

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER NO. SO/SM/DD/2021-22/6436-6442]

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

In respect of:

Settlement application submitted by:

Name of Entity	PAN
Yes Bank	AAACY2068D
Shri. Ashish Agrawal	ABDPA8107E
Shri. Niranjan Banodkar	AJBPB5215E
Shri. Sanjay Nambiar	AFTPG9968H
Shri. Devamalya Dey	ACMPD5987B
Shri. Rajat Monga	ABOPM6135F
Shri. Shivanand Shettigar	AAIPS3741G

In the matter of Yes Bank Limited

1. Securities and Exchange Board of India (herein after referred to as '**SEBI**'), conducted an investigation in the affairs of Yes Bank Limited (herein after referred to as "**Applicant No.1/ Yes Bank**") during the period of February 14, 2019 to ascertain the possible violation of provision of SEBI Act, 1992(herein after referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations,2003 (herein after referred to as "**PFTUP Regulation**"). Pursuant to the investigation, SEBI observed certain violations of Section 12A(c) of the SEBI Act and Regulations 3(a), 3(d), 4(1),4(2)(k) and 4(2)(r) of PFTUP Regulation alleged to have been committed by Applicant 1, Shri. Ashish Agrawal (herein after referred to as '**Applicant 2**'), Shri. Niranjan Banodkar (herein

after referred to as '**Applicant 3**'), Shri. Sanjay Nambiar (herein after referred to as '**Applicant 4**'), Shri. Devamalya Dey (herein after referred to as '**Applicant 5**'), Shri. Rajat Monga (herein after referred to as '**Applicant 6**') and Shri. Shivanand Shettigar (herein after referred to as '**Applicant 7**'). Applicants 1 to 7 collectively to be referred to as "**Applicants**".

2. Pursuant to the Investigation above, SEBI vide its order dated July 20, 2020, appointed Shri B. J. Dilip, as the Adjudicating Officer (hereinafter referred to as '**AO**') under Section 19 read with Section 15-I of the SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**SEBI Adjudication Rules**'), to inquire into and adjudge under Section 15HA of the SEBI Act, the aforesaid alleged violations committed by Applicants. Pursuant to transfer of Shri B J Dilip, the undersigned was appointed as the AO in the said matter by SEBI vide Order dated December 29, 2020.
3. In this regard, a Show Cause Notice dated October 26, 2020 (hereinafter referred to as '**SCN**') was issued to Applicants. The major observations and allegations levelled against Applicants in the aforesaid SCN are given hereunder in brief:
 - a) Applicant 1 made a selective disclosure on February 13, 2019, highlighting "NIL" divergence which had significant positive impact on the price movement and had not disclosed other issues mentioned in the Risk Assessment Report (RAR) as observed by RBI.
 - b) Applicant 1 also made a public announcement on February 15, 2019, after market-hours that- *"As per the RAR report was marked confidential", it was expected that no part of the report and information contained therein divulged except for the information in the form and manner of disclosure prescribed by Regulations. Therefore, the Press Release breaches confidentially and violates regulatory guidelines. Moreover, 'Nil' divergence is not an achievement to be published and is only compliance with the extant Income Recognition and Asset Classification norms. The RAR is also identifies several other lapses and regulatory breaches in various areas of the Bank's*

functioning and the disclosure of just one part of the RAR is viewed by RBI as a deliberate attempt to mislead the public.”

- c) It is alleged that the press release/public announcement dated February 13, 2019, made by Applicant 1 to Exchanges viz. BSE and NSE was incomplete as only selective disclosures highlighting “NIL” divergence in Bank’s asset classification and provision from RBI norms were disclosed as per the RAR of RBI. However, other lapses and regulatory breaches in various areas as identified in the RAR were not disclosed by Applicant 1. The same resulted in misleading the investors as the price of the scrip increased by around 30% and volume of trading the scrip also increased substantially the next trading day i.e. February 14, 2019.
- d) Applicant 2 to Applicant 7 were either a member of the Reputational Risk Management Committee (RRMC) or were part of the decision making process in relation to the aforesaid disclosures made on February 13, 2019.
- e) In view of the above, it is alleged that Applicant 1 (being the listed entity on behalf of which the disclosure was made which resulted in misleading the investors) and Applicants 2 to 7 who were involved in the decision making process to make the said information public have violated the provisions of Section 12A(c) of the SEBI Act and Regulations 3(a), 3(d), 4(1), 4(2)(k) and 4(2)(r) of the PFUTP Regulations.
4. I note from the records that pending adjudication proceedings, Applicants proposed to settle the instant proceedings initiated against them without admitting or denying the findings of fact and conclusions of law, through a settlement order and filed settlement applications as per details given below with SEBI in terms of Regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations 2018 (hereinafter referred to as “**Settlement Regulations**”):-

Name of Entity	PAN	Date of settlement application no.	Settlement reference No.
Yes Bank	AAACY2068D	April 20, 2021	6436/2021

Name of Entity	PAN	Date of settlement application no.	Settlement reference No.
Shri. Ashish Agrawal	ABDPA8107E		6437/2021
Shri. Niranjana Banodkar	AJBPB5215E		6438/2021
Shri. Sanjay Nambiar	AFTPG9968H		6439/2021
Shri. Devamalya Dey	ACMPD5987B		6440/2021
Shri. Rajat Monga	ABOPM6135F		6441/2021
Shri. Shivanand Shettigar	AAIPS3741G		6442/2021

5. After attending meeting with the Internal Committee of SEBI on June 04, 2021, in terms of the Settlement Regulations, Applicants through their Authorized Representative proposed revised settlement terms vide letter dated June 10, 2021. The High Powered Advisory Committee ('HPAC') in its meeting held on August 09, 2021, considered the settlement terms proposed and recommended that the case may be settled upon payment of Rs.1,65,37,500/- (Rupees One Crore Sixty Five Lakh and Thirty Seven Thousand and Five Hundred only) by Applicants on jointly and several liability basis.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on August 23, 2021 and the same was communicated by SEBI to Applicants vide email dated August 23, 2021. Accordingly, as communicated by Applicants to SEBI, the settlement amount of Rs. Rs.1,65,37,500/- (Rupees One Crore Sixty Five Lakh and Thirty Seven Thousand and Five Hundred only) was remitted to SEBI on August 27, 2021 and was duly received by SEBI.
7. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant adjudication proceedings initiated against Applicants vide SCN dated October 26, 2020 are disposed of in terms of Section 15JB of the SEBI Act read with Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.
8. This order shall come into force with immediate effect. Further, in terms of Regulation 28 of the Settlement Regulations, this order is without prejudice

to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:

- i. Any representation made by Applicants in the settlement proceedings are subsequently discovered to be untrue; or
- ii. Applicants breach any of the clauses/conditions of undertakings/waivers filed during the current settlement proceedings.

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

Date: September 14, 2021

Place: Mumbai

SOMA MAJUMDER

Adjudicating Officer