BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. PG/AO/28/2013]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995

In respect of

Axis Bank Limited
[PAN: AAACU2414K]
In the matter of
KSK Energy Venture Ltd and Bombay Rayons Fashion Ltd.

Background of the case

1. Securities and Exchange Board of India (SEBI) had received a complaint against Axis Bank Limited **(Noticee)** stating that the Noticee had traded in the shares of KSK Energy Venture Ltd., (**KEVL**) and Bombay Rayons Fashion Ltd., (**BRFL**) (collectively **'the said companies'**) when it was acting as Merchant Banker (**MB**) for the open offers in the said companies. The preliminary examination conducted by the Bombay Stock Exchange Limited (**BSE**) and National Stock Exchange Limited (**NSE**) and other data gathered by SEBI during the examination of the issue revealed that the Noticee had made a public announcement on May 16, 2011 to the shareholders of KEVL on behalf of KSK Energy Co. Pvt. Ltd., and others (**Acquirer-K**) to acquire additional 20% stake in KEVL at the price of Rs. 125/- per share. It was revealed that the negotiation between the Noticee and

Acquirer-K for the terms of open offer was initiated on April 18, 2011. The Memorandum of Understanding (**MoU**) between the Noticee and Acquirer-K was signed on May 16, 2011. With regard to BRFL, it was revealed that Noticee had made an open offer on April 07, 2011 to the shareholders of BRFL on behalf of AAA United B.V. along with Persons Acting in Concert (**PAC**) [**Acquirer-B**], to acquire additional 20% stake in BRFL at the price of Rs. 300 per share. It was further revealed that the negotiation between the Noticee and Acquirer-B regarding terms of open offer was initiated on February 21, 2011. The MoU between the Noticee and Acquirer- B was signed on March 31, 2011. The investigations revealed that the Noticee had traded in the shares of KEVL and BRFL during its assignment as MB to the open offers.

2. In view of the same, SEBI, vide order dated April 27, 2012 appointed the undersigned as Adjudicating Officer (**AO**) under Section 15-I of the SEBI Act, 1992 (**SEBI Act**) read with Rule 3 of Securities and Exchange Board of India **(**Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (**Adjudication Rules**) to inquire into and adjudge under Sections 15G and 15HB of the SEBI Act, the alleged violation of provisions of regulations 3(i), 3A, 4 and Clauses 3 (3.1) and 4.0 (4.1 & 4.2) of Model Code of Conduct provided in Schedule I (Part B) read with Regulation 12 (1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (**PIT Regulations**), regulation 24(5A) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**SAST Regulations**) and regulation 26 and Clauses 11, 12 and 18 of Model Code of Conduct provided in Schedule III read with regulation 13 of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 (**MB Regulations**) by the Noticee.

Show Cause Notice, Reply and Hearing

3. Show Cause Notice dated October 03, 2012 (**SCN**) was issued to the Noticee in terms of the provisions of Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be held against it in respect of the violations alleged to have been committed by it. The SCN alleged that the Noticee had traded in the shares of KEVL and BRFL when it was acting as MB for the open offers of the said companies. Copies of letters dated September 28, 2011 with regard to correspondence with the said companies and details of trading done by the Noticee in the shares of the said companies were furnished to the Noticee along with the SCN.

4. In response to the SCN, the noticee, vide letter dated October 11, 2012, sought inspection of the entire records and papers in possession of SEBI so as to enable it to deal with the contents of the SCN. In response to the request of the Noticee for inspection, vide letter dated October 30, 2012, the Noticee was advised that the documents relied upon in the instant proceedings had already been furnished to it along with the SCN and if it was desirous of inspecting the said documents, it could avail inspection on November 06, 2012 at the office of General Manager, Integrated Surveillance Department , SEBI. In response to the said letter of SEBI, the Noticee sent an e-mail on November 05, 2012 attaching therewith letter dated November 05, 2012 seeking extension of time for inspection of the documents for the reasons stated in the said letter. Accordingly, another opportunity of inspection was given to the Noticee vide letter dated November 06, 2012 and the Noticee took inspection of documents on November 09, 2012. Subsequently, vide letter dated November 21, 2012, the Noticee sought inspection of the documents as mentioned in the Annexure thereto. In response, the Noticee was, vide letter dated December 07, 2012, informed that the documents/information relied upon by SEBI had already been furnished to the Noticee along with the SCN. The Noticee was further advised to file reply to the SCN and to appear for personal hearing scheduled for December 19, 2012. The Noticee, vide letter dated

December 17, 2012, requested to re-schedule the personal hearing while *inter alia* stating that the documents sought for inspection have not been furnished to it. On the day of scheduled hearing, i.e, December 19, 2012, Shri Shashikant Rathi, SVP(DCM&ET) and Shri Advait Majmudar, VP(IB) of the Noticee along with Shri Ravichandra Hegde, Advocate appeared in person and sought adjournment of the hearing.

5. The request of the Noticee for adjournment was acceded to and another hearing was scheduled for January 14, 2013 and the same was intimated to the Noticee vide letter dated January 03, 2013. The Noticee was also advised to file reply, if any, before the date of hearing. In response, the Noticee, vide letter dated January 09, 2013 sought adjournment of the hearing. Vide letter dated January 11, 2013, the Noticee submitted its reply to SCN.

6. On January 14, 2013, the Noticee's representatives Shri Shashikant Rathi, SVP(DCM&ET) and Shri Advait Majmudar, VP(IB) appeared along with Shri Ravichandra Hegde, Advocate and made the request for adjournment of the hearing. Accordingly, another hearing was scheduled for February 05, 2013 and the same was informed to the Noticee vide letter January 24, 2013. On February 05, 2013, Shri Somasekhar Sundaresan, Shri Ravichandra Hegde, Advocates, Shri Shashikant Rathi, SVP(DCM&ET) and Shri Advait Majmudar, VP(IB) of the Noticee appeared and made detailed submissions. The request for filing a written note on the arguments was made and the Noticee was advised to file the same by February 11, 2013. Vide letter dated February 11, 2013, the Noticee submitted argument note.

7. The important submissions of the Noticee in response to the SCN, made vide letter dated January 11, 2013 and during the personal hearing on February 05, 2013 and in the argument note submitted vide letter dated February 11, 2013 are summarized as under:

i) Complete and full inspection of documents sought for vide letters dated October 11, 2012, November 21, 2012 and December 17, 2012 was not granted to the Noticee and that such an inspection was imperative to ensure that the principles of Natural Justice have been duly complied with.

ii) The Noticee has a blemish-less track record for over 18 years since its inception as UTI Bank Ltd., and it has a long standing history of servicing over 170000 investors as shareholders without any adverse regulatory history. As MB, the Noticee is fully aware of its role under the various Regulations of SEBI.

iii) In the case of the said companies, the only material relied upon by SEBI to specify the dates of initiation of negotiation and conclusion of MoU was the Noticee's letter dated September 28, 2011 which was in response to the information sought by SEBI about the dates of interaction with the clients.

iv) Relying on the fact that the Noticee was the Lead Manager to the IPOs of KEVL and BRFL in 2005 and 2008 and "it is possible" that it would have "prior knowledge" of the upcoming open offers by these two companies is clearly and completely in the realm of conjectures and premises.

vi) No dealings have been taken place in the shares of both KEVL and BRFL after its appointment as MB.

viii) The equity trading function of the Noticee is distinct and separate from its investment banking function and there are clear Chinese walls between the two divisions and in any event information flow, access and usage of information across the organization is strictly on a need-to- know basis.

ix) There is not a whisper of an allegation in the SCN about the employees of the merchant banking division having communicated any UPSI to the independent equities trading function.

xi) There was no breakdown in the system of the Noticee and the Noticee is squarely covered by each of the defences available in Regulation 3B of the PIT Regulations.

xii) The negotiation which had taken place between the companies and the Noticee was with regard to fees payable to the MB to the offer and the terms of engagement of the MB for handling the mandate. There is nothing sacrosanct about the negotiation period.

xiii) The Noticee has not made any profits by the said trades and in fact incurred losses on account of the trading in the scrip.

Consideration of Issues, Evidence and Findings

8. I have carefully considered the documents available on record, written and oral submissions made by the Noticee. The issues that arise for consideration in the case are:

   a. Whether the Noticee has violated the provisions of regulations 3 (i), 3A, 4 and Clause 3(3.1) and 4.0 (4.1 & 4.2) of Model Code of Conduct provided in Schedule I (Part B) read with Regulation 12 (1) of PIT Regulations?

   b. Whether the Noticee has violated the provisions of regulation 24(5A) of the SAST Regulations?

   c. Whether the Noticee has violated the provisions of regulation 26 and Clause 11, 12 and 18 of Model Code of Conduct provided in Schedule III read with regulation 13 of MB Regulations?

d. Do the violations, if any, on the part of the Noticee attract penalty under section 15G and 15HB of the SEBI Act?

e. If so, how much penalty should be imposed on the Noticee taking into consideration the factors mentioned in section 15J of the SEBI Act?

The relevant provisions of the PIT Regulations, MB Regulations and SAST Regulations are as under:

PIT Regulations:

Regulation 3- Prohibition on dealing, communicating or counseling on matters relating to insider trading: *No insider shall- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information;*

Regulation 3A- *No company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.*

Regulation 4- Violation of provisions relating to insider trading: *Any insider who deals in securities in contravention of the provisions of regulations 3 or 3A shall be guilty of insider trading.*

Model Code of Conduct provided in Schedule I (Part B) read with regulation 12 (1) of the PIT Regulations:

Clause 3 (3.1)- Prevention of misuse of price sensitive information: *Employees/ directors/ partners shall not use price sensitive information to buy or sell securities of any sort, whether for their own account, their relatives' account, organization/ firm's account or a client's account. The following trading restrictions shall apply for trading in securities.*

Clause 4.0- Restricted/ Grey list

Clause 4.1- *In order to monitor Chinese wall procedures and trading in client securities based on inside information, the organization/firm shall restrict trading in certain securities and designate such list as restricted/grey list.*

Clause 4.2- *Security of a listed company shall be put on the restricted/grey list if the organization/firm is handling any assignment for the listed company or is preparing appraisal report or is handling credit rating assignment and is privy to price sensitive information.*

SAST Regulations:

Regulation 24 (5A)- General obligations of the merchant banker: *The merchant banker shall not deal in the shares of the target company during the period commencing from the date of his appointment in terms of regulation 13 till the expiry of the fifteen days from the date of closure of the offer.*

MB Regulations:

Regulation 26- Acquisition of shares prohibited: *No merchant banker or any of its directors, partner or manager or principal officer shall either on their respective accounts or through their associates or relatives, enter into any transaction in securities of bodies corporate on the basis of unpublished price sensitive information obtained by them during the course of any professional assignment either from the clients or otherwise.*

Code of Conduct provided in Schedule III read with regulation 13 of the MB Regulations:

Clause 11- *A merchant banker shall avoid conflict of interest and make adequate disclosure of its interest.*

Clause 12- *A merchant banker shall put in place a mechanism to resolve any conflict of interest situation that may arise in the conduct of its business or where any conflict of interest arises, shall take reasonable steps to resolve the same in an equitable manner.*

Clause 18- *A merchant banker shall maintain arms length relationship between its merchant banking activity and any other activity.*

9. Before going into the merits of the matter, I shall deal with the preliminary issues raised by the Noticee with respect to inspection of documents and violation of principles of natural justice. I note that the Noticee had, vide letter dated October 11, 2012 sought inspection of the 'entire documents and papers' in possession of SEBI so as to enable it to effectively deal with the SCN and its contents. In response, the Noticee was informed that the documents relied upon by SEBI in the proceedings had already been annexed to the SCN and if the Noticee was desirous of taking inspection of the said documents it could inspect the same on November 09, 2012. I note that the Noticee has taken inspection of the documents relied upon in the SCN on November 09, 2012. The Noticee had, vide letter dated November 21, 2012 had sought further inspection of the documents mentioned in the Annexure to the letter dated November 21, 2012. I note that the documents sought by the Noticee vide letter dated November 21, 2012 included (i) copy of the complaint received by SEBI (ii) copies of correspondence between SEBI and BSE and NSE along with other gathered data (iii) copies of investigation report, internal noting if any, in this matter which culminated in the present proceedings and (iv) confirmation from SEBI that there are no other documents with SEBI whether relied upon or otherwise in relation to the present matter. On perusal of the material available on record and the minutes of the inspection granted to the Noticee, I note that the Noticee has taken

inspection of the documents on which reliance has been placed. The request of the Noticee for inspection of 'entire documents and papers' in possession of SEBI and confirmation from SEBI to the effect that there are no other documents with SEBI 'in relation to the present matter whether relied upon or otherwise' shows that the Noticee has asked for a sweeping inspection which is not warranted. With regard to the specific request for the copy of the complaint received by SEBI, I find that it was only a trigger point for SEBI to examine the matter and the relevant documents of the said examination have been made available to the Noticee.

10. I note that the principles of natural justice do play an important role in quasi-judicial proceedings and granting inspection of documents sought by the Noticee is necessary in order to enable the Noticee to defend the allegations. At the same time, I am of the view that the entire documents collected by SEBI during the examination need not be made available for inspection. In this regard, SAT in Appeal Nos. 08 & 09 of 2011 (Price Waterhouse Vs SEBI decided on 01.06.2010) observed that *"....it is not appropriate nor it is the requirement of principles of natural justice that appellant should be allowed inspection of all the material that might have been collected during the course of investigation but has not been relied upon in the show cause notice. ……... There is no provision in the Act that all material collected during the course of investigation should be made available to the appellant".* The Hon'ble Supreme Court in the case of *Krishna Chandra Tandon Vs Union of India* (1974) 4 SCC 374 observed that there is no denial of natural justice on account of denial of inspection of records and copies of documents which were not relied upon by the Enquiry Officer. Placing reliance on the authorities cited above, I am of the view that principles of natural justice have been duly complied with in the instant proceedings and no prejudice has been caused to the Noticee.

11. In order to establish the charge of insider trading, it is necessary to prove that the noticee was an 'insider' and whether it dealt in securities when in possession of any 'unpublished price sensitive information'. In terms of regulation 2(e) of the PIT Regulations, an 'insider' is any person who is or was connected with the company or *is deemed to have been connected with the company*. Regulation 2(h) of PIT Regulations deals with the term 'person is deemed to be a connected person' and as per regulation 2(h) (iii), inter alia, a merchant banker who has a fiduciary relationship with the *company* is a person deemed to have been connected with the company. I find that the Noticee was the MB for the proposed open offers of the two companies and in that capacity satisfies the requirement of the provisions of regulation 2(h) (iii) of PIT Regulations was thus an 'insider' of the company.

12. With regard to the issue whether the Noticee dealt in the shares of KEVL and BFRL when in possession of any unpublished price sensitive information, it is imperative to look into the relevant provisions concerning 'price sensitive information'. Regulation 2(ha) of the PIT Regulations states as under:-

"price sensitive information' means *any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company*.

Explanation.- The following shall be deemed to be price sensitive information:-

(i) periodical financial results of the company;
(ii) intended declaration of dividend (both interim and final);
(iii) issue of securities or buy-back of securities;
(iv) any major expansion plans or execution of new projects;
(v) amalgamation, mergers and takeovers;
(vi) disposal of the whole or substantial part of the undertaking; and

(vii) significant changes in policies, plans or operations of the company"

13 I note that the various types of information mentioned in the above list are very wide in nature & scope and are not limited to only concrete decisions/steps taken in that regard. They are broad enough to cover within their ambit any information, related to these 7 types of information in the list, which if published is likely to materially affect the price of securities of a company, which could even be in the nature of a proposal. I note that the noticee was alleged to have traded in the shares of the said companies while in possession of the information relating to the proposed open offer which was not in public domain and thus was an unpublished price sensitive information (UPSI). I now proceed to deal with the matter on merits.

14 In respect of shares of BRFL, I note that the Noticee had made an open offer on April 07, 2011 to the shareholders of BRFL on behalf of Acquirer-B to acquire additional 20% stake in BRFL at the price of Rs. 300 per share. I further note that the Noticee had meetings with acquirer-B on February 21, 2011, March 08, 2011 and March 29, 2011 and the final Memorandum of Understanding (MoU) for taking up the assignment as MB was signed on March 31, 2011. Coming to the trading of the Noticee in the shares of BRFL, as per material available on record, I note that the Noticee had altogether purchased 6,48,600 shares and sold 13,100 shares during the period starting from November 29, 2010 to February 11, 2011 on BSE. On NSE, the Noticee had altogether purchased 12,69,400 shares and sold 2,54,900 shares during the period starting from November 29, 2010 to February 11, 2011. As mentioned above, the first meeting of the Noticee with Acquirer-B was held on February 21, 2011 and the Noticee had not traded in the shares of BRFL either during the period of negotiation or after taking up the assignment. Therefore, it does not appear that the Noticee has traded in the shares of BRFL while in possession of UPSI.

15 In the case of KEVL, I note that the Noticee had made a public announcement to the shareholders of KEVL on May 16, 2011 on behalf of Acquirer-K to acquire an additional 20% stake in KEVL at the price of Rs. 125/- per share. The meetings/discussion between the Noticee and the Acquirer-K regarding open offer were initiated on April 18, 2011 and two more meetings took place on April 29, 2011 and May 3, 2011. The MoU between the Noticee and Acquirer-K was signed on May 16, 2011. Analyzing the trading data of the Noticee in the shares of KEVL on BSE, I note that during the period from August 20, 2010 to April 04, 2011 the Noticee had acquired 6,05,412 shares of KEVL. During the period from April 25, 2011 to May 10, 2011, the Noticee acquired 7,65,260 KEVL shares. The trading data of NSE shows that during the period from January 20, 2011 to April 13, 2011 the Noticee acquired 19,99,959 KEVL shares. During the period from April 25, 2011 to May 10, 2011 the Noticee had acquired 10,17,740 KEVL shares.

16 As per Noticee' letter dated January 11, 2013, the said trading had been done by the Debt Capital Market and Equity Trading Division (**Trading Division**) of the Noticee in the proprietary account of the Noticee since August 2010 and it continued trading till May 10, 2011. I note that the Merchant Banking Division/Investment Banking Division of the Noticee commenced its discussions/meetings with Acquirer-K from April 18, 2011 onwards which resulted in the Noticee being appointed as MB for open offer of KEVL shares. I also note that the final MoU was signed on May 16, 2011 and the Noticee has not traded in the shares of KEVL after May 16, 2011.

17 I have carefully gone through the defence put forth by the Noticee while countering various charges leveled against it. One of the major defence taken by the Noticee is the defence available to companies under regulation 3B of PIT Regulations while facing charges under regulation 3A of PIT Regulations. The Noticee has further contended that the trading division

and the merchant banking division of the Noticee have been physically segregated and the officials of the merchant banking division have no role to play in the proprietary trades of the Noticee. The Noticee has further contended that there were no signs of any breakdown in its system and hence it is squarely covered by each of the defences available in Regulation 3B.

At this juncture, it would be better to understand the provisions of regulations 3A and 3B of PIT Regulations.

Regulation 3A- *No company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.*

Regulation 3A not to apply in certain cases

3B. (1) In a proceeding against a company in respect of regulation 3A, it shall be a defence to prove that it entered into a transaction in the securities of a listed company when the unpublished price sensitive information was in the possession of an officer or employee of the company, if:

(a) the decision to enter into the transaction or agreement was taken on its behalf by a person or persons other than that officer or employee; and

(b) such company has put in place such systems and procedures which demarcate the activities of the company in such a way that the person who enters into transaction in securities on behalf of the company cannot have access to information which is in possession of other officer or employee of the company; and

(c) it had in operation at that time, arrangements that could reasonably be expected to ensure that the information was not communicated to the person or persons who made the decision and that no advice with respect to the transactions or agreement was given to that person or any of those persons by that officer or employee; and

(d) the information was not so communicated and no such advice was so given.

(2) In a proceeding against a company in respect of regulation 3A which is in possession of unpublished price sensitive information, it shall be defense to prove that acquisition of shares of a listed company was as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

18 As is clear from the reading of regulations 3A and 3B of PIT Regulations, while regulation 3A prohibits companies from dealing in the securities of another company or its associate while in possession of unpublished price sensitive information, regulation 3B allows companies to deal in such securities if they fulfill the conditions provided therein. If the company could prove that it had put in place such systems and procedures which demarcate activities of the company in such a way that the person who enters into transactions in securities on behalf of the company cannot have access to information (in other words, the UPSI) which was in possession of another officer or employee of the company, it can avail the defence under regulation 3B of PIT Regulations. In other words, if it is proved that the company had in place at that time, all arrangements by which it could reasonably be expected to ensure that the information with one arm of the company having the information was not communicated to the other arm doing trading and no advise with respect to the said transactions or agreement was given to that person or any of the persons

by that officer or employee, the defence under regulation 3B could be availed. In other words, if it had all its systems in place for preventing communication of information and to ensure that such dealing was not by the person/employee in possession of the information, it is justified in trading even while in possession of UPSI.

19 As already mentioned, the Noticee had traded in the shares of KEVL when its merchant banking division was holding meetings with Acquirer-K regarding the terms of open offer. It is also clear that the Noticee has not traded in shares of the said companies after formally signing of the MoU i.e after May 16, 2011 in the case of KEVL and March 31, 2011 in the case of BRFL. Further, as per material available on record, the Noticee has traded in shares of KEVL since August 2010 which was well before the negotiation regarding the proposed open offer was initiated.

20 I also note that the material available on record does not show whether the information regarding proposed open offer in the hands of merchant banking division of the Noticee had really been communicated/was in the knowledge of the trading division of the Noticee due to break down in the systems put in place by the Noticee. In the absence of any evidence to show that the systems put in place by the Noticee were breached, I am of the view that the Noticee can be given the benefit of doubt as regards the allegation of violation of the provisions of PIT Regulations as mentioned in SCN.

21 Regulation 24 (5A) of the SAST Regulations mandates that MB shall not deal in the shares of the target company during the period commencing from the date of appointment in terms of regulation 13 till the expiry of the fifteen days from the date of closure of the offer. As mentioned above, the Noticee did not deal in BRFL shares after February 11, 2011 and in KEVL shares, after May 10, 2011. I find that there is no material to show that the

Noticee had traded during the 15 days period from the date of closure of the offer, and hence I do not find any violation of this regulation.

22 The code of conduct provided in Schedule III read with regulation 13 of the MB Regulations mandates the necessity of avoiding conflict of interest and the need for MB to put in place a mechanism to resolve any conflict of interest situation that may arise in the conduct of its business and in case of any conflict interest, to take all reasonable steps to be taken for resolving the same. It also mandates the MB to keep arms length distance relationship between the MB activity and any other activity. From the material available on record, I do not find any conclusive evidence to show the failure in the system put in place by the Noticee and therefore a benefit of doubt can be given to the Noticee in respect of violations of the MB Regulations as mentioned in the SCN.

23 The fact that Noticee had acted as one of the lead managers to IPO of KEVL in 2008 and of BRFL in 2005 and its relevance to the instant cases was also examined. The fact of the Noticee having acted as one of the lead managers to the IPO of the said companies in 2005 and 2008 might show the Noticee's business relationship with the said companies during 2005 and 2008. However, there is no material on record to indicate a continuing relationship and nature thereof. I am, therefore, unable to attribute that this association may have resulted in availability of unpublished price sensitive information regarding open offer with the noticee.

24 On the basis of the foregoing discussions, I am of the view that benefit of doubt can be given to the Noticee in respect of the charges under PIT Regulations MB Regulations as mentioned in the SCN. Further, the charges under SAST Regulations are not established.

Order

25 In the light of the above discussion, I do not find this to be a fit case to impose penalty on the Noticee, Axis Bank Limited. The matter is accordingly disposed off.

26 In terms of rule 6 of the Rules, copies of this order are being sent to the Noticee and to the Securities and Exchange Board of India.

Date: March 28, 2013 **Piyoosh Gupta**
Place: Mumbai **Adjudicating Officer**