil Kumar Dhareshwar and V V Venkatasubramaniyam
7	Mr. Akhil Jain	164,232.00	Mr. Akhil Jain and Mr. Ankush Bhutra
Total		57,328,103.96	

43. Based on the findings of investigation, the Noticees were alleged to have violated the following provisions of law:

S. No.	Name	Violation
1	Pranshu Bhutra (AJGPB4087R)	Section 12A (e) of SEBI Act, 1992 and regulations 3(1) and 3(2) of the PIT Regulations, 2015

S. No.	Name	Violation
2	Mr. Sunil Kumar Dhareshwar (ADUPD9704D)	Section 12A (e) of SEBI Act, 1992 and regulation 3(1) of the PIT Regulations, 2015
3	Mr. Venkatasubramaniyam V V (AAKPV6612K)	
4	Mr. Amit Bhutra (ADTPB1150A)	Sections 12A (d) and (e) of SEBI Act, 1992 and regulations 3(1), 3(2) and 4(1) of the PIT Regulations, 2015
5	Mr. Bharath Jain (AFTPJ6299J)	Section 12A (d) of SEBI Act, 1992 and regulations 3(2) and 4(1) of the PIT Regulations, 2015
6	Mr. Ankush Bhutra (ASIPB1460F)	Sections 12A (d) and (e) of SEBI Act, 1992 and regulations 3(1), 3(2) and 4(1) of the PIT Regulations, 2015
7	Capital One Partners (AANFC3427C)	Sections 12A (d) of SEBI Act, 1992 and regulation 4(1) of the PIT Regulations, 2015
8	Tesora Capital (AAMFT3003A)	
9	New World Capital (AARFN3823B)	
12	Tattva Capital (AANFT8922B)	
11	Optimus Capital (AAGFO5430N)	
12	Mr. Akhil Jain (ASAPJ0704E)	Section 12A (d) of SEBI Act, 1992 and regulations 3(2) and 4(1) of the PIT Regulations, 2015
13	Mr. Manish Jain (AGDPJ5605M)	Section 12A (d) of SEBI Act, 1992 and regulation 4(1) of the PIT Regulations, 2015
14	Mr. Manish Bhutra (ABMPB7032Q)	
15	Mr. Mahesh Chand Bhutra (ABMPB7033R)	
16	Ms. Aishwarya Ravishankar (AVVPR0778E)	

44. In view of the above, an SCN, as referred to in Para 5 above, was issued to the Noticees calling upon them to show cause as to why suitable direction(s) under Sections 11B(1) and 11(4) read with 11(1) of SEBI Act, 1992, should not be issued against them for the alleged violations mentioned above, including directions to prohibit them from buying, selling or otherwise dealing in securities market, either directly or indirectly in any manner whatsoever, for a particular period and directions for disgorgement of the unlawful gains as mentioned above.

45. The Noticees were further called upon to show cause as to why an inquiry should not be held against them in terms of rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and why suitable monetary penalty under Sections 11(4A) and 11B(2) read with Section 15G of the SEBI Act, 1992 should not be imposed on them for the alleged violations mentioned above.

Replies and personal hearings:

46. The SCN was duly served on the Noticees. Subsequently, an opportunity of personal hearing was accorded to all the Noticees. Noticee 1 attended the hearing on October 11, 2023. Noticees 8 and 9 attended the hearing on January 3, 2024 while the rest of the Noticees attended the hearing on February 7, 2024.
47. The submissions and contents of the replies of the Noticees are summarized below:

Pranshu Bhutra (Noticee 1)

48. Pranshu Bhutra vide his letters dated July 31, 2023 and October 18, 2023 submitted, *inter alia*, the following:
- (a) During the Investigation Period, Noticee 1 was employed as a Corporate Counsel in the Employment Law team at INFY. As a member of INFY's Employment Law team, he advised the Company and its subsidiaries on issues related to employment law for the Asia Pacific (APAC) region. While carrying out his allocated responsibilities, he primarily interacted with the Human Resources ("HR") team of INFY in the APAC region. In terms of his scope of work, Noticee 1 was not required to interact with any team involved in the formulation or tracking of financial results or crystallization of financial estimates, such that he would be reasonably expected to have access to UPSI. Further, he was not required to be part of any discussions on the basic financial parameters of profit and loss and balance sheet of INFY.

- (b) SEBI failed to supply certain relevant documents, which were relied upon in the SCN. The same constitutes a clear breach of the principles of natural justice.
- (c) SEBI failed to find a single piece of direct or probable evidence that either proves that Noticee No. 1 was in possession of UPSI, or has communicated UPSI. The Interim Order and the SCN did not even allege that there were any direct or indirect financial gains made by Noticee No. 1 for carrying out the alleged insider trading activity.
- (d) The foundational theory of allegations of SEBI against Noticee 1 is that he was an employee of INFY who was in communication with officials of INFY, as well as Noticee 2 (Amit Bhutra). Since some of the trades in INFY carried out by entities connected to Noticee 2 were executed post the telephonic conversations between Noticee 1 and Noticee 2, the allegation of SEBI is that Noticee 1 obtained UPSI from other employees of INFY and passed it on to Noticee 2, who then traded in the scrip of INFY while in possession of UPSI or passed UPSI to other suspected entities. Since the trades carried out by Noticee 2 and other suspected entities were close to the declaration of financial results of INFY, SEBI presumed that Noticee 1 must have passed UPSI related to the financial results of INFY. However, SEBI disregarded the fact that he was a mid-level employee working in the legal department of INFY, holding a designation with 30,000 other employees at the same job level, whose name does not even feature either in the list of designated persons of INFY or in the SDD of the Company maintained for the purpose of recording the internal sharing of UPSI on a need-to-know basis. The investigation revealed that Noticee 1 had no access to financial results of INFY, so the question of communicating UPSI to Noticee 2 did not even arise.
- (e) SEBI alleged that Noticee 1 was in a 'high profile' position in INFY and his usual interactions with his colleagues within INFY, especially in the finance department, have been made the basis of the allegation that Noticee 1 must have received UPSI related to the financial results of INFY. While making

these allegations, no attempt was made to examine the content of these interactions.

- (f) It is surprising that the SCN repeats some of allegations which were earlier made under the Interim Order, which were set aside by the Hon'ble SAT. The SCN did not bring forward any new evidence which proves that Noticee 1 had access to or was reasonably expected to have access to UPSI, due to his role and functions at INFY. The fact that Noticee 1's name was not disclosed in the SDD is direct evidence that he was not in possession of UPSI. However, SEBI ignored this fact. SEBI insinuated that some of INFY's employees, from the finance function, must have casually communicated some UPSI in relation to financial results of INFY. However, the employees of INFY are strict professionals and confidential information in the company is only passed on a need-to-know basis. The allegations of SEBI, if true, would have also raised serious doubt on INFY's ability to preserve its UPSI through its internal controls.
- (g) Noticee 1 never communicated any UPSI to his cousin Noticee 2, and their conversations were strictly personal and no matters related to INFY were ever discussed. The close proximity between the trading activities of Noticee 2 and other suspected entities and the phone calls between Noticees 1 and 2 have been used as a ground to allege that Noticee 1 must have communicated UPSI. However, Noticees 1 and 2 communicated throughout the year on nearly 140 occasions, and the calls were not limited to UPSI periods preceding the public dissemination of the financial results. SEBI has cherry-picked 15 phone calls exchanged during the UPSI for quarters ended December 2019, June 2020 and September 2020 to allege that Noticee 1 communicated UPSI. Oddly enough, SEBI's investigation did not find that Noticee 1 passed UPSI to Noticee 2 for quarter ended March 2020.
- (h) Noticee 1 could be treated as a 'connected person', only if by virtue of his employment at INFY, he had access or could reasonably be expected to have access to UPSI. However, his role and function at INFY clearly demonstrated that he did not have access or could not be reasonably expected to have

access to UPSI. Noticee 1's role in INFY entailed providing advice and legal assistance on employment law issues, such as termination of employees, social security contributions, employment contracts and policies, employment litigation, etc. While carrying out his responsibilities, Noticee 1's interactions within INFY were ordinarily limited to the HR team. However, Noticee 1 would also be approached by employees from other teams, for advice on specific employment law related matters. Further, Noticee 1 was not required to interact with any team involved in the formulation or tracking of financial results in the course of employment, such that he would be reasonably expected to have access to any UPSI.

- (i) It is also important to highlight that the SDD provided by INFY to SEBI did not list Noticee 1's name amongst the persons who had either shared or received UPSI during the Investigation Period. While the SDD was relied upon in the SCN, the above fact was blatantly ignored and baseless insinuations were made in relation to Noticee 1 having procured UPSI from other employees of INFY.
- (j) As regards observations made in the SCN to support the allegation that Noticee 1's position and professional relationship with INFY was such that it allowed him access or was reasonably expected to allow him access, to UPSI, the same were far from reasonable, and are based on assumptions and pure conjecture. It is alleged that Noticee 1 was in regular telephonic conversations with employees of INFY and Deloitte who had access to UPSI, as per the SDD provided by the Company. However, SCN did not identify these specific employees that Noticee 1 allegedly regularly conversed with. Further, no statement or material has been placed on record to corroborate the allegation that any UPSI was disclosed during such conversations.
- (k) Noticee 1, in his capacity as a Corporate Counsel in the Employment Law team, routinely interacted with employees of INFY, in the course of his employment with INFY. Such interactions were confined to employment-law related matters, on a need basis, as and when Noticee 1's expertise was required. This does not establish that such communication could be expected

to put Noticee 1 in a high-profile position to access UPSI. Moreover, no analysis was made in the Notice as to whether these discussions with other employees had any bearing on the financial results of the Company for the concerned quarters.

- (l) A specific reference has been made to INFY's 5-year partnership with Genesys ("**Genesys Deal**") which was announced on August 27, 2020. The discussions of the Genesys Deal were underway since April 2020 and details of the same were reworked in July 2020, and Noticee 1 was privy to crucial details of the same. On the above ground, it is alleged that Noticee 1 had high profile / ability to access UPSI within INFY. In this regard, Noticee 1's submission is that since the Genesys Deal entailed implications from an employment law perspective, Noticee 1 was looped in on the communication thread vide an email dated July 7, 2020, to provide legal assistance on employment-specific aspects of the Genesys Deal. His involvement in the Genesys Deal was limited to advising on employment specific issues and such involvement had no bearing on his ability to access UPSI.
- (m) The SCN alleged that Noticee 1 was a part of discussions with senior management employees who had access to UPSI related to financial results, pertaining to his area of work in INFY. A specific reference was made to Noticee 1's participation in a meeting held to update the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") on certain quantitative and qualitative items prior to the finalization of the financial statements for the September 2020 quarter. It was further stated in the SCN that Noticee 1 was invited to attend the Audit Committee ("**AC**") meeting for the September 2020 quarter. On the above grounds, it was alleged that Noticee 1 had high profile / ability to access UPSI within INFY and thus was an insider of INFY. The SCN's reliance on the above observation is wholly misplaced. Noticee's interactions with any employee of INFY, including senior management employees, are confined to issues that require employment law insights, such as provident fund contributions, employee benefit schemes, etc. While the subject matter of these interactions may entail financial implications for the

Company, such as the outflow of funds, etc., the same are distinct from the financial statements of INFY or the basic financial parameters which contribute towards the P&L or BS of the Company. Thus, Noticee 1's interactions with senior management on employment law issues cannot be equated to discussions on qualitative or quantitative items relevant for the purposes of financial results of the Company.

- (n) It is worth noting that senior management employees of INFY, in their replies to queries raised by SEBI during investigation, had also expressly denied discussing financial statements / reports of the Company with Noticee 1.
- (o) As per Noticee 1's understanding, prior to the filing of financial statements with stock exchanges, a critical points' update meeting (CP Meeting) is scheduled with the CEO and CFO and the heads of various departments, to disclose or provision for certain items like customer claims, disputes, litigations or any other matters, which may or may not be quantitatively or qualitatively material to INFY's business. The meeting referred to in the SCN is the CP Meeting held for the September 2020 quarter.
- (p) Noticee 1 was invited to join the CP Meeting to provide an update on Australian employment law issue. He was present in the meeting for a brief 5 minutes to discuss the said issue and exited immediately thereafter. While attending the CP Meeting, no other item was discussed in Noticee 1's presence.
- (q) As regards Audit Committee meeting conducted for the September 2020 quarter, Noticee 1 was invited to attend the meeting to provide updates on the recently notified labour codes. Noticee 1 was granted access to the meeting as per the lobby system adopted within INFY. He was only admitted to the meeting when the relevant agenda was taken up by the AC and exited immediately thereafter.
- (r) It was stated in the SCN that Ms. Sawhney held the post of an Executive Vice President in INFY and directly reported to the CEO & MD of INFY. Based on the above facts, it was insinuated that though Noticee 1 did not formally rank high in INFY's hierarchy, he enjoyed high profile / ability to access UPSI by

virtue of his reporting relationship with Ms. Sawhney. This assertion is wholly false and based entirely on unfounded assumptions. The SDD does not mention Ms. Sawhney as among the persons who had access to or were in possession of UPSI. Further, Noticee 1 did not share a direct reporting relationship with Ms. Sawhney. Ms. Sawhney, in her response to queries raised by SEBI during investigation, clarified that she had no discussion in relation to the Company's financials with Noticee 1.

- (s) SCN further alleged that within one year of Noticee 1 joining INFY, he was asked to lead the Employment Law Practice of the INFY group for the APAC region which showed that he was assigned a role that carried a greater level of responsibility and would have increased his level of interaction with other INFY employees, including those who would have access to UPSI. In this regard, Noticee 1's submission is that his elevation to a greater level of responsibility or potential increase in interactions with other employees did not bear any relevance to his ability to access UPSI of INFY, in the absence of any cogent evidence showing such access resulting from such role. Further, Noticee 1's interactions with other INFY employees, whether or not they had access to UPSI, were limited to discussions on employment related matters which were inconsequential to the financial results or the qualitative or quantitative parameters that contribute to the P&L or BS of the Company.
- (t) It is alleged in the SCN that Noticee 1, apart from having independent access to UPSI by virtue of being an insider on the basis of his position and professional relationship within INFY, had also procured UPSI from other insiders i.e., Mr. Venkatasubramaniam V. V (Noticee 8) and Mr. Sunil Dhareshwar (Noticee 9) for quarters ended December 31, 2019, September 30, 2020 and June 30, 2020, in some form or manner. The above allegation forms the basis for further alleging that Noticee 1 communicated the said UPSI to Mr. Amit Bhutra (Noticee 2). This allegation is completely baseless and devoid of any merit. During the Investigation Period, Noticee 1, in his capacity as a Corporate Counsel, was required to interact with other teams of the Company in the course of his employment. Therefore, similar

interactions had taken place with Noticee 9 and Noticee 8 during the UPSI period for quarters ended December 31, 2019, June 30, 2020 and September 30, 2020. Such interactions were strictly work-based and limited to discussions on employment-related issues. Such bona fide interactions between employees, in the normal course of employment, cannot be termed as interactions resulting in procurement of UPSI.

- (u) Due to the nature of Noticee 1's work profile, he interacted with Noticee 9 and Noticee 8 on a need basis, as and when certain employment-related issues warranted their attention. Considering the same, the concentration of correspondence between Noticee 1 and Noticee 9 or Noticee 8 during a certain period, or lack thereof, cannot be used to draw adverse inferences without any supporting evidence.
- (v) The SCN alleges that Noticee 9, being an employee of the Company and the then Senior Vice President, Global Head, Tax & Corporate Accounting in INFY, had direct access to UPSI, and therefore was an 'insider' under regulation 2(1)(g)(ii) of the PIT Regulations, 2015. Based on the same, it is alleged that Noticee 1 procured UPSI from Noticee 9 for quarters ended December 31, 2019 and September 30, 2020.

Quarter ended December 31, 2019

- (w) For quarter ended December 31, 2019, the UPSI period is alleged to have commenced from December 30, 2019 to January 10, 2020. Further, it was claimed that Capital One and other entities started trading in the scrip from January 7, 2020 onwards. In terms of the SDD, Noticee 9 is alleged to have been in possession of UPSI in relation to revenue on January 5, 2020, and margin and tax on January 6, 2020. It is further alleged that Noticee 9 and Noticee 1 were in frequent communication with each other during the UPSI period based on the 10 phone calls exchanged between January 1 – 4, 2020, and specifically after Noticee 9 received UPSI in relation to INFY's financials. On January 6, 2020, i.e., a day before trading in the scrip commenced, it was stated that Noticee 9 and Noticee 1 exchanged 5 phone calls with a total

duration of 218 seconds. Moreover, the SCN also claims that there was no telephonic communication between Noticee 9 and Noticee 1 after trading commenced on January 7, 2020. Based on the aforementioned correspondence, it is alleged that Noticee 1 procured UPSI from Noticee 9, in some form or manner.

- (x) At the outset, it is submitted that the 10 phone calls exchanged between January 1 – 4, 2020 have been relied on to claim that Noticee Nos. 1 and 9 were in frequent communication with each other during the UPSI period. In this regard, it must be noted that the above calls took place before Noticee 9 even received access to UPSI, as per the SDD provided by INFY. Thus, Noticee 9 could not have passed UPSI to Noticee 1 through the aforementioned calls.
- (y) With regard to phone calls exchanged on January 5 and 6, 2020, Noticee 1's submission is that during January 2020, he was involved in obtaining a legal opinion from an external firm, M/s. Kasturi Associates, on the interpretation of a Supreme Court ruling on an Indian employment law matter ("**India Opinion**"). The same was overseen by Noticee 9, along with other senior management employees. As part of his work profile, Noticee 1 was responsible for coordinating with all stakeholders in relation to the India Opinion, including Noticee 9. The interactions with Noticee 9 during the UPSI period pertained to discussions on the India Opinion.
- (z) The calls that took place on January 5, 2020 and on January 6, 2020 pertained to the draft of the India Opinion or subsequent iterations of the same. In this regard, reference is drawn to emails sent by Noticee 1 to Noticee 9 and Mr. Niladri Mishra (employee of the Corporate Accounting Group then) on January 5, 2020 at 2:42 pm and 10:21 pm. The aforementioned issue was internally closed on January 8, 2020, when the final draft of the India Opinion was shared with Ms. Tapati Ghose (Deloitte employee). In this regard, reference is drawn to the email sent by Noticee 1 to Ms. Ghose on January 8, 2020 at 4:29 pm, which is enclosed.

- (aa) It is also pertinent to highlight that several calls were exchanged between Noticee 1 and Noticee 9 between January 1, 2020 to January 4, 2020. It must be noted that such interactions with Noticee 9 took place even prior to the date on which Noticee 9 allegedly gained access to UPSI, i.e., January 5, 2020. These calls demonstrate the continuous coordination between Noticee 1 and Noticee 9 on the India Opinion.
- (bb) It was alleged that while Noticee 1 and Noticee 9 were frequently communicating during the UPSI period, there was no telephonic communication after the other Noticees started trading. In this regard, Noticee 1's submission is that after the India Opinion issue was internally closed on January 8, 2020, there was no reason for Noticee 1 and 9 to coordinate on the issue. Thus, no adverse inferences can be drawn against Noticee 1 in respect of the said observation. Further, it is evident from the CDRs annexed to the SCN that Noticee 1 and Noticee 9 also communicated on January 13, 2020 for 97 seconds. Thus, it is inaccurate to allege that communication between Noticee 1 and Noticee 9 ceased after the other Noticees started trading on January 7, 2020. Moreover, the annexed CDRs demonstrate that Noticee 1 and Noticee 9 also communicated in the months of March, April, May, August, September, October, November and December 2020, as and when required of them for professional reasons. Thus, the calls between Noticee 1 and Noticee 9 on January 5 and 6, 2020 were not a one-off event, contrary to what is insinuated in the SCN.
- (cc) Further, the SCN failed to demonstrate how the UPSI was communicated by Noticee 1 to Noticee 2. The SCN relied on calls exchanged between Noticees 1 and 2 between January 1- 4, 2020. However, the above calls took place before Noticee 9 allegedly gained access to UPSI on January 5, 2020. Following the said calls, as is evident from the CDRs annexed to the SCN, there was no communication between Noticee 1 and 2 until January 8, 2020, i.e., a day after the suspected entities started trading. Therefore, given that Noticee 9 did not have access to UPSI himself, there was no way in which Noticee 1 could have procured UPSI from Noticee 9, and consequently

passed it to Noticee 2. The SCN does not establish a coherent chain of evidence to justify the allegation that Noticee 1 communicated UPSI to Noticee 2.

Quarter ended September 30, 2020

- (dd) For quarter ended June 30, 2020, the UPSI period was alleged to have commenced from September 28, 2020 to October 14, 2020. Further, Capital One and other entities started trading in the scrip from October 12, 2020 onwards. As per SCN, Noticee 9 was alleged to have received UPSI in relation to INFY's financials on October 7, 2020. It was further alleged that Noticee 1 and Noticee 9 were communicating during the UPSI period, especially on October 12, 2020, i.e., before the other Noticees started trading. The above correspondence referred to two phone calls, which took place on October 6, 2020 at 3:11 pm and on October 12, 2020 at 9:49 am. On the above ground, Noticee 1 was alleged to have procured UPSI from Noticee 9, in some form or manner.
- (ee) As regards the phone call exchanged on October 6, 2020, the same took place prior to Noticee 9 gaining access to UPSI on October 7, 2020 as per the SDD. Thus, Noticee 9 could not have exchanged UPSI with Noticee 1 through the aforementioned call. It is also important to highlight that the UPSI related to the financials of INFY were crystallized only on October 10, 2020, whereas the purported call with Noticee 9 took place on October 6, 2020. Thus, the SCN's reliance on such call to demonstrate procurement of UPSI by Noticee 1 is simply untenable. Further, at the time the said call was made, Noticee 1 was involved in an internal issue concerning the leave policy of employees in Australia and was coordinating the discussions on the issue, such as scheduling calls with senior management, including Noticee 9. To the best of Noticee 1's recollection, the call exchanged with Noticee 9 on October 6, 2020, was related to the leave policy issue. In this regard, a copy of the emails exchanged between Noticee 1 and Noticee 9, along with other

senior management, before and during the UPSI period, in relation to the leave policy issue may be referred to.

- (ff) As regards the details of the call that took place on October 12, 2020, it is Noticee 1's submission that the discussion with Noticee 9 pertained to a query on India leave policy. In the same call, Noticee 9 also queried about a US leave issue, to which Noticee 1 responded by stating that the same was not covered within his work profile and that he would check with his counterpart for the Americas geography, Ms. Rozlyn Britton (Americas Employment Law Practice Head). Consequently, Noticee 1 intimated Ms. Rozlyn Britton of the same vide email dated October 12, 2020 at 11:35 am, shortly after the call with Noticee 9 at 9:49 am. It must be noted that in the email sent to Ms. Britton, Noticee 1 specifically referred to the discussion with Noticee 9 on the US leave issue. On the same day, Ms. Britton, in response, forwarded her correspondence with Deloitte to Noticee 1. In this regard, emails exchanged between Noticee 1 and Ms. Britton on October 12, 2020 at 11:35 am and 10:19 pm may be referred to.
- (gg) It is also pertinent to mention that after the call between Noticee 1 and Noticee 9 on October 12, 2020, no calls took place between Noticee 1 and Noticee 2 or any other Noticees on October 12, 2020 which would indicate any communication of UPSI by Noticee 1 to the entities which commenced trading in the scrip on the same day. Therefore, the very basis for alleging that Noticee 1 procured any UPSI from Noticee 9 and thereafter communicated the same to other Noticees based on which the latter commenced trading during UPSI Period, is erroneous and unjustified.
- (hh) Apart from the above calls, no other material was placed on record to demonstrate exchange of UPSI between Noticee 1 and Noticee 9. Thus, the SCN merely relied on two phone calls which bore absolutely no correlation with the allegation.
- (ii) Further, in the SCN, it was alleged that while Noticee 1 and Noticee 9 communicated during the UPSI period, there was no telephonic communication after the other Noticees started trading. However, the CDRs

annexed to the SCN show that Noticee 1 and Noticee 9 also communicated on October 22, 2020 for 84 seconds. They also communicated in the succeeding months of November and December 2020, as and when the need arose. Thus, the correspondence during the UPSI period for quarter ending September 30, 2020 was not a singular occurrence, contrary to what was claimed in the SCN.

Procurement of UPSI from Noticee 8 in Quarter ended June 30, 2020

- (jj) The SCN alleges that Noticee 8, being an employee of the Company and the Senior Principal, Corporate Accounting Group of INFY, had access or was reasonably expected to have access to UPSI, by virtue of his professional relationship and position within INFY. Based on the same, it was alleged that Noticee 1 procured UPSI from Noticee 8 for quarter ended June 30, 2020 through his communication with Noticee 8 during the UPSI period. The abovementioned allegation was part of the Interim Order as well as the Confirmatory Order. On appeal, the Hon'ble SAT found that the Confirmatory Order cannot be sustained *inter alia* on the ground that the SDD of INFY did not include the names of Noticee 1 and Noticee 8. By reason of the same, Hon'ble SAT held that *prima facie* Noticees 1 and 8 did not have direct access to UPSI. Further, the Confirmatory Order was also set aside on the ground that the telephonic conversations between Noticees 1 and 8 were in relation to official matters, and thus, Noticee 8 had not passed down UPSI to Noticee 1 through such conversations. The Hon'ble SAT had found Noticee 1 to have sufficiently explained and discharged his burden of proving that he did not have access to UPSI.
- (kk) While issuing the SCN, SEBI has not relied on any new evidence in support of allegation that Noticee 1 procured UPSI from Noticee 8, as the long duration call on July 9, 2020 and the frequency of communication between Noticees 1 and 8, is virtually the same evidence relied on in the SCN. The Hon'ble SAT, while quashing the Confirmatory Order, had already found the above evidence insufficient and also acknowledged that Noticee 1 had

discharged his burden of proving that he did not procure UPSI from Noticee 8. In the absence of any opposing evidence in the SCN, Hon'ble SAT's finding still holds ground. The SCN cannot simply reiterate the same allegation and thereby cast an obligation on the Noticee to demonstrate that he did not procure any UPSI from Noticee 8, as no new evidence was unearthed or relied on in the SCN.

Allegation regarding communication of UPSI to Noticee 2

- (II) The SCN alleged that Noticee 1 communicated UPSI in relation to INFY's financial results to Noticee 2 for quarters ending December 31, 2019, September 30, 2020, and June 30, 2020, in some form and manner. It was alleged that Noticees 1 and 2 were closely connected, in a way that went beyond 'normal familial connection', which, coupled with frequent communication allowed Noticee 2 to access / was reasonably expected to allow access to UPSI, through Noticee 1. Further, the communication between Noticees 1 and 2 was also relied on to allege that the former communicated UPSI to Noticee 2 in some form and manner. However, in the first place, no cogent evidence was placed on record to show that Noticee 1 had independent access to UPSI, by virtue of being an insider, or had procured UPSI from Noticees 8 and 9.
- (mm) Noticee 2 was related to Noticee 1 as his second cousin, and Noticee 1 was known to him for a long time. They frequently communicated with each other, at least once a week, on topics related to their personal life and common interests like travelling, etc., none of which had anything to do with any sensitive or confidential information pertaining to INFY, or the trading done by Noticee 2 in shares of any listed company. The CDRs of the Noticee 1 demonstrated that they had been interacting frequently with each other since much prior to the UPSI period, as could be expected of relatives. As per the CDRs, Noticees 1 and 2 spoke to each other more than 140 times over the course of the year 2020. However, specific instances of communication during the UPSI period for quarters ended December 31, 2019, June 30, 2020

and September 30, 2020 were cherry-picked for the purpose of demonstrating communication of UPSI to Noticee 2. Such selective interpretation of facts, whilst disregarding alternate interpretations, points to a deliberate attempt to rely on unrelated evidence to establish predetermined conclusions.

- (nn) With respect to the fund transfers to MAPL, it is submitted that based on the advice received from his father, who was a former director of MAPL, Noticee 1 had loaned certain amount lying in his bank accounts and fixed deposit to MAPL. The transaction between Noticee 1 and MAPL was an independent transaction that had no connection with any trades that may have been undertaken by any person in INFY or any other scrip. This is also supported by the fact that it is nowhere alleged in the SCN that the funds transferred were in any manner connected the trades of other Noticees.
- (oo) In the SCN, it was insinuated that the deletion of call logs and WhatsApp communications by Noticee 1 appeared suspicious and indicated an attempt to erase records of communication. The above allegation is based on the findings of internal fact-finding investigation conducted by INFY. However, Noticee 1 was deprived of the opportunity to assess the detailed findings and prepare an adequate response to the above allegation. This resulted in a clear breach of the principles of natural justice. Without prejudice to the above, it is Noticee 1's submission that he was in the habit of deleting WhatsApp call logs and chats from his personal number, on a periodic basis, to optimise storage and declutter his mobile phone. However, Noticee 1 maintained the WhatsApp chats on his official number to keep a record of communications which took place for work-related purposes. Noticee 1 had no reason to suspect that his mobile phone and WhatsApp communications would be inspected by SEBI. Subsequently, after a legal hold was placed by INFY on June 2, 2021, Noticee 1 did not delete any data for both his official and personal numbers. No adverse inferences can be drawn against Noticee 1's practice of periodically deleting WhatsApp communications from his mobile phone.

49. Venkatasubramaniam V. V. (Noticee 8) vide his letter dated December 22, 2022 has submitted, *inter alia*, the following:

- (a) Noticee 8 has earlier explained how he had not received any UPSI during the period of the preliminary inquiry conducted by SEBI. He also provided the Finance organisational structure at Infosys, which segregates individuals into separate teams, and restricts the access to UPSI to specified individuals. Neither Noticee 8, nor the team he was part of, was in receipt of UPSI and this aspect has clearly been set out in previous submissions filed with SEBI. Noticee 8 also explained the nature of his interactions and conversations with Pranshu Bhutra (Noticee 1), who was employed as a Senior Corporate Counsel in the Corporate Legal Team at Infosys. All such interactions were in a strictly professional capacity as was also corroborated by the evidence previously submitted. Noticee 8 also explained that the higher frequency of phone calls between him and Noticee No. 1 during June 2020 to July 2020 as compared to previous months was due to the restrictions of working from home during the Covid-19 pandemic. Further, the email correspondences between him and Noticee 1 on July 1 & 2, 2020 established and corroborated his position that the phone calls, which according to SEBI was used to pass on UPSI, were actually in relation to matters such as bonus payments, maternity leave benefits and other allied professional matters that he was tasked with handling in the course of his employment with Infosys.
- (b) Noticee 8 denies all of the allegations and conclusions of violations under the SEBI Act, 1992 along with the PIT Regulations, 2015 and SEBI Rules 1995, as provided in the SCN. The conclusions in the SCN are erroneous, unfounded, and fail to establish any violation under the aforesaid provisions as against Noticee 8.
- (c) The allegations made in the SCN were covered in the Interim Order and the Confirmatory Order, which have been quashed by the Hon'ble SAT. SEBI failed to provide any conclusive or new details from its preliminary investigation. It is relevant to note that no new factual averments or evidence

was relied upon by SEBI since its preliminary investigation to support or suggest any wrongdoing by Noticee 8. In such circumstances, the observations of the Hon'ble SAT, which quashed the Interim Order against Noticee 8 on the basis of observations in the preliminary investigation, are of telling significance in the present case. The Hon'ble SAT held that once a satisfactory explanation was provided by Noticee 8, supported with adequate evidence, the allegations of SEBI based upon surmises and proximity of employees could not be sustained.

- (d) The phone calls on July 02, 2020 and July 09, 2020 with Noticee 1 could not form the basis for alleging any use or sharing of UPSI by Noticee 8. SEBI failed to establish that Notice 8 was in possession of any UPSI during the Investigation Period, and that it shared any such information with the other Noticees, including Noticee 1, in the SCN.
- (e) In the SCN, SEBI stated that since Noticee 8 indirectly reported to Noticee 9, Mr. Sunil Kumar Dhareshwar, who was in possession of UPSI from the records available through the SDD of Infosys, it allowed Noticee 8 to directly or indirectly access UPSI, and thus made him a “*connected person*” and an “*insider*” under the PIT Regulations. It is Noticee 8’s submission that SEBI grossly failed to establish any communication or correspondence between Noticee 8 and Noticee 9, in the absence of which no allegation of insider trading, and of being an “*insider*” and a “*connected person*” can be made against Noticee 8. Apart from a bald averment that Noticee No. 8 “*indirectly reported to Sunil Kumar Dhareshwar*”, no evidence or supporting documents were adduced by SEBI to support its allegations in the SCN.

50. Sunil Kumar Dareshwar (Noticee 9) vide his reply dated January 02, 2023 and January 18, 2023 has submitted, *inter alia*, the following:

- (a) Noticee 9 was in frequent communication with Noticee 1 in the ordinary course of business as employees of the Company.

- (b) The CDRs relied upon in the SCN only prove the fact of communication and they do not provide the transcript of the call or contents of the communication. Therefore, any inference drawn on the basis of the CDRs is only based on conjectures and surmises. In absence of the context of the calls made between Noticee 9 and Pranshu, the transcript or the purpose of the calls can be gathered by other factual evidence, like Whatsapp chats and SMS messages exchanged between Noticee 9 and Pranshu.
- (c) The onus of proof lies on SEBI to prove that Noticee 9 had communicated UPSI to Pranshu. Mere trading pattern of some other entities cannot lead to an inference that Noticee 9 had communicated the UPSI to anyone.
- (d) The findings in the SCN are contradictory.

51. As regards other Noticees, they have submitted their respective replies, denying the allegations of insider trading.

Consideration of Issues and findings:

52. I have examined the findings of the investigation, the allegations against the Noticees as mentioned in the SCN, the replies submitted by the Noticees in response to the SCN, the Order dated April 25, 2022 passed by the Hon'ble SAT and other material available on record.

53. Before proceeding ahead, I deem it important to refer to the relevant provisions of law alleged to have been violated by the Noticees, which are provided below:

"SEBI Act, 1992:

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

Section: 12A. No person shall directly or indirectly

(a)

(b)

(c)

- (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;

PIT Regulations, 2015:

Communication or procurement of unpublished price sensitive information.

Regulation 3 (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Trading when in possession of unpublished price sensitive information

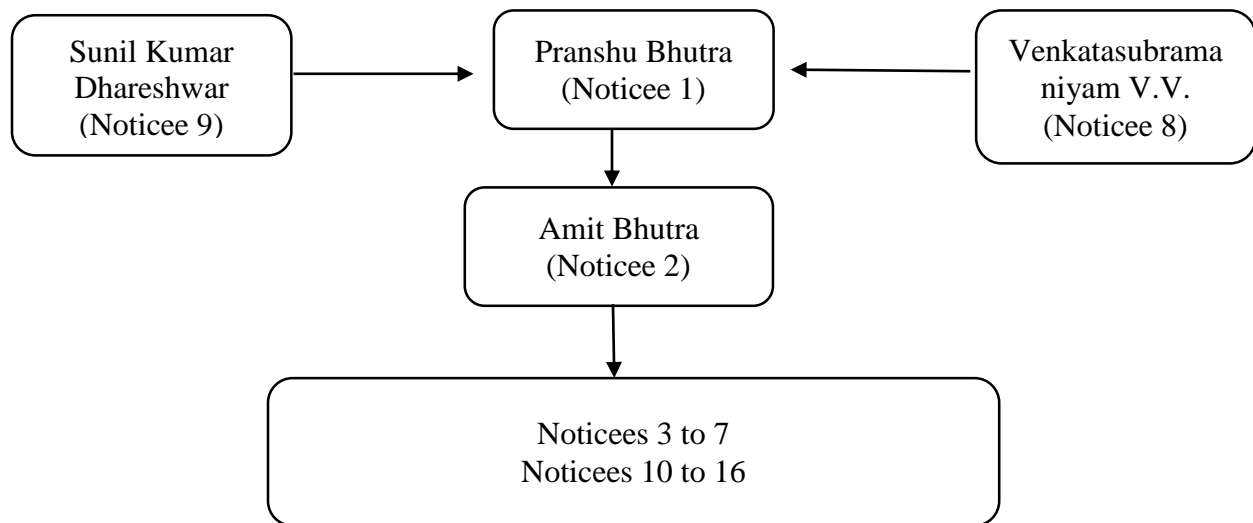
Regulation 4(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.”

- 54. I now proceed to decide the issues at hand.
- 55. At the outset, I note that none of the Noticees has disputed the fact that the information pertaining to quarterly financial results of INFY, before it was published, was UPSI. The quarters for which the financial results of INFY are relevant in the instant case are quarters ended December 31, 2019, June 30, 2020 and September 30, 2020. The quarter ended March 31, 2020, though covered by the investigation, was not taken into consideration, since no case of insider trading was found for this quarter.
- 56. The SCN has alleged that certain Noticees, viz. Noticees 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15 and 16, have indulged in insider trading for the quarters ended

December 31, 2019, June 30, 2020 and September 30, 2020 by directly / indirectly trading in the scrip of INFY on the basis of / while in possession of UPSI. It is noted that all the above mentioned Noticees are linked through a common thread, which is their connection with Amit Bhutra (Noticee 2). As per the findings of investigation, Pranshu Bhutra (Noticee 1) was the person who shared the UPSI with Amit Bhutra (a cousin of Pranshu Bhutra) who then acted as a common source through which the UPSI flowed to all other Noticees who traded in the scrip of INFY, on the basis of the said UPSI, during the UPSI Periods pertaining to the abovementioned three quarters.

57. It is noted that Pranshu Bhutra (Noticee 1), the person who is alleged to have shared UPSI with Amit Bhutra, has been identified, both as the primary tippee for receiving the UPSI and the primary tipper for passing on the UPSI in the instant case. It is alleged that due to his professional relationships and position within INFY, he had access to the UPSI pertaining to the quarterly financial results. At the same time, it has also been alleged that Pranshu Bhutra (Noticee1) had reasonable access to UPSI due to his frequent communications with Venkatasubramaniam V.V. (Noticee 8) and Sunil Kumar Dareshwar (Noticee 9). It is alleged that Pranshu Bhutra, apart from independently having access to UPSI, had also obtained the UPSI pertaining to quarters ended December 31, 2019 and September 30, 2020 from Sunil Kumar Dhareshwar (Noticee 9) and the UPSI pertaining to quarter ended June 30, 2020 from Venkatasubramaniam V.V. (Noticee 8). It is alleged that Pranshu passed on the UPSI to Amit who then to passed on the same to other Noticees who traded directly / indirectly in the scrip of INFY. Thus, Pranshu was the common source of UPSI for Amit and entities connected to him.

58. A pictorial representation as to how the UPSI allegedly flowed in the instant case is provided below:



59. Since all the Noticees, who are alleged to have directly / indirectly traded in the scrip of INFY while in possession of UPSI / on the basis of UPSI, alleged to have received the UPSI directly / indirectly from Pranshu Bhutra (Noticee 1), it is noted that the entire case against such Noticees that they had indulged in insider trading hinges on the fundamental question as to whether Pranshu Bhutra had access to UPSI (whether independently or through Noticees 8 and 9) or not. The allegations made against such Noticees would succeed only if it is established that Pranshu Bhutra had access to the UPSI in the first place.
60. In order to answer the abovementioned fundamental question, I divide the issue in three parts:
- (a) Whether Pranshu Bhutra, because of his professional relationships and position within INFY, had independent access to the UPSI.
 - (b) Whether the facts and circumstances prove that Pranshu had procured the UPSI pertaining to quarters ended December 31, 2019 and September 30, 2020 from Sunil Kumar Dhareshwar (Noticee 9).

- (c) Whether the facts and circumstances prove that Pranshu had procured the UPSI pertaining to quarter ended June 30, 2020 from Venkatasubramaniam V.V. (Noticee 8)

61. I now proceed to deal with the abovementioned issues, one by one.

Pranshu Bhutra having independent access to UPSI

62. I note that as per the SCN, the professional relationship between Pranshu and INFY and his position within INFY was such that it allowed Pranshu or was reasonably expected to allow Pranshu, directly or indirectly, access to UPSI pertaining to INFY, making him a “Connected Person” in terms of regulations 2(1)(d)(i) of the PIT Regulations, 2015, and in turn, an “Insider” of INFY, in terms of regulation 2(1)(g)(i) of PIT Regulations, 2015.
63. In this regard, the SCN has alleged that the CDRs of Pranshu’s official mobile number for the period January 01, 2020 to November 30, 2020, showed that during the UPSI Periods, he was in regular telephonic conversations with employees of Infosys and Deloitte who had access to UPSI as per the SDD provided by Infosys. These employees, by virtue of having access to UPSI pertaining to the financial results of that quarter, were “insiders” in terms of the provisions of the PIT Regulations, 2015.
64. The SCN has further alleged that the emails (sent and received) and attachments in the official INFY account of Pranshu, for the UPSI Period pertaining to each quarter covered by investigation, showed his high profile / ability to access UPSI within the Company. In this regard, the following observations have been cited:
- (a) Pranshu was aware of certain deals that Infosys was entering into before they were finalized and announced publicly. To illustrate, on August 27, 2020, Infosys announced its 5-year partnership with Genesys. Crucial details of this deal viz., risks involved with Genesys, credit risk in the deal, projected

revenues over the next 5 years, etc., had been in the knowledge of Pranshu since July 7, 2020, as the email containing these details was forwarded to him and his team.

- (b) He was part of discussions with senior management employees, who had access to UPSI pertaining to the financial results, on matters pertaining to his area of work in Infosys. For e.g., a meeting to update the CEO and CFO of Infosys on certain quantitative and qualitative items used to be held before the financial statements for each quarter was finalized. It was observed that for the September 2020 quarter, Pranshu was invited to attend such meeting with the CEO and CFO of Infosys.
- (c) For the September 2020 quarter, Pranshu was also invited to attend the Audit Committee (AC) meeting to update them on the new labour code. It was also seen from information provided by Deloitte that Pranshu's second level reporting officer, Ms. Inderpreet Sawhney, had attended the final Audit Committee presentations for the quarters of March 2020, June 2020 and September 2020, along with the Audit Committee members and other senior management of Infosys, where the financial statements of Infosys were discussed. Ms. Sawhney was an Executive Vice President in INFY and reported to the CEO & MD.
- (d) Pranshu was in communication with employees, who had access to UPSI pertaining to the financial results, on taxation related matters on stock options in the financial statements, disclosures to be made by auditors on social security codes, etc. At times, Pranshu was directly approached by such employees for providing legal support, without involvement of his immediate seniors.
- (e) In his statement to SEBI, regarding his role in INFY, Pranshu submitted *inter alia* that he was part of the legal function, which was a support function and

would provide support to the other areas as and when required. He further submitted that he used to be in contact with those employees and departments who would approach him for certain queries and opinions in his capacity as the Practice Head for Employment Law for the APAC region.

- (f) Further, Pranshu, in his written submissions in response to the Interim Order, submitted that within one year of joining INFY, he was asked to lead the Employment Law Practice of the INFY Group for the APAC region. This implied that though Pranshu was not designated as a Senior Corporate Counsel until October 2020, he was assigned a role within the Infosys Group that carried a greater level of responsibility and would have increased the level of his interaction with other employees of INFY, including with those who would have access to UPSI.

- 65. Noticee 1 has denied that his relationship with INFY and his position in the Company was such that it provided him access to UPSI. The Noticee has contended that he was a mid-level employee and all his interactions as cited in paragraphs 63 and 64 above were related to his role as a counsel for advising the Company and its subsidiaries on issues relating to employment laws. He has further contended that in terms of his scope of work, he was not required to interact with any team involved in the formulation or tracking of financial results or crystallization of financial estimates, such that he would be reasonably expected to have access to UPSI. Further, he was not required to be part of any discussions on the basic financial parameters of profit & loss and balance sheet of INFY. He has also submitted that he was neither a designated person of the Company nor his name figured in the SDD as part of employees who had access to UPSI.
- 66. I have considered the submissions made by Noticee 1 in this regard. I note that the observations in the SCN, pertaining to Pranshu's regular communications /interactions, his professional relationships and position within INFY, as mentioned at paras 63 and 64 above, have not been cited as evidence that Pranshu Bhutra

had accessed the UPSI during such interactions / meetings. Rather, these observations have been cited only to show his high position and professional relationships within the Company.

67. I note that Pranshu's name did not figure in the list of designated persons of the Company, identified in terms of the provisions of regulation 9(4) read with regulation 9A(2)(a) of the PIT Regulations, 2015. Further, his name did not figure in the list of employees whose names are reflected in the SDD, which contained the names of employees who had access to UPSI. Further, the fact that Pranshu may have had regular communications with employees of INFY and Deloitte who had access to UPSI or that Pranshu was part of various meetings does not, *per se*, lead to a conclusion that Pranshu's position was such that it provided him access to UPSI. It is unlikely that the employees who had access to UPSI would readily share the UPSI with anyone who interacted with them on regular basis. Further, it is also unlikely that a person who had a senior and important position within a company which reasonably provided him access to UPSI, was not made part of the designated persons. The fact that Noticee 1 was neither a designated person nor part of SDD makes it amply clear that he did not have reasonable access to UPSI. Further, the SCN has not brought out any independent evidence proving that UPSI was shared with him in the ordinary course while he performed his official duties.
68. Considering the above, I find that the material on record is not sufficient to establish that Pranshu had independent access to the UPSI by virtue of his professional relationship and position, as alleged in the SCN.

Whether Pranshu had obtained the UPSI for quarters ended December 31, 2019 and September 30, 2020 from Sunil Kumar Dhareshwar (Noticee 9).

69. The SCN has alleged that Sunil Kumar Dhareshwar ("**Sunil**") was an employee of INFY designated as Senior Vice President, Global Head, Tax & Corporate Accounting, in INFY. As per the Structured Digital Database (SDD) provided by

INFY, Sunil had direct access to the UPSI pertaining to the financial results of INFY for the quarters under investigation. Therefore, Sunil was an “Insider” in terms of regulations 2(1)(g)(ii) of the PIT Regulations, 2015.

70. Thus, the SCN, in respect of quarter ended December 31, 2019 has alleged the following:

- (a) The UPSI Period for this quarter was from December 30, 2019, to January 10, 2020. Capital One and the other entities had commenced trading in the scrip of INFY from January 07, 2020, onwards.
- (b) As per the SDD provided by INFY, Sunil had direct access to the UPSI pertaining to the financial results of INFY. Sunil was in possession of figures of revenue, a component of the financials of INFY, on January 05, 2020. He also had received information related to margin and tax, which were components of UPSI, on January 06, 2020. Hence, it was observed that as on January 06, 2020, Sunil was in possession of UPSI pertaining to the financials of INFY.
- (c) It was observed that between January 01 and 04, 2020, Pranshu and Sunil had exchanged 10 phone calls with each other for a total duration of 1647 seconds, which indicated they were in frequent communication with each other in the UPSI Period.
- (d) On January 06, 2020, i.e., one day before the start of trading of Capital One and the other entities, Pranshu and Sunil exchanged 5 phone calls with each other. The total duration of these calls was for 218 seconds. The dates and timing of the phone calls between the Noticees and the receipt of the UPSI by Sunil is shown below:

Sr. No.	Date	Event	Time	Remarks
1	Dec 30, 2019	UPSI Period started		
2	Jan 01-04, 2020	The UPSI pertaining to the financial results had already come into existence during this period. Several calls seen to be exchanged between: 1. Pranshu and Amit,		

		2. Pranshu and Sunil and 3. One call exchanged between Pranshu and Manish Bhutra (brother of Amit and partner in Tattva Capital).		
3	Jan 05, 2020	Sunil received information pertaining to the revenue of INFY	9:36 AM	-
4	Jan 05, 2020	Sunil made two calls to Pranshu	15:25 PM and 15:32 PM	158 seconds total duration
5	Jan 05, 2020	Sunil received information pertaining to the margin of INFY	22:55 PM	-
6	Jan 06, 2020	Sunil received more information pertaining to the margin of INFY	2:51 AM	-
7	Jan 06, 2020	Sunil and Pranshu exchanged 3 phone calls	10:23 AM, 15:03 PM and 15:05 PM	164 seconds total duration
8	Jan 06, 2020	Sunil received INFY's tax related information		18:16 PM
9	Jan 06, 2020	Sunil and Pranshu had exchanged 1 phone call and 1 SMS	19:04 PM and 19:05 PM	13 seconds call
10	Jan 06, 2020	Sunil received INFY's tax note for Q3		8 PM
11	Jan 06, 2020	Sunil and Pranshu had exchanged 1 phone call	21:07 PM	41 seconds call
12	Jan 07, 2020	Capital One and other entities started trading		

71. Further, as regards the quarter ended September 30, 2020, the SCN has alleged the following:

(a) The UPSI Period for this particular quarter was from September 28-October 14, 2020. Capital One and the other entities had commenced trading in the scrip of INFY from October 12, 2020 onwards.

(b) The dates and timing of the phone calls between the Noticees and the receipt

of the UPSI by Sunil is shown as below:

Sr. No.	Date	Event	Time	Remarks
1	Sep 28, 2020	UPSI Period started		
2	Oct 06, 2020	Sunil and Pranshu exchanged one phone call	15:11 PM	141 seconds duration
3	Oct 07, 2020	Sunil was in possession of information related to margin, which was a part of the UPSI	9:21 AM	-
4	Oct 09, 2020	Pranshu and Amit exchanged one phone call	18:39 PM	74 seconds duration
5	Oct 10, 2020	Financials shared with Deloitte i.e., the UPSI had been crystallized		
6	Oct 10, 2020	Pranshu and Amit exchanged three phone calls	12:06 PM, 12:31 PM and 12:32 PM	72 seconds duration
7	Oct 12, 2020	Sunil and Pranshu exchanged one phone call	9:49 AM	181 seconds duration
8	Oct 12, 2020	Capital One and Tesora started trading and their orders were entered after 2 PM on October 12, 2020		

(c) From the above, it was observed that Pranshu and Sunil were in communication with each other during the UPSI Period, especially on Oct 12, 2020, i.e., before the Noticees commenced trading in INFY. As observed from the SDD, Sunil was in direct possession of the UPSI related to the financials and had access to the same. It was also observed that there was no telephonic communication between Pranshu and Sunil after the Noticees started trading.

72. Based on the abovementioned observations, it was alleged that Sunil communicated the UPSI pertaining to the financial results of INFY for the quarters ended December 31, 2019 and September 30, 2020, to Pranshu in some form and manner and that Pranshu had procured UPSI from Sunil in some form or manner. It was further alleged that Pranshu then communicated the UPSI to other Noticees

and their working partners, who then traded in the scrip of INFY while in possession of and on the basis of UPSI.

73. I note that Pranshu, as well as Sunil, in respect of the abovementioned allegations, have submitted that the telephonic communications exchanged between them pertained to their official functions and that no UPSI was shared or received during such phone calls.
74. As regards quarter ended December 31, 2019, Pranshu has submitted that the 10 phone calls exchanged between January 1 – 4, 2020 have been relied on to claim that Noticee Nos. 1 and 9 were in frequent communication with each other during the UPSI period. As per Pranshu, the above calls took place before Noticee 9 received access to UPSI, as per the SDD provided by INFY, and thus, Noticee 9 could not have passed UPSI to Noticee 1 through the aforementioned calls.
75. With regard to phone calls exchanged on January 5 and 6, 2020, Pranshu has submitted that during January 2020, Noticee 1 was involved in obtaining a legal opinion from an external firm, M/s. Kasturi Associates, on the interpretation of a Supreme Court ruling on an Indian employment law matter (India Opinion), which was overseen by Noticee 9, along with other senior management employees. As part of his work profile, Noticee 1 was responsible for coordinating with all stakeholders in this regard, including Noticee 9. The interactions with Noticee 9 during the UPSI period pertained to discussions on the said matter. The calls that took place on January 5, 2020 and on January 6, 2020 pertained to the draft of the India Opinion or subsequent iterations of the same. The aforementioned issue was internally closed on January 8, 2020, when the final draft of the India Opinion was shared with Ms. Tapati Ghose (Deloitte employee).
76. In support of the abovementioned submissions regarding the context of telephonic conversations held with Sunil on January 05-06, 2020, Pranshu has provided copies of emails dated January 05, 2020 (sent by Pranshu to Sunil and one Mr. Niladri Mishra – employee of Corporate Accounting Group) and email dated

January 08, 2020, sent by Pranshu to Ms. Tapati Ghose. It is noted that the said emails apparently pertained to a draft opinion regarding certain provident fund issues.

77. Pranshu has further submitted that several calls were exchanged between Noticee 1 and Noticee 9 between January 1, 2020 to January 4, 2020, which were prior to the date on which Noticee 9 allegedly gained access to UPSI, i.e., January 5, 2020. These calls demonstrate the continuous coordination between Noticee 1 and Noticee 9 on the India Opinion.
78. Pranshu has further submitted that it is inaccurate to allege that communication between Noticee 1 and Noticee 9 ceased after the other Noticees started trading on January 7, 2020. Moreover, the annexed CDRs demonstrate that Noticee 1 and Noticee 9 also communicated in the months of March, April, May, August, September, October, November and December 2020 as and when required of them for professional reasons. Thus, the calls between Noticee 1 and Noticee 9 on January 5 and 6, 2020 were not one-off events, contrary to what is alleged in the SCN.
79. In addition to the above, Pranshu has contended that the SCN failed to demonstrate how the UPSI was communicated by Noticee 1 to Noticee 2. The SCN relied on calls exchanged between Noticees 1 and 2 between January 1- 4, 2020, which took place before Noticee 9 allegedly gained access to UPSI on January 5, 2020. Thereafter, there was no communication between Noticee 1 and 2 until January 8, 2020, i.e., a day after the suspected entities started trading. Thus, according to Pranshu, the SCN did not establish a coherent chain of evidence to justify the allegation that Noticee 1 communicated UPSI to Noticee 2.
80. As regards quarter ended September 30, 2020, Pranshu has submitted that the phone call exchanged on October 6, 2020 took place prior to Noticee 9 gaining access to UPSI on October 7, 2020. Thus, Noticee 9 could not have exchanged UPSI with Noticee 1 through the aforementioned call. Pranshu has further

contended that UPSI related to the financials of INFY were crystallized only on October 10, 2020, whereas the purported call with Noticee 9 took place on October 6, 2020. Thus, according to Pranshu, the SCN's reliance on such call to demonstrate procurement of UPSI by Noticee 1 was simply untenable. As per Pranshu, at the time the said call was made, Noticee 1 was involved in an internal issue concerning the leave policy of employees in Australia and was coordinating the discussions on the issue, such as scheduling calls with senior management, including Noticee 9. The call exchanged with Noticee 9 on October 6, 2020, was related to the leave policy issue.

81. As regards the details of the call that took place on October 12, 2020, Pranshu has submitted that the discussion with Noticee 9 pertained to a query on India leave policy. He has further contended that after the call between Noticee 1 and Noticee 9 on October 12, 2020, no calls took place between Noticee 1 and Noticee 2 or any other Noticees on October 12, 2020 which would indicate any communication of UPSI by Noticee 1 to the entities which commenced trading in the scrip on the same day. Therefore, the very basis for alleging that Noticee 1 procured any UPSI from Noticee 9 and thereafter communicated the same to other Noticees based on which the latter commenced trading during UPSI Period, is erroneous and unjustified. Pranshu has also argued that apart from the above calls, no other material was placed on record to demonstrate exchange of UPSI between Noticee 1 and Noticee 9. According to him, the SCN has relied on merely two phone calls which bear no correlation with the allegation.
82. In support of the abovementioned submissions regarding the context of telephonic conversations held with Sunil on October 12, 2020 at 09:49 AM, Pranshu has provided copies of emails dated October 12, 2020, sent by Pranshu to one Mr. Rozlyn Fulgoni-Britton, at 11:35 AM wherein he, *inter alia*, had stated about his telephonic conversation with Sunil on the same morning regarding India Leave Policy.
83. Additionally, Pranshu has submitted that Noticee 1 and Noticee 9 communicated

even after other Noticees started trading, contrary to the allegation in the SCN. They also communicated in the succeeding months of November and December 2020, as and when the need arose. Thus, the correspondence during the UPSI period for quarter ending September 30, 2020 was not a singular occurrence, contrary to what is claimed in the SCN.

84. I have considered the submissions made by Pranshu and Sunil. I note that Pranshu and Sunil had been regularly communicating with each other over phone during the UPSI Period. However, they have submitted that such conversations were limited to official dealings and there was no discussion on the UPSI.
85. I note that regular telephonic conversations between two persons show connection / association between two persons. However, it is difficult to ascertain the contents or the subject matter of such conversations. In these circumstances, the sustainability of the allegations of insider trading depends entirely on preponderance of probability, for which various circumstantial factors like family ties, fund transactions, personal commercial dealings etc. become important factors to be considered while arriving at any conclusion.
86. In order to decide the issue based on preponderance of probability, I note the following:
 - (a) Noticee 1 and Noticee 9 had regular telephonic conversations even before Sunil came in possession of the UPSI. Since there was regular conversation between the two, the conversations after Sunil came in possession of the UPSI do not on their own prove that Sunil had communicated UPSI to Pranshu.
 - (b) There is nothing on record suggesting that Sunil and Pranshu shared a relationship (familial bond, close friendship etc.) beyond their official relationship.
 - (c) There is no record of any personal dealing or monetary / non-monetary transactions (commercial interest, business transaction etc.) between

Sunil and Pranshu, which could suggest quid-pro-quo between Sunil and Pranshu.

- (d) There is no record of any pecuniary gains which Sunil could have made, as a result of alleged sharing of UPSI.
- (e) Pranshu has sought to provide the context for each instance of the telephonic conversation he had with Sunil after Sunil came in possession of UPSI for the concerned two quarters. In this regard, he has attached copies of emails as evidence of the context in which such telephonic conversations had taken place.

87. Considering all the above factors, I find that the preponderance of probability in this case does not lead to an inference that Sunil had communicated UPSI to Pranshu in respect of financial results of two quarters, as alleged in the SCN. I am thus inclined to extend the benefit doubt to them in this regard.

Whether Pranshu had obtained the UPSI pertaining to quarter ended June 30, 2020 from Venkatasubramaniam V.V. (Noticee 8)

88. The SCN has alleged that Venkatasubramaniam V.V. (“**Venkat**”) was an employee of INFY, as a Senior Principal, Corporate Accounting Group of INFY. The investigation revealed that Venkat was a Designated Person of INFY in terms of regulation 9(4) read with regulation 9A (2)(a) of PIT Regulations, 2015. From the CDRs of Venkat, it was observed that he was also in frequent communication with employees of Infosys who had access to UPSI as per the SDD given by Infosys. These employees, by virtue of having access to UPSI pertaining to the financial results of that quarter, were insiders in terms of the provisions of PIT Regulations, 2015. During the IP, Venkat had indirectly reported to Sunil Kumar Dhareshwar, whose name featured in the SDD as having direct access to and being in possession of UPSI pertaining to the financial results.
89. Based on the above, it was alleged in the SCN that the professional relationship between Venkat and INFY and his position within INFY was such that it allowed

Venkat or was reasonably expected to allow Venkat, directly or indirectly, access to UPSI pertaining to INFY, making him a “Connected Person” in terms of Regulations 2(1)(d)(i) of the PIT Regulations, 2015 and consequently, an “Insider” of INFY, in terms of Regulation 2(1)(g)(i) of PIT Regulations, 2015.

90. As regards UPSI for quarter ended June 30, 2020, the SCN alleged the following:
- (a) The UPSI Period for this particular quarter was from June 29-July 15, 2020. Capital One and the other entities had commenced trading in the scrip of INFY from July 10, 2020, onwards.
 - (b) From June 2, 2020, onwards, an increase in the telephonic communication between Pranshu and Venkat was observed. Between June 2 and 25, 2020, the two had exchanged 12 phone calls for a duration of 2285 seconds i.e., the quantum of their communication with each other had almost doubled from that seen in the first half of the calendar year.
 - (c) On July 09, 2020 (i.e., one day prior to the start of trading by Capital One), Pranshu had a long duration call with Venkat at 12:07:24 which lasted 333 seconds. Immediately after said call, at 12:20:00 Pranshu (9886821281) spoke to Amit (9945611667) for 297 second (the longest duration call in the month of July 2020 between Pranshu and Amit). The frequency of calls between Pranshu and Venkat had increased significantly during the period June 2020 to July 2020.
 - (d) On July 9, 2020, it was seen that between the call of Pranshu with Venkat at 12:07 PM and call of Pranshu with Amit at 12:20 PM, no call was made or received by Pranshu to / from any insider or designated person of INFY. Post the two calls in the UPSI period pertaining to the financial results for quarter ended June 30, 2020, there were just three more phone calls between them and none in the UPSI period pertaining to the financial results for quarter ended September 30, 2020.

91. In view of the above, the SCN alleged that Venkat, who was in possession of the

UPSI pertaining to the financial results for quarter ended June 30, 2020, had communicated the UPSI to Pranshu in some form or manner and that Pranshu had procured UPSI from Venkat in some form or manner. It is further alleged that Pranshu in turn communicated the UPSI to other Noticees / their working partners who then traded in the scrip of INFY while in possession of and on the basis of UPSI. As per SCN, the close proximity of the phone call of Pranshu with Venkat, immediately followed by Pranshu's call with Amit and the start of trading by the entities the next day showed that Venkat communicated UPSI pertaining to the financial results for the quarter ended June 30, 2020 to Pranshu.

92. In respect of the above allegation, Pranshu has submitted that the abovementioned allegations were part of the Interim Order as well as the Confirmatory Order. In appeal, the Hon'ble SAT found that the Confirmatory Order could not be sustained, *inter alia*, on the ground that the SDD of INFY did not include the names of Noticee 1 and Noticee 8. By reason of the same, the Hon'ble SAT held that *prima facie* Noticees 1 and 8 did not have direct access to UPSI. Pranshu has further contended that the Confirmatory Order was also set aside on the ground that the telephonic conversations between Noticees 1 and 8 were in relation to official matters, and thus, Noticee 8 had not communicated UPSI to Noticee 1 through such conversations. He has also argued that the Hon'ble SAT had found Noticee 1 to have sufficiently explained and discharged his burden of proving that he did not have access to UPSI.
93. Pranshu has further submitted that while issuing the SCN, SEBI had not relied on any new evidence in support of allegation that Noticee 1 procured UPSI from Noticee 8, as the long duration call on July 9, 2020 and the frequency of communication between Noticees 1 and 8, was virtually the same evidence relied on in the SCN. As per Pranshu, the Hon'ble SAT, while quashing the Confirmatory Order, had already found the above evidence insufficient and also acknowledged that Noticee 1 had discharged his burden of proving that he did not procure UPSI from Noticee 8. In the absence of any opposing evidence in the SCN, SAT's finding

still held ground. The SCN could not simply reiterate the same allegation and thereby cast an obligation on the Noticee to demonstrate that he did not procure any UPSI from Noticee 8, as no new evidence was unearthed or relied on in the SCN.

94. Similar to the submissions of Pranshu, Venkat submitted that the allegations made in the SCN were covered in the Interim Order and the Confirmatory Order, which were quashed by the Hon'ble SAT. He further contended that SEBI failed to provide any new factual averments or evidence to support or suggest any wrongdoing by Noticee 8. Under such circumstances, in view of the observations of the Hon'ble SAT that a satisfactory explanation was provided by Noticee 8, supported with adequate evidence, the allegations of SEBI based upon surmises and proximity of employees cannot be sustained.
95. I have considered the submissions made by Pranshu and Venkat in respect of the abovementioned allegations. I note that except for bringing out a new fact that during the IP, Venkat had indirectly reported to Sunil Kumar Dhareshwar (who had access to UPSI), the SCN has not brought out any new fact in respect of the allegations against Pranshu and Venkat pertaining to communication of UPSI relating to quarter ended June 30, 2020, which was not covered in the Interim Order and Confirmatory Order. The allegations against Pranshu and Venkat in relation to the quarter ended June 30, 2020, as mentioned in the SCN, are more or less the same, as covered in the Interim Order and Confirmatory Order.
96. I note that both Pranshu and Venkat filed appeals against the Confirmatory Order before the Hon'ble SAT. The Hon'ble SAT disposed of the said appeals vide an order dated April 25, 2022 whereby it quashed the Interim Order as well as the Confirmatory Order, in so far as it related to Pranshu and Venkat. In the said order, The Hon'ble SAT had observed, *inter alia*, the following:

"10. Whereas, on this basis, it was sufficient for the WTM to pass an ad-interim order but when further evidence comes forward which is taken note of then in our opinion the continuation of the ex-parte ad-interim order in so far as it relates to the appellant

cannot continue and, therefore, in our opinion the impugned order confirming the ex-parte ad-interim order cannot be sustained for the following reasons:-

- a) Under Regulation 3(5) of the PIT Regulations, 2015 all listed companies are mandated to maintain SD data base containing details of all the persons with whom UPSI is exchanged alongwith the date and time stamping and verifiable audit trails. A specific finding has been given by the WTM that the SD data base which captures details of only those designated persons who had direct access to UPSI does not include the name of the appellant or of the 15 designated person Mr. Venkata Subramaniam. Therefore, prima facie appellant no.1 and other noticee Mr. Venkata apparently did not have direct access to UPSI.
 - b) WTM further notes that there were 600 odd employees in Infosys who were classified as designated persons and further found that such classification as designated persons itself does not mean per se that such designated persons ipso facto were in possession of UPSI coupled with the fact that Mr. Venkata's name was not found in the SD data base and, therefore, he had no direct access to UPSI.
 - c) Further, telephonic conversation between the appellant and Mr. Venkata alongwith proof of certain emails exchanged between them indicates that the telephone calls were relating to some official matters regarding their respective 16 domain of responsibilities in the Company. The telephone call discussions were relating to maternity benefits through Employees' State Insurance Corporation rather than through Infosys and, consequently, the initial burden upon the appellant stood discharged, namely, that he was not having any UPSI nor UPSI was passed on from Mr. Venkata to appellant in this telephonic conversation.
 - d) Burden of proof was wrongly placed upon the appellant that he did not pass on UPSI to Mr. Amit Bhutra. It is settled law that the burden of proof is always upon the prosecution, namely, SEBI to prove that he had access to UPSI or that he was an insider.
 - e) In any case, the onus has been successfully discharged in the instant case and, therefore, at this stage, continuation of the interim order on 17 prima facie suspicion or preponderance of probability or reasonably expected to have access to UPSI appears to be farfetched only on the strength that the appellant is an employee in the Company and is expected to have inside information.
11. Consequently, in the absence of any direct or indirect evidence coming forth at this stage and the fact that the investigation is still continuing which may take time for

issuance of a show cause notice, we are of the opinion that the continuation of the interim order against the appellant is unjustified especially when the appellant has not traded in the scrip nor there is any finding that he is a party to the unlawful gain.

12.

13. *The investigation has not yet concluded and, therefore, it would take some time for issuance of a show cause notice. Final orders will come much later. Considering the aforesaid when only prima facie observations are being made which the appellant has sufficiently explained and discharged his burden we are of the opinion that at this stage debarring a person from accessing the securities market is not justified in the facts of the case.*

14.

15. *In view of the aforesaid, the confirmatory order as well as the interim order in so far as it relates to the 19 appellants cannot be sustained and are quashed. The appeals are allowed. In the circumstances of the case parties shall bear their own costs."*

97. From the above, I note that the Interim Order read with Confirmatory Order has already been quashed by the Hon'ble SAT as regards Pranshu and Venkat, on the ground that *prima facie* observations made in the Interim Order have already been sufficiently explained by them. Considering the same, the abovementioned allegations against Pranshu and Venkat can be proceeded with only if sufficient additional evidence is brought on record, for the Quarter ended June 30, 2020.
98. I note that the SCN, in the form of an additional fact, pointed out that during the investigation period, Venkat was indirectly reporting to Sunil Kumar Dhareshwar who had access to UPSI. This fact was cited to show that Venkat's position within INFY was such that it allowed Venkat or was reasonably expected to allow Venkat to access the UPSI, directly or indirectly, thereby making him a connected person.
99. In respect of the above, Venkat has submitted that SEBI had grossly failed to establish any communication or correspondence between Noticee 8 and Noticee 9, in the absence of which Noticee 8 could not be treated as an "*insider*" or a "*connected person*". He has further contended that apart from a bald averment that Noticee No. 8 "*indirectly reported to Sunil Kumar Dhareshwar*, no evidence or

supporting documents were adduced by SEBI to support its allegations in the SCN.

100. I note that though the SCN had brought out the fact that Venkat was indirectly reporting to Sunil, it failed to show evidence of exchange of any calls between Venkat and Sunil during the UPSI period pertaining to Quarter ended June 30, 2020. Further, the SCN also failed to bring forth any circumstantial evidence which could show that Sunil communicated the UPSI to Venkat. Considering the above, the additional fact brought out by the SCN against Venkat pertaining to his indirect reporting to Sunil, appears insufficient for the purpose of establishing that Venkat had access to UPSI which he passed on to Pranshu.
101. I note that the SCN has additionally pointed to the observation that Whatsapp call logs and messages on the phones of Pranshu and Venkat for the period December 01, 2019 to June 30, 2020 were not available. However, in my view, given that it has not been proved that Venkat had access to UPSI, no adverse finding may be drawn from the abovementioned observation.
102. In view of the above observations and findings, I conclude that the material available on record are not sufficient for sustaining the allegation that Venkat had communicated the UPSI to Pranshu.
103. Once the allegations against Pranshu that he had access to UPSI fail, the allegation that Pranshu had communicated the UPSI to Ankit Bhutra cannot be sustained. As a consequence of the same, the allegations against all other Noticees do not stand.
104. In view of the above observations and findings, I deem it fit to vacate the directions issued vide the Interim Order read with Confirmatory Order against Noticees 2 to 7 and dispose of instant proceedings against all the Noticees. As regards Noticees 1 and 8, I note that the Interim Order and the Confirmatory Order in respect of the said Noticees have already been quashed by the Hon'ble SAT vide its Order dated April 25, 2022.

ORDER:

105. I, therefore, in exercise of the powers conferred upon me under Section 19 of the SEBI Act, 1992 read with Sections 11, 11(4) and 11B thereof, hereby direct that the restraint imposed on Noticees 2 to 7 vide the Interim Order read with the Confirmatory Order, shall stand vacated with immediate effect.
106. The instant proceedings against Noticees 1 to 16 are hereby disposed of without any direction.
107. Any amount impounded from Noticees 2 to 7 and deposited in escrow account(s) pursuant to directions in the Interim Order read with Confirmatory Order shall stand released, along with accrued interest, if any, to the respective Noticees. The concerned banks are directed to facilitate the same.
108. A copy of this Order shall be served on the Noticees. Further, a copy of this Order shall be forwarded to the recognized Stock Exchanges, Depositories, RTAs and Banks for their information and necessary action.

PLACE: MUMBAI

DATE: SEPTEMBER 09, 2024

**ASHWANI BHATIA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**