WTM/MB/IVD/ID7/13509/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

COMMON FINAL ORDER

Under Sections 11(1), 11(4), 11B(1), 11B(2) and 11(4A) of the SEBI Act, 1992

In Re: SEBI (Prohibition of Insider Trading), 2015

In respect of SCN:

SCN: SEBI/HO/IVD/ID7/PJ/OW/P/2020/14274 dated September 03, 2020	
Name of Noticee	**PAN**
Mr. Aditya Prasad	AAPPP6777N

SCN: SEBI/HO/IVD/ID7/PJ/OW/P/2020/14271 dated September 03, 2020	
Name of Noticee	**PAN**
Mr. Rajesh Chandra Verma	AACPV0223C

In the matter of DCB Bank Ltd.

BACKGROUND

1. DCB Bank Limited **("DCB/ the company/ the bank")** is a new generation private sector bank with 271 branches across 18 states and 2 union territories. It is a scheduled commercial bank regulated by the Reserve Bank of India. DCB's business segments are Retail, micro-SME, SME, mid-corporate, agriculture, commodities,

Government, public sector, Indian Banks, Co-operative banks and NBFCs. DCB is listed on BSE & NSE.

2. The company on October 13, 2015, announced at the stock exchanges that it plans to add 150+ branches to its already existing 160 branches. Apart from rapidly expanding branch network, the company also planned to invest heavily in customer and frontline facing technologies to enhance customer experience. Further, DCB also mentioned that the above initiatives are likely to have a negative impact on near term P&L. The corporate announcement pertaining to expansion of branches was made on October 13, 2015, 5:10 PM at BSE and 5:27 PM at NSE. Post the aforesaid announcement, the scrip which had closed at Rs.133.15 on October 13, 2015, touched a low of Rs. 91.15 and closed at Rs. 92.15 on October 15, 2015, i.e. a decrease by 30.79% in 2 trading days.

3. Securities and Exchange Board of India **("SEBI")** conducted an investigation as to whether certain persons / entities have traded in the scrip of DCB while they were in possession of unpublished price sensitive information and were thus in violation of the provisions of the Securities and Exchange Board of India, Act 1992 (hereinafter referred to as the "SEBI Act") and SEBI (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the "PIT Regulations") during the period September 19, 2015 to October 13, 2015 **("Investigation Period/IP").**

SHOW CAUSE NOTICE

4. Pursuant to conclusion of the investigation, Show Cause Notices (SCNs) dated September 03, 2020, were issued to Mr. Aditya Prasad (hereinafter referred to as the **"Noticee No. 1"**) and to Mr. Rajesh Chandra Verma (hereinafter referred to as the **"Noticee No. 2"**). It has been alleged, inter alia, that:

4.1. The information disseminated on October 13, 2015, pertaining to Branch Expansion is an information that is not generally available information in terms of Regulation 2 (1)(e) of the PIT Regulations.

4.2. The information related to Branch Expansion is a price sensitive information that is not generally available which upon becoming generally available, materially affected the price of the securities and is an information relating to expansion of business. Therefore, the information related to the Branch Expansion before it was published on the website of the Exchanges, is an unpublished price sensitive information **("UPSI")** in terms of Regulation 2 (1)(n)(iv) of the PIT Regulations.

4.3. From the chronology of events provided by DCB it is alleged that the information related to the Branch Expansion had come into existence on September 19, 2015, as on this day a meeting of various business unit heads and support units was held and impact of new bank licenses was discussed along with brain storming for the way forward. The aforesaid is also observed from the minutes of the meeting wherein it is stated / recorded that "New Branch Strategy" and impact of new bank licenses were discussed in the meeting. Based on the same, it is alleged that the UPSI period is from September 19, 2015, to October 13, 2015.

4.4. As per the letter dated June 27, 2017, of DCB, Noticee No. 1 was Head-Project & Process of DCB, while Noticee No. 2 was the Head of Treasury. It was observed from the table of chronology of events leading to the aforesaid corporate announcement that a meeting of senior management of DCB which was held on September 19, 2015, to brainstorm ideas. Noticee No. 1 attended this meeting. Further, the minutes of that meeting where "New Branch Strategy" and impact of new bank licenses were discussed was circulated by email dated September 19, 2015, to both the Noticees and other people in DCB.

4.5. Thus, it was alleged that both the Noticees were in possession of UPSI and hence, it was alleged that both the Noticees are insiders with respect to the said UPSI of DCB in terms of Regulation 2(1)(g)(ii) of the PIT Regulations.

4.6. It is alleged that both the Noticees have traded in the scrip of DCB during unpublished price sensitive information period and details of those trades are tabulated in following table:

Noticee No. 1

BSE: Cash Segment

Date	Buy Qty	Wt. Avg Buy Price (in Rs.)	Sell Qty	Wt. Avg Sell Price (in Rs.)
Prior to UPSI Period (August 18, 2015 – September 18, 2015)				
No trades observed related to Aditya Prasad				
During UPSI Period (September 19, 2015 – October 13, 2015)				
28-Sep-2015	0	0	150	121.15
Total	0	0	**150**	**121.15**
Post UPSI Period (October 14, 2015 – November 14, 2015)				
No trades observed related to Aditya Prasad				

NSE: Cash Segment

Date	Buy Qty	Wt. Avg Buy Price (in Rs.)	Sell Qty	Wt. Avg Sell Price (in Rs.)
Prior to UPSI Period (August 18, 2015 – September 18, 2015)				
18-Aug-2015	0	0.00	100	139.05
25-Aug-2015	300	119.43	400	125.87
28-Aug-2015	0	0.00	250	127.73
03-Sep-2015	0	0.00	150	129.45
04-Sep-2015	0	0.00	250	124.10
08-Sep-2015	0	0.00	100	126.75
11-Sep-2015	0	0.00	500	129.00
18-Sep-2015	0	0.00	350	132.65
Total	**300**	**119.43**	**2100**	**128.68**
During UPSI Period (September 19, 2015 – October 13, 2015)				
21-Sep-2015	0	0.00	400	137.27
22-Sep-2015	0	0.00	300	139.36
23-Sep-2015	200	135.75	200	137.90
24-Sep-2015	0	0.00	500	141.69
28-Sep-2015	0	0.00	150	142.05
29-Sep-2015	0	0.00	250	143.85
Total	200	135.75	**1800**	**140.23**
Post UPSI Period (October 14, 2015 – November 14, 2015)				
No trades observed related to Aditya Prasad				

Noticee No. 2
NSE: Cash Segment

Date	Buy Qty	Wt. Avg Buy Price (in Rs.)	Sell Qty	Wt. Avg Sell Price (in Rs.)
Prior to UPSI Period (August 18, 2015 – September 18, 2015)				
14-Sep-2015	0	0	5000	130.08
15-Sep-2015	0	0	5000	129.51
18-Sep-2015	0	0	15000	131.50
Total	**0**	**0**	**25000**	**130.82**
During UPSI Period (September 19, 2015 – October 13, 2015)				
21-Sep-2015	0	0	10000	138.76
22-Sep-2015	0	0	7000	137.10
24-Sep-2015	0	0	21000	140.02
28-Sep-2015	0	0	2000	143.00
29-Sep-2015	0	0	15500	141.28
30-Sep-2015	0	0	19500	142.97
01-Oct-2015	0	0	23535	143.28
Total	0	0	**98535**	**141.31**
Post UPSI Period (October 14, 2015 – November 14, 2015)				
No trades observed related to Rajesh Chandra Verma				

4.7. It is observed from above tables that:

4.7.1. Noticee No. 1 had sold 1,800 shares of DCB on NSE and 150 shares of DCB on BSE during the UPSI period.

4.7.2. Noticee No. 2 has sold 98,535 shares of DCB during the UPSI period on NSE.

4.8. In view of the above, it was alleged that both the Noticees, being insiders, have traded in the securities of DCB while in possession of UPSI.

4.9. Thus, it was alleged that both the Noticees have engaged in insider trading in the scrip of DCB. Thus, it is alleged that Mr. Aditya Prasad and Mr. Rajesh Chandra Verma have violated Regulation 4(1) of PIT Regulations and Section 12A (d) of SEBI Act. Further, it was also alleged that by dealing in securities of DCB while in possession of material and non-public information, both the Noticees have also

violated Section 12A(e) of SEBI Act. Moreover, by dealing in securities of DCB when in possession and on the basis of UPSI, it was alleged that both the Noticees have also violated Section 15G(i) of SEBI Act.

4.10. Further, vide letter dated April 13, 2017, DCB had provided copy of code of conduct adopted by it as per the PIT Regulations. DCB had adopted the same with effect from May 15, 2015, in compliance with Regulation 9(1) of PIT Regulations. As per the submission of Noticee No. 2, vide email dated August 23, 2019, he was appointed as Head of Treasury and Correspondent Banking Department from February 02, 2015. Thus in terms of 'Para 3(g)' of the DCB Code of Conduct, he was a 'Designated Person' in DCB Bank. During the UPSI Period, Mr. Rajesh Chandra Verma had sought pre-clearance for dealing in securities of DCB vide his applications dated September 21 and 28, 2015, as per DCB Code of Conduct. It is observed that Mr. Rajesh Chandra Verma took pre-clearance on September 28, 2015, for trading of 50,000 shares between September 28, 2015 and October 04, 2015, and had sold 60,535 shares. It has been alleged above that he was in possession of UPSI during the UPSI period. Consequently, it was further alleged that Noticee No. 2 being a designated person and allegedly in possession of UPSI had applied for pre clearance of trade to deal in securities of DCB. It was therefore alleged that Noticee No. 2 has violated Clause 6 of Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders, specified in Schedule B read with Regulation 9(1) of PIT Regulations. The said act of Noticee No. 2 to seek pre-clearance of proposed trades to deal in securities of the company when in possession of UPSI, has led to the violation of Section 15HB of the SEBI Act.

4.11. It is also alleged that the Noticees, by trading in the scrip of DCB during UPSI period, have allegedly averted loss, which is shown as below:

Noticee No. 1

4.11.1. As the alleged UPSI was announced to the stock exchanges on October 13, 2015, after end of trading hours, the closing price of DCB for October 14, 2015, has been used for profit/ loss calculation.

4.11.2. DCB scrip closed at Rs. 106.55/- on NSE and Rs. 106.8/- at BSE on October 14, 2015. For NSE, this is 19.98% lower than the closing price of October 13, 2015. Therefore, the unlawful loss alleged to have been avoided is as follows

Noticee	Exchange	Sell Qty	Wt. Avg. Sell Price	Closing Price (Oct 14, 2015)	Unlawful Loss Averted (in Rs.)
Aditya Prasad	NSE	1800	140.23	106.55	62,777/-
	BSE	150	121.15	106.8	

Noticee No. 2

Noticee	Exchange	Sell Qty	Wt. Avg. Sell Price	Closing Price (Oct 14, 2015)	Unlawful Loss Averted (in Rs.)
Rajesh Chandra Verma	NSE	**98535**	**141.31**	106.55	34,25,077/-

Methodology: (Number of shares sold while in possession of UPSI) X ((Weighted average Sell Price) Less (Closing Price of following trading day after UPSI Announcement))

5. In view of the above, the Noticees, were called upon to show cause as follows:

5.1. Mr. Aditya Prasad is show caused as to why appropriate directions under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) read with Section 15G(i) of SEBI Act should not be initiated against him for the loss averted by him for his trades executed in the scrip of DCB, including disgorgement of Rs 62,777/-, from him.

5.2. Mr. Rajesh Chandra Verma is show caused as to why appropriate directions under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) read with Section 15G(i) of SEBI Act should not be initiated against him for the loss averted by him for his trades executed in the scrip of DCB, including disgorgement of Rs 34,25,077/-, from him.

REPLY, WRITTEN SUBMISSION AND ADDITIONAL SUBMISSION:

6. The SCNs were duly delivered to the Noticees and the dates of their initial replies, personal hearing and submissions post hearing are as below:

Reply	Mr. Aditya Prasad	Mr. Rajesh Chandra Verma
Initial reply	September 24, 2020	October 03 and December 11, 2020
Personal hearing	December 17, 2020	December 17, 2020
Post hearing reply	January 05, 2021	December 29, 2020

7. The submissions of Noticee No. 1 are summarized as below:

Alleged UPSI was already in public domain:

7.1. DCB has been following branch expansion strategy ever since RBI liberalized opening of branches. With a view to provide shareholders and prospective investors correct quantitative and qualitative information, investor presentations are placed on the DCB website after declaration of the quarterly results. Focus on branch expansion was specifically mentioned under 'Business Strategy' repeatedly in all investor presentations from April 2013 to July 2015. Moreover, discussions on branch expansion was also a part of general Q & A in few quarter and analysts calls hosted on DCB website. These investor presentations have been released to the stock exchanges.

7.2. Plan of DCB to open close to 150 additional branches and to invest in frontline technology was mentioned in the General Q & A dated May 25, 2015, and this information was hosted on the DCB website on May 25, 2015, and also released to the stock exchanges. Therefore, information about plan to reach 300+ branches by opening 150 new branches was available to all stakeholders including existing and prospective shareholders in non-discriminatory manner since May 25, 2015. The following has been mentioned:

On page 4, under heading Branch Network and Headcount:

'The branch expansion would be in accordance with the Reserve Bank of India guidelines. We are targeting to reach around 300+ branches in about 4 years.

We are making appropriate investments in frontline technology to improve staff productivity and customer experience.

On page 5, under heading Payment Banks/ Small Banks/ New Banks:

The banking landscape may change substantially in the coming years. We need to be prepared. We have to improve our technology and customer experience. We need to have faster seamless delivery. We have to work hard to retain talent. We also have to concentrate on product innovation and customer connect. Otherwise we will face more pressure from both new and existing players. At the same time, it may not be easy for the new entrants to compete with well entrenched existing players.'

7.3. The public announcements of NSE and BSE on October 13, 2015, under the heading 'DCB Bank plans to double its branch network within 12 months" is in continuation of the above expansion strategy, which is already in public domain. The press release specifically mentions that DCB has plans to add 150+ branches to already existing 160 branches, which is similar to expansion policy already in public domain.

7.4. Hence, the information disseminated on October 13, 2015, pertaining to branch expansion was a part of the branch expansion strategy which was already in the public domain since May 25, 2015, and was generally available information. The only change is the time period to reach the 300+ branches from 4 years earlier to one year as per press release dated October 13, 2015.

Alleged UPSI did not come into existence on September 19, 2015:

7.5. RBI granted in-principle approval to 10 entities to open Small Finance Banks on September 16, 2015, after approving payment banks earlier in August 2015. On next working day i.e., September 18, 2015, Head-Retail & SME Banking requested vide email for a meeting of senior officials, including MD and CEO, on September 26, 2015, to discuss the impact of these new licenses on DCB. Topic of branch expansion was not even up for discussion in this proposed meeting. It can be seen from the email dated September 18, 2015, that no discussion on

branch expansion or the way forward was in the agenda for the meeting held on September 19, 2015.

7.6. A preliminary brainstorming session without the MD & CEO was held on September 19, 2015, which was attended by the Noticee along with other senior officials of DCB. Such meetings are done to generate ideas in a free flowing manner and ideas emanating from such meetings may at best be inputs for the various committees empowered to deliberate/ decide further. Such meetings are generally part of routine function of business/ support unit heads to address any external or internal developments. This meeting was attended by the Compliance Officer (responsible for adherence to Code of Conduct for prohibition of insider trading) and Chief Investor Relation Officer (also the CFO). Both are experienced officers and are responsible for taking appropriate measures in case of existence of any UPSI; however, no such step was taken as there was nothing in the meeting which could be considered as USPI. No step was taken by them or by other designated officers to maintain the confidentiality of any information, which indicates that nothing transpired in the meeting which could be considered as UPSI. As per DCB Code of Conduct, all designated officers have the responsibility to maintain confidentiality of UPSI. Noticee was not a designated officer at that time.

7.7. DCB has submitted that brain storming was done for way forward; however, the agenda circulated on 18/09/2015 was restricted to identify impact areas as a result of RBI approving licenses. As per minutes of the meeting, the brainstorming discussions revolved mainly around the various impact areas for DCB Bank, with new bank licenses coming up and to understand “Who will succeed?” based on the competitive position of DCB Bank and the new entities as per understanding of various officials present. The meeting was only to understand the impact areas due to expected opening of new banks without touching any strategic areas including branch expansion. Thus, the information about rolling out 150 branches in 12 months, which is a strategic initiative, clearly did not and could not have come into existence on September 19, 2015.

7.8. The minutes of the meeting held on September 19, 2015, are classified into five heads (a) Issue, (b) Impact due to small banks, (c) Probability of impact due to small banks, (d) Impact due to Payment Banks and (e) Probability of impact due to payment banks. New Branch strategy/ conflict with existing footprint has been highlighted in the minutes as an issue along with other existing areas of impact. Issue is always pre-existing and can never be conceptualization of a new strategic initiative, as inferred in the SCN. Thus, there can be no correlation between 'new branch strategy/ conflict with existing footprint', which is classified as an issue in the minutes with future branch expansion strategy announced on October 13, 2015. Mere heading of new branch strategy classified under issues cannot be a basis of for inferring that information about rolling out 150 branches came into existence on September 19, 2015.

7.9. The New Branch Expansion strategy actually referred to the strategy approved in May 2015 and hosted on corporate website on May 25, 2015. This strategy was identified as the participants suggested various ways and the New Branch Expansion strategy was one identified area which could be impacted.

7.10. Opening of new branches is a regular bank activity. Increase in number of branches in previous FYs are as below:

FY ending 31st	**Number of branches**	**Number of branches opened in the FY**
March 2013	94	10
March 2014	130	36
March 2015	154	24

7.11. The minutes clearly state that key impact areas grouped under New Branch Strategy/ conflict with existing branch footprint are (a) Identification, execution and break-even and (b) Ability to reach customers in new locations mainly in rural and unbanked locations. The key impact areas suggested under this head were operational in nature and had no correlation with the corporate decision taken on October 13, 2015, to open 150 branches in 12 months.

7.12. Further, minutes of this brainstorming meeting specifically state:

"So as discussed we will meet again. Let's come prepared to discuss on the above mentioned points or any topic that is left out"

The above clearly indicates that even the preliminary discussions in this meeting were incomplete and accordingly it was decided to meet again.

7.13. The brainstorming forum has no locus standi to make any decisions or even make recommendations with respect to strategy of the bank. Ideas in the meeting were confined to operational matters related to opening of new branches in line with the branch expansion strategy already in public domain by way of investor presentations and General Q & A. Thus there is no relation of the deliberations held in the brainstorming meeting to the corporate announcement.

7.14. There was absolutely no discussion on future strategy or the way forward as stated in the document submitted by DCB. Any discussion on the way forward was not in the agenda for the informal meeting of senior officers on 19/09/2015, in absence of MD & CEO. It is inconceivable that in such a hurriedly convened meeting in the absence of MD & CEO, an important strategic initiative is contemplated while going beyond the laid down agenda.

7.15. Accordingly, there was no UPSI for reasons of branch expansion from September 19, 2015, as alleged.

Alleged UPSI came to knowledge of Noticee on October 07, 2015:

7.16. Notice for holding Board Meeting was sent on October 05 and trading window was closed on the same day. This agenda did not include any item for branch expansion, which suggests that the information about rolling out 150 branches in 12 months had not come into existence till October 05, 2015. Thereafter, in the Management Committee meeting of October 07, 2015, MD & CEO

expressed the need to open 150 branches in next 12 months. This agenda was submitted to Board of Directors as a table item on October 13, 2015, with three options (a) Do nothing, (b) open 150 branches and (c) aggressive strategy. The Board approved the opening of 150 branches in next 12 months.

7.17. The minutes of this Board meeting held on 13/10/2015 along with copy of presentation made have been considered by SEBI while issuing the SCN. Page 22 of the presentation refers to discussion with the top team which was attended by 21 people. In this meeting, the MD &CEO advised the senior officers of the Bank about the intention to go for opening 150 branches and sought the opinion of each officer. The submission of each officer collectively resulted in the stated score under the Belief Index and Fog Index; however, it appears that DCB missed mentioning this important meeting in the chronology.

7.18. The idea of adding 150+ branches in 12 months was suggested by MD & CEO and included as possible option to be recommended to the Board for the first time in the meeting of the Management Committee on October 07, 2015, only. This is also confirmed by letters of DCB dated June 27 and August 01, 2017. MD & CEO was of the strong view of the same and as far as Noticee remembers, no one else spoke a single word. As he does not have access to full minutes of this meeting, he cannot provide documentary evidence of the same and SEBI may request for the same from DCB.

7.19. Hence, the assertion that the information about branch expansion announced on 13/10/2015 came into existence in the meeting held on 19/09/2015 is incorrect and not factual. As MD & CEO was not present in the meeting held on 19/09/2015, he could not have shared this suggestion that day.

7.20. The chronology in the SCN was provided by DCB and has been used to conclude that the information about branch expansion announced on 13/10/2015 came into existence in the meeting held on 19/09/2015. This chronology was provided against two specific queries of SEBI as follows:

Chronology of events in relation to the press release dated October 13, 2015, titled 'DCB Bank plans to double its branch network along with documentary evidence like

copy of Board agenda, copy of email/ communication circulating the agenda to board members, details of all the members present in the Board meeting. AND

When was the idea to double the branch network within 12 months mooted and when was it placed before the Company.

7.21. DCB clubbed the two queries while providing the chronology and did not provide specific response to the query of SEBI about the date when the idea to double the branch network within 12 months was mooted. In the same chronology, DCB has clearly stated that MD & CEO expressed the need to roll out 150 branches in 12 months on October 07, 2015, which is the specific response to the query of SEBI. No further response was sought by SEBI in this regard.

7.22. DCB subsequently also confirmed to SEBI vide letter dated August 01, 2017, that the recommendation to open 150 branches was arrived for the first time on October 07, 2015.

7.23. Even in the Management Committee meeting of October 07, 2015, financial implications/ related impact was neither discussed nor any information in this regard was available. These were deliberated by a smaller group consisting of MD & CEO, CFL and Finance Team on October 09, 2015, as per DCB submissions.

7.24. Hence, the information related to *adding 150+ branches* in 12 months came to my knowledge for the first time only on October 07, 2015, which was after closure of trading window. Hence, it is denied that the UPSI period is from September 19, 2015, to October 13, 2015.

7.25. Since all the information pertaining to the Branch Expansion Strategy in his possession was already in public domain at the time of the meeting on September 19, 2015, it is denied that he was an insider.

7.26. Noticee has submitted that he was not in possession of UPSI at the time of his trades in shares of DCB and there is no violation of PIT Regulations and the SEBI Act. The sale of the shares was within the approved rules of DCB.

Transactions of Noticee in DCB shares:

7.27. Noticee has submitted that he purchased 500 shares of DCB by exercising ESOPS during August 18-September 18, 2015, at Rs. 128.4/- and another 1500 shares on October 13, 2015, at Rs. 136.07 (during UPSI period), which is not mentioned in the SCN.

7.28. Noticee has submitted details of ESOPs, date of vesting, date of exercise and date of sale of shares. He was given ESOPs in phases after joining DCB in April 2010. First vesting happened in July 2012 and he started exercising ESOPs from July 2014. From beginning till October 13, 2015, he has availed 27500 ESOPs in 17 phases and has sold 19750 shares in same period on 41 dates in small lots and never exceeding 1000 shares. ESOPs were availed using savings and money from sale of shares was used for fresh exercise of ESOPs. It is evident that there is no unusual transaction during the alleged UPSI period.

7.29. Noticee was not a designated employee for the purpose of disclosure in September 2015. He was selling ESOPs periodically as he had taken a loan to purchase a flat in Lucknow in 2015. He had also sold 2100 shares during August 15-September 18, 2015, and purchased 500 shares by exercising ESOPs in the same period, which indicates that sale of shares during the alleged UPSI period was in accordance with sale of shares in the past without any skewness.

7.30. Balance holding of DCB shares only decreased by 250 shares during the alleged UPSI period i.e., only net sale of 250 shares was done in this period.

7.31. Even after selling net 250 shares during September 19-29, 2015, he still held 7750 shares of DCB. Thus only a small part of shares were sold, which indicates that sale of shares was not guided by any UPSI allegedly in my possession or by the thought of avoiding possible loss.

7.32. During the same period, he also sold 1750 shares of IDBI.

7.33. Noticee has sold 4450 shares on DCB during December 2015 to July 2016 at prices below Rs. 106.55 i.e., the price on the basis of which loss averted has been calculated. This subsequent sale at significantly lower prices clearly suggests that his net sale of 250 shares during the alleged UPSI period was not

induced by UPSI or to avoid loss. The logical action would have been to sell a chunk of the 8000 shares held with him.

7.34. Further, after factoring in the acquisition price of 1500 shares at Rs. 136.07/-, the net loss averted works out to Rs. 8240/- based on net sale of 250 shares of DCB during the alleged UPSI period. Noticee has considered the sale price of Rs. 140.23/- as mentioned in the SCN and benchmark price for computation at Rs. 106.55 as mentioned in the SCN.

7.35. He needed to sell shares to lower the loan burden. Hence, Rs. 62,777/- should not be classified as loss averted.

8. The submissions of Noticee No. 2 are summarized as below:

Alleged UPSI was already in the public domain:

8.1. The new branch expansion plan of DCB was already in the public domain since April 15, 2015 (Investor presentation) and may 25, 2015 (General Q & A). DCB had disclosed these to the stock exchanges. Thus, information about DCB plan to expand from 154 branches to 300+ branches came into existence as early as April 2015. Hence, this information was not UPSI.

Alleged UPSI was not price sensitive:

8.2. SEBI has not provided any material/ reasons to show that the change in the scrip price was due to the information of expansion and not due to other market factors. Hence, the information was not UPSI.

8.3. Further, a subset of publicly disclosed information in itself cannot change the nature of information from generally available information to UPSI.

8.4. Assuming that the information is UPSI, SEBI has to demonstrate and establish that the information was material and had a significant impact on price once it became public. SEBI has still not proved beyond doubt that it was an UPSI, that it was material and had an impact on the price. SEBI has assumed that the

information was an UPSI and was the sole reason for price behaviour post declaration of Q2 results.

8.5. SCN pre-supposes that the share price of DCB was agnostic to all its performance parameters and was sensitive only to the news of 150+ branches being added. The entire drop in share price has been attributed only to this disclosure made on October 13, 2015, and ignores the fact that DCB had shown substantial drop in Q on Q performance parameters on all fronts and ratios as evident from the financial results declared on October 13, 2015.

8.6. DCB's performance fell significantly below market expectations and deteriorated in Q2 FY 2015-16 as compared to Q2 FY 2014-15. This negative impact on the scrip price in undeniable and therefore it is wrong to state that the reason behind the price fall was the alleged UPSI.

8.7. The following may be noted with respect to drop in price of DCB:

8.7.1. When announcement of new branch policy and expenditure on frontline technology was made on May 25, 2015, the movement in scrip price of DCB indicated that this news had no significant impact on the price i.e., scrip price was agnostic to both number of branches to be opened and in what time period.

8.7.2. Assuming that price of DCB fell only because of news of branch expansion, then only UPSI-II can be the reason for this drastic fall (assuming that scrip price is agnostic to financial performance of the Bank).

8.7.3. After the disclosure on October 13, 2015, DCB issues a press release on October 15, 2015, before the markets opened, wherein it amended this expansion plan and revised it from 12 months to 24 months. If the information related to branch expansion time period was price sensitive, then this new announcement should have resulted in increase in scrip price. On the contrary, the scrip price almost remained the same indicating that the market and the scrip price were agnostic to the new branch expansion.

8.7.4. DCB gave additional update on October 30, 2015, to BSE informing that DCB plans to roll out 150+ branches in a cautious, prudent and calibrated

manner over next 24 months. DCB gave improved projected financials in this announcement. However, there was no effect on the scrip price after this announcement, which again shows that information related to number of branches, timeline and near term impact projections are not price sensitive.

8.8. Noticee has also submitted the price movement of scrips of other banks when they have published information on new branch expansion and has submitted that the market has always ignored such information.

8.9. This clearly indicates that there were other factors that caused the price to fall. The fall in share price on October 14, 2015, was mainly due to the disappointing performance and not due to the new branch expansion policy. Hence, the price fall cannot be attributed to either UPSI-I or UPSI-II.

Alleged UPSI period was not from September 19, 2015:

8.10. Noticee did not attend the meeting on September 19, 2015, but only received the minutes. SEBI has not produced any document, which was in his possession prior to October 07, 2015, wherein there was a specific mention of any change in the number of branches planned to open or altering the time period. Therefore, atleast till October 07, 2015, there was no UPSI as alleged. SEBI has to produce the document to show that the alleged UPSI came into his possession on September 19, 2015.

8.11. The alleged UPSI has two variable elements: (a) addition of 150+ branches (UPSI-I) and (b) in time period of 12 months (UPSI-II). The SCN does not state which of this aforesaid information UPSI was nor does it state which part of the UPSI was available with him when he traded.

8.12. UPSI-I is already in public domain since May 25, 2015, and hence, it was a generally available information and may also be called published price sensitive information, if at all number of branches is to be considered as price sensitive. Therefore, the scrip price of DCB had already factored this information since May 25, 2015.

8.13. On May 25, 2015, DCB announced that it would increase number of branches from 154 to 300 in 4+ years, while on October 13, 2015, it revised the timeline to 12 months from 4 years. This change in timeline is UPSI-II.

8.14. The SCN does not mention anywhere that on September 19, 2015, what exact information on new branch expansion came into his possession, which could be termed as UPSI and what was the source of this alleged UPSI. Assuming that he was in possession of UPSI-II, then the sole basis for this allegation is that he was in possession of minutes of an informal inconclusive brainstorming meeting of a group of senior executives held without any formal invitation or authorization, which was actually not attended by him. Hence, he was not even aware of the deliberations that took place in this meeting. All that he had was a solitary line in the minutes stating *"New Branch strategy/ Conflict with existing footprint (1) identification, execution, breakeven (2) ability to reach customer in new locations".* There is no recommendation/ decision/ any new details, which would indicate that it was in any manner different to what was already in the public domain.

8.15. If it is assumed that the future outcome of this meeting will lead to DCB to take some steps in any one of the identified 16 impact areas, then the question is whether it amounted to any actionable item and the answer is no. The meeting compiled these impact areas for further discussion at a later date and the same did not become a recommendation to the management/ Board. Therefore, any change in approved strategy based on an inconclusive brainstorming session is stretching imagination a bit too far.

8.16. There is no mention in the minutes regarding the change in the strategy of branch expansion. This was rightly so as this meeting was not an empowered committee authorized to recommend such change in strategy. Hence, the minutes do not indicate any change in branch strategy and only the impact of new branch licenses was discussed. Therefore, it cannot be said that he had possession of UPSI when he did not attend the meeting.

8.17. Further, the minutes' mention that the meeting was inconclusive and decision would be made later. He was not part of any meetings held after this meeting till October 7, 2015.

Alleged UPSI came into existence on October 07, 2015:

8.18. As regards, the question when UPSI-II came into existence, the trading window was closed on October 5, 2015, and there is no mention that the window was closed for taking any strategic decision, as there was none taken till even October 5, 2015. Noticee submits that DCB has not clearly replied to SEBI's query as to when the idea to double the branch network within 12 months was mooted and how and when was it placed before the company. SEBI has neither insisted for this reply nor is SEBI in possession of any document with DCB's answer to this critical question. Therefore, it is not clear how SEBI concluded that UPSI period started from September 19, 2015.

8.19. The extract of the minutes of meeting held on October 7, 2015, show that the MD & CEO expressed the need to roll out 150+ branches in 12 months i.e., this information came into existence for the first time on this date. This has also been reiterated by DCB vide its reply dated August 01, 2017. The extract of October 7, 2015, meeting confirms that it was the MD's proposal in the meeting for revising the timeline to open 150+ branches. The MD spoke last and unveiled this proposal for the first time. None of the other attendees discussed anything regarding New Branch strategy or to change this strategy. The minutes also do not mention that the MD took inputs from the previous brainstorming meeting while unveiling his decision to propose change to the New Branch strategy.

8.20. The P&L impact and risk assessment were done by the Financial Controller on the MD's decision for revision of the timeline on October 09, 2015, and this information was not available to me any time before October 13, 2015.

8.21. In DCB, strategic decisions are taken by the MD in consultation with Chairman and Promoter's representative subject to Board approval subsequently. MD informed these people on October 9, 2015, regarding his decision to change the

existing branch strategy. MD was not present in the meeting held on September 19, 2015, and a group of senior executives, in the absence of the MD, could not have discussed and finalized recommendation to change branch strategy.

8.22. Therefore, UPSI came into existence when specific proposal/ information was made/ compiled. Noticee has referred to certain orders of SEBI where it has been discussed when UPSI came into existence and SEBI has accepted that UPSI came into existence when specific event/ action happened and NOT from the date when a group of executives met to discuss. Noticee has referred to cases of Deep Industries Ltd., Wipro and Mannapuram and has submitted that SEBI's present SCN is inconsistent with these previous SEBI orders.

8.23. It follows that what is price sensitive is essentially material but the converse is not true. In Anil Harish vs. SEBI, the Hon'ble SAT has ruled that if certain information is bound to be disclosed to the exchanges under the listing agreement, then the information is not necessarily a price sensitive information. Price-sensitivity shall be determined solely on the basis of its impact upon the price. Similar was held by the Hon'ble SAT in the matter of Gujarat NRE Mineral Resources vs. SEBI. Hence, while the New Branch expansion maybe material information but it is not price sensitive.

8.24. It is surprising how DCB mentioned that the events leading to the Board decision on October 13, 2015, started on September 19, 2015. DCB has not substantiated the same by any document or sequence of events. If such an argument is accepted, then even RBI communique on Branch expansion policy can be treated as an event leading to the Board decision on October 13, 2015. Further, DCB should have closed the trading window on September 19, 2015, itself even though the Compliance Officer was present in the meeting.

Trading pre-clearance:

8.25. Noticee had applied for pre-clearance to sell DCB shares on September 14, 21 and 28, 2015, which was given by the compliance officer. He applied for pre-clearance as required by Schedule B, para 6 of the PIT regulations, prior to its

amendment. If the information was UPSI, then the compliance officer should not have given the Noticee the pre-clearance if he had possession of this UPSI. Further, the compliance officer did not consider the information as UPSI else the trading window would have been closed from September 19, 2015, onwards.

8.26. If the general discussion was UPSI, then DCB should not have been communicating it to someone in the bank without need to know. He was head of treasury and was neither KMP nor a decision maker with respect to branch expansion. The CFO and Compliance Officer, both responsible for protecting confidential information, slowed the distribution of the so called UPSI to him, who as Head of Treasury had no role to play in opening of new branches. Hence, such information cannot be considered as UPSI. SEBI should call for internal records of DCB to find out when this proposal was first mooted.

Transactions of Noticee in DCB shares:

8.27. Noticee sought inspection of certain documents viz., internal file notings of SEBI for the investigation, documents received by SEBI but not provided with the SCN, agenda and minutes of meeting held on September 29, 2015, and October 07, 2015, Board meeting held on October 13, 2015, emails dated September 18, 2015, October 9, 2015, etc.

8.28. He joined DCB in 2009 and was allotted ESOPs as under:

Sr. No.	Date	ESOPs Numbers
1	October 10, 2009	150000
2	August 17, 2010	20000
3	June 01, 2012	35000
4	Total	205000

8.29. Shares of DCB allotted to him in 2015 were pursuant to exercise of such ESOPs. Since a large chunk of his personal savings were used to exercise ESOPs, he used to sell most shares as soon as possible to restrict his shareholding in DCB to a level comfortable to his risk appetite. He used to reinvest major part of sales

proceeds in bank FDs/ saving account. Remaining amount was used to pay EMI, overdraft and for exercise of ESOPs. Noticee has provided details of allotment of shares, dates of pre-clearance sought, quantity sold, etc.

8.30. He has sold 55000 shares during February 23, 2015, till September 18, 2015.

8.31. From the above details, Noticee has submitted that his intention to dilute his investment in DCB is clear. The allegation of insider trading is incompatible with his trading pattern as he was trading immediately after ESOPs were allotted to him. Further, he did not sell his entire shareholding as he still had 51465 shares left.

8.32. Several research reports had recommended either Buy/ Hold on DCB but he still sold shares as he wanted to dilute his investment in DCB and move to FDs. In Chandraleka vs. SEBI, the Hon'ble SAT has held that if insider shows that he did not trade on basis of UPSI and traded on some other basis, then it cannot be said that he violated Regulation 3 of the PIT Regulations.

8.33. On August 24, 2015, SEBI issued a guidance note and clarified that exercise of ESOPs shall not be considered to be trading except for the purposes of Chapter III of the Regulations. As soon as he came to know about the same, he sold shares from September 14, 2015, till September 18, 2015. Therefore, the sale of DCB shares from September 19, 2015, till October 01, 2015, was motivated by his intent to reduce exposure to DCB and not due to alleged UPSI.

9. Both the Noticees have prayed that the SCN be disposed of without issuance of any directions against them.

ISSUES FOR CONSIDERATION:

10. I have perused the SCNs, replies, oral and written submissions and other materials available on record. The following issues arise for consideration:

10.1. ***Issue No. 1:*** *Whether the information relating to the Branch Expansion of DCB was unpublished price sensitive information, in terms of the PIT Regulations?*

10.2. ***Issue No. 2:*** *If the information relating to the Branch Expansion of DCB was unpublished price sensitive information, whether the period of unpublished price sensitive information was from September 19, 2015, to October 13, 2015, as alleged in the SCN?*

10.3. ***Issue No. 3:*** *Whether the Noticees are 'insiders' in terms of the PIT Regulations?*

10.4. ***Issue No. 4:*** *If the Noticees are an 'insiders' in terms of the PIT Regulations, whether the Noticees have violated the applicable provisions of insider trading under the PIT Regulations and the SEBI Act, as alleged in the SCN?*

10.5. ***Issue No. 5:*** *If the answer to the aforesaid question is in affirmative, whether directions as proposed in the SCN and direction of penalty, if any, needs to be issued against the Noticees?*

11. I shall now proceed to deal with the issues enumerated above.

Issue No. 1: Whether the information relating to the Branch Expansion of DCB was unpublished price sensitive information, in terms of the PIT Regulations?

12. Before proceeding further, it will be appropriate here to refer to the definition of UPSI as mentioned under Regulation 2(1)(n) of the PIT Regulations. The same reads as follows:

2(1) In these regulations, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

…

(n) "unpublished price sensitive information" means 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 the following: –

(i) …;

(ii) …;

(iii) …;

(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

NOTE: It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

13. Thus, from the aforesaid definition of unpublished price sensitive information, it is observed that the following three ingredients are essential to qualify an information as an unpublished price sensitive information:

    13.1. The information must be directly or indirectly related to a company or its securities;

    13.2. The information must not be generally available;

    13.3. The information upon becoming generally available, is likely to materially affect the price of the securities.

14. Moreover, in terms of Regulation 2 (1)(n)(iv) of the PIT Regulations, information related to expansion of business is a type of information that ordinarily gives rise to unpublished price sensitive information.

15. It is alleged in the SCNs that the information related to the Branch Expansion, before it was published on the website of the exchanges, is UPSI. The corporate announcement made to the exchanges consists of the following:

15.1. DCB plans to double its branch network i.e., add 150+ branches to existing 160 branches, within 12 months.

15.2. DCB will also invest in customer and frontline facing technologies.

15.3. This will have a negative impact on near term P&L.

16. I note that the corporate announcement pertained to the scrip of DCB and hence, the first ingredient mentioned at para 13.1 above is met. As regards the remaining two ingredients, the contentions of the Noticees, in brief, are as below:

16.1. The information relating to the New Branch strategy of DCB was available in the public domain as the plan of DCB to open around 150 additional branches and to invest in frontline technology was mentioned in the General Q & A dated May 25, 2015, and this information was hosted on the DCB website on May 25, 2015, and also released to the stock exchanges.

16.2. The corporate announcements made to NSE and BSE is in continuation of/ similar to the above expansion strategy, which is already in public domain, as it specifically mentions that DCB has plans to add 150+ branches to already existing 160 branches.

16.3. The alleged UPSI can be divided into two parts: UPSI-I is the number of additional branches to be added i.e., 150+ and UPSI-II is the time period in which this is to be done i.e., within 12 months. The SCN does not clearly state which of this is the UPSI.

16.4. The information pertaining to the branch expansion of DCB is not price sensitive information and the price of DCB was impacted after October 13, 2015, only due to its poor financial performance, as the quarterly results were also disclosed on that date.

16.5. On October 15, 2015, DCB revised its expansion plan from 12 months to 24 months; however, this news did not affect the price of the scrip. Hence, the scrip price was not dependent on the number of branches or on the time period required for expansion.

17. To meet the second criterion, the information should not be "generally available". The phrase, "generally available information" has been defined under Regulation 2 (1)(e) of PIT Regulations, as follows:

"generally available information" means information that is accessible to the public on a non-discriminatory basis;

NOTE: It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.

18. The aforesaid definition which essentially means that the information should be equally accessible to the public on a non-selective and in a transparent manner i.e., accessible to the public. To put it differently, for an information to be held as generally available, the information must be uniformly and universally disseminated. One of the ways of doing so is publishing it on the website of a stock exchange.

19. In order to determine whether the information related to the branch expansion of DCB is generally available or not, the following comparison between the two pieces of information viz., information available since May 25, 2015, and information made public on October 13, 2015, needs to be assessed:

Criteria	May 25, 2015	October 13, 2015
Format of release to exchanges	General Q & A	Press release
Information related to branch network	There are 154 branches at present. Plan to reach 300+ branches in about 4 years	Double the branch network in 12 months (add 150+ branches to existing 160 branches)
Impact on financials	Investment in branch network will add further pressure on Cost/ Income ratio.	Negative impact on near term P&L. Outcomes are expected to be better in 5 to 6 years

20. It can be seen from the above table that there is a major difference between the position of DCB on May 25, 2015, w.r.t. branch expansion vis-à-vis the position on October 13, 2015. While the number of additional branches to be added to the existing branch network has remained the same i.e., 150, what has fundamentally changed is

the time period in which this will be achieved. Therefore, the decision of DCB to change this time period for doubling of branch network from 4 years to 1 year and also its financial impact being felt much earlier rather than spread over a longer period of time is information that cannot be said to be generally available information prior to October 13, 2015. I am of the view that the "new information relating to branch expansion strategy of DCB and its consequential financial impact", is information which is not generally available prior to October 13, 2015. Hence, the ingredient at para 13.2 is also satisfied.

21. Further, the SCN clearly states that the information related to the Branch Expansion is not generally available information and is information related to the expansion of business. This information includes the number of additional branches to be added, the time period within which the same would be achieved and that it would negatively affect the near term P&L. Hence, the nature of the UPSI is clearly mentioned in the SCN.

22. As regards the price sensitivity of this information, it would be appropriate to quote the "DCB Bank-Code of Conduct for Prohibition of Insider Trading" which has, inter alia, defined Unpublished Price Sensitive Information under Para 3(v) as *"…means any information relating to a bank or its securities, directly or indirectly, that is not generally available upon 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 the following*

(i)…

…

(iv) …and expansion of business....

23. The press release dated October 13, 2015, states that *"DCB has announced that it has plans to double its branch network within 12 months. It plans to add 150+ branches to its already existing 160 branches"*

....

The Bank believes that the above initiatives are likely to have a negative impact on near term P&L."

24. A perusal of the aforementioned press release shows that it had the relevant information regarding the expansion plans of DCB by doubling its branch network within a defined time period and also the negative impact of this expansion on the near term P&L of DCB. Thus, the aforesaid information, which would have a bearing on the financials / operation / performance of DCB, was not generally available and upon becoming generally available was likely to materially affect the price of the securities.

25. Reliance is also placed on Hon'ble Securities Appellate Tribunal order dated March 24, 2021, in Appeal no. 272 of 2020 in the matter of *Mr. B Renganathan Vs. SEBI* wherein Hon'ble SAT held that:

"…….*A disclosure-based regulatory regime is founded on timely and adequate disclosure of all events material to a company or to its securities in any manner. Further hair-splitting will result in confusion; so the best way to deal with the event is to disclose without doing further analysis. Disputes regarding actual price sensitiveness is irrelevant as brought out in this matter by both the sides; with SEBI holding that prices increased by a few rupees in the opening trades on April 6, 2017 while the appellant holding that prices had already been on the rise several days prior to that and prices increased due to disclosure of an insurance license. What is relevant is whether the event in question is likely to have a material effect irrespective of whether it actually impacts or not. Therefore, in our considered view any event like a 100% acquisition of a company, irrespective of its value or size, is material and liable to bring in UPSI and consequently liable for regulatory compliances under LODR and PIT regulations ……"*

26. Thus, the new information relating to branch expansion strategy was not generally available and upon becoming generally available was, *prima facie*, likely to materially affect the price of the securities. Hence, this satisfies the third criteria of UPSI

27. Though the only requirement was whether the UPSI when published is likely to materially affect the price of the securities, the presentation of actual change in the scrip price post this announcement is given below:

Price in Rs

Date	Open	High	Low	Close	WAP	Change in closing price
12/10/2015	138.9	139.9	137.05	137.45	137.91	-
13/10/2015	**138.3**	**140.8**	**130**	**133.45**	**135.24**	**-1.94%**
14/10/2015	**120**	**120**	**106.8**	**106.8**	**107.88**	**-20.23%**
15/10/2015	**98.9**	**101**	**91.4**	**92.35**	**95.06**	**-11.88%**
16/10/2015	**95.8**	**98.9**	**95.1**	**95.8**	**96.83**	**1.86%**
19/10/2015	**97.5**	**97.5**	**94.2**	**94.65**	**95.26**	**-1.62%**
20/10/2015	95.25	95.25	91.65	91.9	93.11	-2.26%
21/10/2015	91.9	92.9	90	90.25	91.15	-2.11%
23/10/2015	90.7	91.3	87.3	87.65	88.94	-2.42%
26/10/2015	88	91.3	87.5	90.05	90.11	1.32%
27/10/2015	90.1	91.3	90.1	90.8	90.91	0.89%
28/10/2015	90.75	91	88.5	88.95	89.46	-1.59%
29/10/2015	89.5	89.9	86.5	86.85	87.46	-2.24%
30/10/2015	**86.7**	**88**	**86.2**	**86.6**	**86.97**	**-0.56%**
02/11/2015	**87.05**	**88.00**	**86.70**	**87.35**	**87.27**	**0.34%**

(Source: BSE)

28. Hence, it can be seen that post this announcement of information pertaining to change in the branch expansion strategy of DCB and its consequent financial impact, there is a negative impact on the scrip price of DCB. However, Noticee No. 2 has contended that this negative impact was due to the disclosure of the FY 2015-16 Q2 financial results and not due to the information pertaining to the branch expansion of DCB.

29. I take note of the following parameters of the financial results of DCB, which were disclosed on October 13, 2015:

Parameter (INR mn)	Q2 FY 2014-15	Q2 FY 2015-16	Change
Net profit	411	369	-10%
Total income	1547	1987	28%
Operating profit	599	781	30%
Deposits	1,08,999	1,35,573	24%
CASA	27,751	32,669	18%
Net Interest Income	1177	1500	27%

Parameter (INR mn)	Q2 FY 2014-15	Q2 FY 2015-16	Change
Cost to Income ratio	61.30%	60.70%	-1%
CASA Ratio	25.46%	24.10%	-5%
Gross NPA Ratio	1.90%	1.99%	5%
Net NPA Ratio	1.07%	1.16%	8%
Annualized ROA	1.25%	0.89%	-29%
Annualized ROE	13.53%	8.92%	-34%

(Source: DCB investor presentation dated October 13, 2015)

30. Further, I note that in the General Q&A put out by DCB on October 13, 2015, on the stock exchanges after trading hours, the management has commented the following regarding the impact of additional 150+ branches in 12 months:

30.1. Main impact on P&L will be due to frontloading implementation of 150+ branches in next 12 months.

30.2. P&L (post tax) will be negatively impacted by approximately Rs. 9-15 crores in FY 2016, Rs. 50-65 crores in FY 2017 and Rs. 20-35 crores in FY 2018.

30.3. This initiative is likely to break even in 24-30 months.

30.4. Cost/ Income ratio, ROA and ROE will all get negatively impacted due the gestation of the new 150 branches. Cost/ Income ration may worsen by 5%-11%, while ROE may continue to be below 10%

30.5. It is expected that the P&L (post tax) will be better by approximately 30-40% by FY 2022.

30.6. Execution risk associated with this new approach.

31. As seen from the above, DCB has disclosed on October 13, 2015, that the initiative to double its branch network within 1 year will severely impact the P&L of the bank in the near term and positive results were expected only in FY 2022 i.e., after around 6 years. Hence, it was very clear to investors from this guidance that the financial performance of DCB would be severely impacted in the near term.

32. Further, an update dated October 15, 2015, from DCB regarding its plan to double the branch network was disseminated by the stock exchanges on October 16, 2015, before start of trading:

    32.1. DCB has received feedback on its branch expansion plan from investors, analysts and other stakeholders.
    32.2. In view of the same and after consultation with its Chairman, it has been decided to install 150+ branches in a calibrated manner over a period 24 months instead of 12 months.

33. Thereafter, on October 30, 2015, at end of trading hours, DCB provided another update as to how cost investments made in additional branches and headcount have delivered reasonable financial performance. A comparison between effect of adding 57 branches between Q2 FY 2014 and Q2 FY 2016 on total income and operating profit was provided. It was further informed that DCB would like to target:

    33.1. Cost/ Income ratio in the range of 55% towards the end of FY 2019.
    33.2. ROE of approximately 14% towards the end of FY 2019.
    33.3. Improve Cost/ Income ratio, ROE and ROE beyond FY 2019.

34. While the performance of DCB had negatively changed on the basis of certain parameters viz., net profit, CASA ratio, gross and net NPA ratio and annualized ROA and ROE, I note that on a preponderance of probability basis, the two subsequent updates on branch expansion policy of DCB make it clear that the scrip price was materially impacted by the decision of DCB to double its branch network in 1 year as against the earlier period of 4 years. The market had considered the severe financial implications of doubling the branch network in 12 months, which resulted in the subsequent price drop. DCB was forced to review its branch expansion strategy due to the immediate impact on the scrip price and issue these subsequent updates, one of which showed the financial benefits of increasing branch numbers. I also note here

that prior to the Board meeting held on October 13, 2015, the MD & CEO, vide email dated October 9, 2015, has informed the Chairman and Director of the promoter of DCB the following:

"After the board meeting we will be putting general Q & A on the stock exchange informing all investors about our new approach of speeding up branch implementation and the likely impact on near term P&L, ratios etc…

This may have both negative and positive impact on market sentiments about DCB…

…"

35. Hence, even the senior management of DCB was of the belief that the change in the branch strategy and its impact on financials may be viewed positively and/ or negatively by the market. Therefore, after consultation with the Chairman and other stakeholders, the revised updates were made. The effect of these updates on the scrip price is as seen below:

    35.1. After the first update on October 16, 2015, the scrip of DCB opened slightly higher than it had closed on the previous day. The scrip also closed at a higher price than the previous close.

    35.2. Similar effect is seen on the scrip price on November 02, 2015, after the second update was made on October 30, 2015.

36. In other words, the market viewed both these updates regarding the review of the branch expansion policy of DCB as positive. While it has been submitted that the change in the scrip price post these updates is miniscule as compared to the drop in the scrip price after the announcement on October 13, 2015, it cannot be denied that the decision of DCB to change its branch expansion strategy materially affected the scrip price and required DCB to review the same and provide subsequent updates to the market.

37. From the above, it is observed that the new information relating to branch expansion strategy and its consequential negative impact on the P&L of DCB, upon becoming generally available, was not only likely to materially affected the price of the securities but also had materially affected the price of the securities of DCB, though the definition of unpublished price sensitive information requires only the likely impact on the price of the security. Therefore, the third ingredient, as mentioned at para 13.3 above, is also satisfied.

38. In view of the above discussions, I conclude that the new information relating to branch expansion strategy of DCB and its consequential financial impact, was an unpublished price sensitive information (hereinafter referred to as "UPSI"), in terms of Regulation 2(1)(n) of PIT Regulations as well as Para 3(v) of the "DCB Bank-Code of Conduct for Prohibition of Insider Trading".

Issue No. 2: If the information relating to the Branch Expansion of DCB was unpublished price sensitive information, whether the period of unpublished price sensitive information was from September 19, 2015, to October 13, 2015, as alleged in the SCN?

39. The SCN alleges that the UPSI period is from September 19, 2015, to October 13, 2015. Both the Noticees have disputed the start of the UPSI period. The chronology of events leading up to the corporate announcement made on October 13, 2015, as submitted by DCB, vide its letter dated June 27, 2017, is as follows:

Date	**Event**	**Details of persons present in the discussion**
18/09/2015	Post RBI decision on new licensing policy, retail banking & SME business unit expressed the potential threats from new banks and ring fencing of relevant risks and desired by an email to have an internal meet of Management Team	Praveen Kutty- Head Retail & SME Banking
19/09/2015	A meeting of various business unit heads and support units was held. An impact of	Bharat Sampat, Praveen Kutty, R Venkattesh, Sridhar Seshadri,

Date	Event	Details of persons present in the discussion
	new bank licenses was discussed, and brain storming was done for way forward	Abhijit Bose, Atal Agarwal, Aditya Prasad, N.N. Mishra, Anuradha T.P. , Ravi Kumar, Gaurav Mehta, Hamsaz Vasunia, H.V. Barve, Pankaj Sood, Krishna, Atul Kumar, Sameer Jaini
29/09/2015	A brain storming meeting of various business unit heads and support units was held and emerging trends vis-à-vis DCB Bank's approach was discussed	Bharat Sampat, Praveen Kutty, R Venkattesh, Sridhar Seshadri, Abhijit Bose, Atal Agarwal, Aditya Prasad, N.N. Mishra, Anuradha T.P. , Ravi Kumar, Gaurav Mehta, Hamsaz Vasunia, H.V. Barve, Pankaj Sood, Krishna, Atul Kumar, Sameer Jain
05/10/2015	Notice of Board meeting sent	By the company secretary to the Directors and to NSE and BSE
	Notice of trading window closure sent	By the company secretary to the Directors, all staff members and to NSE and BSE
07/10/2015	A meeting of Management Team (MANCO) held at which MD expressed the need to focus on customer facing technology, roll out of 150 new branches, strategic alliances	Natarajan, Bharat Sampat, Praveen Kutty, R Venkattesh, Sridhar Seshadri, Abhijit Bose, Atal Agarwal, Aditya Prasad, N.N. Mishra, Anuradha T.P. , Ravi Kumar, Gaurav Mehta, Hamsaz Vasunia, H.V. Barve,
09/10/2015	Further discussions took place on above and Financial Controller updated the views, categorized the risks identified	Sridhar Seshadri assisted by Vishal Aanchaliya
	MD & CEO apprised representative of the promoters about informing the Stock Exchanges on new approach of speeding branch expansion	Natarajan informed Sultan Allana of promoters, with cc to Naseer Munjee- Bank's Chairman
13/10/2015	MD & CEO made a Powerpoint presentation to the Board, with the permission of the chair which the Board approved	Chairman – Naseer Munjee Directors- Altaf Jiwani, Amin Manekia, Imran Contractor, Jamal Pradhan, Keki Elavia, Nalin Shah, C Narasimhan, Rupa Devi Singh, Suhil Nathani, Shaffiq Dharamshi, S Sridhar, MD and CEO- Murali Natarajan Senior Management- Bharat Sampat- CFO, Praveen Kutty Head Retail & SME Banking, R Venkattesh Head-Ops, Tech and HR, Rajesh Verma- Head

Date	Event	Details of persons present in the discussion
		Treasury, Jayaraman Vishwanath- Chief Credit Officer, Sridhar Seshadri – Financial Controller, Atal Agarwal- Head Corporate Banking, Aditya Prasad- Chief Compliance Officer, N.N. Mishra- Head AIB, Anuradha T.P. - CIA Gaurav Mehta- Head Marketing, Hamsaz Vasunia- Head Human Resource, H.V. Barve- Company Secretary, Ravi Kumar- Chief Operating Officer, Meghana Rao- Head Service Excellence
	Unaudited financial results (limited review) for the Q2 & HY1 ended September 30, 2015	
	Press release – DCB announces Q-2 result	
	Press release – Investor Presentation Q-2 FY 2016	
	General Q & A	
	Press release on Branch Expansion	
15/10/2015	Press release updating on 150+ addl branched rollout plan	
30/10/2015	Press release updating on 150+ addl branches rollout plan	

40. Based on the chronology of events leading up to aforesaid corporate announcement and the above mentioned discussions, the following observations are made:

40.1. During the two brainstorming meetings to discuss impact of new banking licenses, while there is a high probability that discussions on the new information relating to branch expansion strategy would have taken place, these discussions would possibly have been only exploratory in nature and the information generated at this stage was likely imprecise in nature, without a reasonable probability of the discussion becoming a concrete recommendation to the Board and being accepted.

40.2. Juxtaposing this with the UPSI period, the initial discussions would have been exploratory in nature and then proceeded towards a greater degree of crystallization with a reasonable probability of a decision being taken to make it

a recommendation to the Board. This would have been done in a structured way by resolving issues. In other words, with each passing day, the outcome of the discussions would have moved towards a higher and higher degree of concreteness, as the discussions are centered around resolution of specific issues.

40.3. It is noted that it cannot be said with 100% certainty what will be the outcome/ information before the public announcement is actually made as there is still room for the management to change/ modify their decision till the time the decision has been publicly announced. The certainty of information can only be measured in terms of probability/degree of crystallization and concreteness.

41. It is mentioned in the SCN that in the events leading to the corporate announcement made on October 13, 2015, a meeting of senior management of DCB was held on September 19, 2015, to discuss the impact of new bank licenses along with brainstorming for the way forward. The minutes of this meeting state/ record that "New Branch Strategy" and impact of new bank licenses were discussed in this meeting. Hence, it has been alleged that the above mentioned UPSI came into existence on September 19, 2015.

42. I note that the Noticees have contested this allegation by stating the following:

42.1. The meeting held on September 19, 2015, was of the nature of a brainstorming and in the absence of the MD & CEO, such an important strategic initiative like doubling the branch network in 12 months could not have been discussed in this meeting.

42.2. As seen from the email dated September 18, 2015, no discussion on branch expansion or the way forward was in the agenda for the meeting held on September 19, 2015. The meeting was only to understand the impact areas due to expected opening of new banks without touching any strategic areas including branch expansion.

42.3. The minutes of the meeting held on September 19, 2015, do not mention any deviation/ revision to the branch expansion policy. Also, Noticee No. 2 did not attend this meeting.

42.4. This UPSI originated for the first time in the meeting of the Management Committee held on October 07, 2015, which has also been confirmed by DCB in its reply dated August 01, 2017, to SEBI.

42.5. In the minutes of the meeting held on October 07, 2015, it was the MD & CEO who expressed for the first time the need to roll out 150+ branches in next 12 months. None of the other attendees discussed anything regarding the new branch strategy or changing it. There is also no mention that the MD & CEO took inputs from the previous brain storming sessions while making his decision.

42.6. The details of financial implication and risk assessment for arriving at the impact on the P&L probably came into existence on October 09, 2015.

42.7. CFO and Compliance Officer were attendees in the meeting held on September 19, 2015, and they did not consider the discussions held therein as UPSI; else the trading window should have been closed much earlier.

43. It is further observed that with respect to UPSI period, it should be kept in mind that the requirement of UPSI period does not preclude the possibility of failure of a certain recommendation/ transaction. To elaborate further, if the UPSI period has to begin only when a recommendation is accepted by the Board and there is no room for failure, then the only period which can be defined as UPSI period would be between the time the Board accepts the recommendation and the dissemination of the press release for the same. This will make the concept of “UPSI period” infructuous and will lead to mischief as multitude of steps are involved before it is decided to make any recommendation to the Board. The initial steps leading up to any recommendation are explorative and uncertain in nature but the UPSI period would begin when it can be reasonably inferred that the probability of the discussions having attained a greater degree of crystallization has become high. The individuals who are part of the discussions in the run up to finalizing such a recommendation, during the UPSI period will know with a higher degree of certainty, when this stage of high probability has

been reached and whether it would be decided to make such a recommendation and they may trade while being in possession of the said information and on the basis of the said information. Hence, in the extant situation, it is essential to determine, with a reasonable degree of certainty, the date when the probability of discussions on the new information relating to branch expansion strategy of DCB having attained a greater degree of crystallization became high.

44. In this context, it is necessary to scrutinize the minutes of the meeting held on September 19, 2015, the minutes of the Management Committee meeting held on October 07, 2015, the presentation given to the Board on October 13, 2015, and replies of DCB given to SEBI. Further, I note from the chronology of events that another brainstorming session was held on September 29, 2015, as well.

45. I note the following from the minutes of the meeting held on September 19, 2015:

45.1. As per submission of DCB, Noticee No. 1 attended this meeting, while Noticee No. 2 did not. However, Noticee No. 2 received a copy of these minutes by email.

45.2. The MD & CEO did not attend this meeting.

45.3. The email invite sent for the meeting on September 18, 2015, states that the discussion will be on the impact of new bank licenses on DCB. One of the areas for deliberation was *"geographies which could come under threat on account of small bank expansion"* and it is also stated that *"we need to decide on…offensive forays that we need to neutralize the emerging threat"*. Hence, it is clear that one of the agenda of this meeting was to also discuss measures that could be taken to counter the threat of new bank licenses.

45.4. The minutes of this meeting note that 16 key areas of Impacts/ Opportunities were identified in this meeting. One of the identified issue is "New Branch strategy/ conflict with existing branch footprint" of DCB and the impact of small and payment banks on this area, with the probability of this impact on this issue.

The minutes' record that one of the impact of small banks on the new Branch strategy of DCB would be the ability to reach customers in new locations and the probability of this impact is High in rural/ unbanked locations.

46. In other words, the minutes' record that the business heads, including Noticee No. 1, who met on September 19, 2015, after discussions amongst themselves identified that there was a high probability of new small banks impacting the ability of DCB to reach customers in new locations, especially in rural/ unbanked locations. Considering that one of the agenda points of this meeting was to identify offensive forays to neutralize the threat of new bank licenses, it is conceivable that this group of executives could also have discussed accelerating the growth of new branches of DCB i.e., discussions on the new information relating to branch expansion strategy of DCB may have taken place in this meeting. However, I note that at this point in time, the probability of such discussions attaining a greater degree of crystallization is low in view of the following circumstances:

    46.1. The specifics of such discussions are not reflected in the minutes of this meeting. If indeed it was meant to be a concrete recommendation to the Board, then at least a few specifics would have been mentioned.
    46.2. The minutes make it clear that these Impact areas were identified and discussed but further discussions to address them are required. In other words, the discussions appear to have been more exploratory in nature and there is absence of any other circumstances which indicate a reasonable degree of crystallization in this meeting.

47. I note that another brain storming meeting of various business units heads and support units was held on September 29, 2015. As per submission of DCB, Noticee No. 1 attended this meeting, Noticee No. 2 did not attend and the MD & CEO did not attend this meeting. I note the following from the presentation made during this meeting:

    47.1. The presentation is titled *"Emerging Trends-DCB Bank Approach".*

47.2. There was a discussion on the impact areas identified in the meeting held on September 19, 2015, including on New Branch strategy. One of the action points for DCB that was discussed in this regard was the acceleration of opening of new branches in new geographies/ clusters.

47.3. Another issue discussed was Brand Awareness, where one of the actionable for DCB was to look at the option of having a major branch opening (150 odd) in a span of 1 year.

47.4. As part of the scaling up options discussed, each team within DCB had recommended certain scaling up options. The following scaling up options are relevant in the circumstances and facts of the extant matter:

47.4.1. The Retail Banking-Product team recommended to increase the pace of setting new branches.

47.4.2. The Finance team informed the participants that a New branch approval plan has been initiated.

47.4.3. The Branch Operations-Liabilities team recommended that DCB get to a size of 500 branches within 18 months.

48. Hence, it is clear from the above that on September 29, 2015, acceleration of opening of new branches in new geographies/ clusters and scaling up to a size of 500 branches within 18 months was discussed i.e., discussions on the new information relating to branch expansion strategy of DCB took place along with certain specifics, such as, number of additional branches to be added and the time period in which this expansion was to be carried out. Therefore, from September 19, 2015, to September 29, 2015, discussions on the new information relating to branch expansion strategy of DCB have moved from being exploratory in nature to having attained a greater degree of crystallization. Specific options to scale up the operations of DCB in terms of its branches have been recommended/ initiated and data related to this expansion, in terms of number of branches and time period, has also been mentioned.

49. Both the Noticees have submitted that the decision to actually roll out 150 branches in 12 months was expressed for the first time by the MD & CEO in the Management Committee meeting of October 07, 2015. The Noticees have also submitted that this has been confirmed by DCB vide its reply dated August 01, 2017.

50. I note the following from the extract of the minutes of the meeting held on October 07, 2015:

    50.1. Almost all the members of the Management Committee attended the brainstorming sessions held on September 19 and 29, 2015, and attended this meeting on October 07, 2015. Hence, the executives who have had discussions on the new information relating to branch expansion strategy of DCB, attended this meeting with the MD & CEO.

    50.2. Both the Noticees have attended this meeting.

    50.3. The extract provided by DCB shows that the MD & CEO has stated that *"150 Branches need to be rolled out in next 12 months".*

51. Vide letter dated August 01, 2017, DCB has submitted the following for the meeting held on October 07, 2015:

    51.1. The meeting was a meeting of Committee of Executives and not a Board meeting.

    51.2. The inputs gathered in the previous brainstorming sessions were reviewed at this meeting and the recommendation of *"150 Branches need to be rolled out in next 12 months"* was arrived at for the first time.

52. If only the extract of the minutes of the meeting held on October 7, 2015, are read, then it indicates that the new information relating to branch expansion strategy of DCB

became known to both the Noticees for the first time on October 07, 2015. However, if the extract of the minutes of the meeting held on October 7, 2015, are read together with the reply of DCB dated August 01, 2017, then the following conclusions can be drawn:

52.1. The decision of the MD & CEO, on October 7, 2015, to recommend to the Board of DCB that *"150 Branches need to be rolled out in next 12 months"* was not made without having reviewed the inputs of the previous brainstorming sessions. However, this new information relating to the branch expansion strategy of DCB viz., number of additional branches and time period has first emerged out of the discussions that were held in the brain storming meetings.

52.2. In other words, exploratory discussions on new information relating to branch expansion strategy of DCB were first held in the meeting held on September 19, 2015. Going ahead, on September 29, 2015, the new information relating to branch expansion strategy of DCB attained a greater degree of crystallization as scaling up options regarding the branches of DCB have been discussed along with specific figures.

52.3. The final figures of the expansion that were decided upon also appear to be in line with the discussions that took place on September 29, 2015.

53. As regards the financial impact of adding 150+ additional branches, the Noticees would be certainly aware that if DCB goes in for aggressive expansion, then its financials will definitely be affected. However, I note that the exact nature of the effect, as detailed in the presentation to the Board, press release and General Q&A disclosed on October 13, 2015, are not part of the minutes of the meetings held on September 19, 2015, and October 7, 2015, or in the presentation made on September 29, 2015.

54. I note here that the presentation given on September 29, 2015, is on record; however, it would have been prepared a day or two before September 29, 2015. However, the details of when the presentation was made and who was involved in its preparation are not on record. Therefore, in view of the above discussions, the new information relating to the branch expansion strategy of DCB attained a greater degree of crystallization as UPSI on September 29, 2015, when the second brainstorming meeting was held.

Issue No. 3: *Whether the Noticees are 'insiders' in terms of the PIT Regulations?*

55. Here, it will be appropriate to refer to the relevant provision pertaining to the definition of 'insider'. In terms of regulation 2 (1) (g) of PIT Regulations, 'insider' means any person who is:

(i)a connected person; or
(ii)in possession of or having access to unpublished price sensitive information

Connected person has been defined under regulation 2 (1) (d) (i) of PIT Regulations to mean as follows:

"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".

56. As already held above, the new information related to the branch expansion strategy of DCB attained a greater degree of crystallization on September 29, 2015. As per material provided by DCB, Noticee No. 1 i.e., Mr. Aditya Prasad, attended the presentation that took place on September 29, 2015, while Noticee No. 2 i.e., Mr. Rajesh Chandra Verma, did not attend the presentation. Further, there is no material

on record to show that the presentation was circulated to Noticee No. 2 by any medium.

57. As only Noticee No. 1 attended this brainstorming meeting held on September 29, 2015, wherein the new information related to the branch expansion strategy of DCB attained a greater degree of crystallization and is the UPSI, Noticee No. 1 is an insider having satisfied the condition at Regulation 2 (1) (g) (ii) above.

58. While Noticee No. 2 is an employee of DCB as on the date of this meeting, there is no material, direct or circumstantial, on record to show that he had access to unpublished price sensitive information, directly or indirectly. Hence, he does not satisfy either of the criteria for an insider as per Regulation 2(1)(g) of the PIT Regulations.

Issue No. 4: *If the Noticees are 'insiders' in terms of the PIT Regulations, whether the Noticees have violated the applicable provisions of insider trading under the PIT Regulations and the SEBI Act, as alleged in the SCN?*

59. SCN has alleged that the Noticees have violated the provisions of the PIT Regulations as being insiders, they have traded in the securities of DCB while in possession of UPSI and on the basis of UPSI. However, I note the following details regarding their trades:

Sr. No.	Noticee	Period of trade alleged to be on basis of UPSI	Date on which UPSI attained a greater degree of crystallization	Whether traded between Sept 29-Oct 13, 2015 (as per SCN)	Whether Insider (Yes/ No)
1	Mr. Aditya Prasad	September 21-29, 2015	September 29, 2015	Traded on September 29, 2015. No trades post this date.	Yes
2	Mr. Rajesh Chandra Verma	September 21-October 01, 2015	September 29, 2015	Traded on Sept 29 & 30, 2015, and Oct 01, 2015. No trades post this date.	No

60. As already held above, the information related to the branch expansion strategy attained a greater degree of crystallization and became an UPSI on September 29, 2015. It has also been held above that Noticee No. 2 is not an insider; hence, it cannot be said that his trades on September 29, September 30 and October 01, 2015, were executed while in possession of UPSI or on the basis of the UPSI. Further, it also cannot be said that he sought pre-clearance of trades when in possession of UPSI. Therefore, I find that Noticee No. 2 has not violated any provisions of the PIT Regulations.

61. As regards Noticee No. 1, I find that he is an insider by virtue of having possession of the UPSI. He has also traded in DCB shares on September 29, 2015, the details of which are as follows:

NSE: Cash Segment

Date	Buy Qty	Wt. Avg Buy Price (in Rs.)	Sell Qty	Wt. Avg Sell Price (in Rs.)
29-Sep-2015	0	0.00	250	143.85

62. From the trade log for the relevant period, the following is observed:

Date	Buy Qty	Sell Qty	Order entry time	Order execution time	Order modification details, if any
29-Sep-15	0	250	09:28:15	14:30:18	NA

63. Hence, the order for selling 250 shares for Noticee No. 1 has been entered at 9:28 AM i.e., a few minutes after the market has opened. As held above, the information related to the branch expansion strategy attained a greater degree of crystallization and became an UPSI on September 29, 2015, at a presentation which was attended by Noticee No. 1. There is no material on record to indicate that the said order was placed either before or after the presentation. There is no material on record to show that Noticee No. 1 was involved in preparing the presentation that was made on September 29, 2015. Further, there is no evidence on the time of the presentation on record. It is possible that presentation would have been held during normal working hours of DCB. Therefore, a doubt arises as to the whether the sell order was placed

prior to the presentation. Hence, I am granting the benefit of doubt to Noticee No.1 since no materials are there to indicate that the trade was entered into after the presentation was made. Accordingly, by extending the benefit of doubt, I find that Noticee No. 1 has also not violated any provisions of the PIT Regulations.

Issue No. 5: *If the answer to the aforesaid question is in affirmative, whether directions as proposed in the SCN and direction of penalty, if any, needs to be issued against the Noticees?*

64. As the answer to the aforesaid question is not in the affirmative, no directions, as proposed in the SCN or direction of penalty needs to be issued against the Noticees.

ORDER

65. In the facts and circumstances of the case, I, in exercise of the powers conferred upon me in terms of Section 19 of the Securities and Exchange Board of India Act, 1992, hereby dispose of the Show Cause Notice dated SEBI/HO/IVD/ID7/PJ/OW/P/2020/14274 dated September 03, 2020, issued to Mr. Aditya Prasad, & SEBI/HO/IVD/ID7/PJ/OW/P/2020/14271 dated September 03, 2020, issued to Mr. Rajesh Chandra Verma, without any directions or monetary penalty.

66. A copy of this Order shall be sent to the Noticees for their information.

Sd/-

DATE: September 23, 2021 **MADHABI PURI BUCH**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA