



WTM/KV/IVD-1/ID16/32405/2026-27

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

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

In respect of

Noticee	PAN
Dr. Rashmi Saluja	AUVPS5660D

In the matter of suspected insider trading by the Noticee in the scrip of Religare Enterprises Ltd.

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A. Background:

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received an email dated November 08, 2023, from M.B. Finmart Private Limited, Puran Associates Private Limited, VIC Enterprises Private Limited, and Milky Investment & Trading Company (hereinafter collectively referred to as ‘**Burman Group**’) forwarding therewith a copy of letter dated October 26, 2023 addressed to the Board of Directors of Religare Enterprises Limited (hereinafter referred to as “**REL**”) with a request to carry out an examination into trades done by Dr. Rashmi Saluja (hereinafter referred to as the “**Noticee**”) in the scrip of REL.
2. SEBI conducted an investigation in the matter to ascertain whether the *Noticee* traded in the scrip of REL while in possession of or having access to the Unpublished Price Sensitive Information with respect to impending corporate announcement of an open offer to the Public Shareholders of REL (hereinafter referred to as “**UPS**”), by the Burman Group on September 25, 2023. And whether the trading was in violation of provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) and the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 (hereinafter referred to as ‘**PIT Regulations**’). The



investigation period was from June 7, 2023 to December 25, 2023 (hereinafter referred to as “**investigation period**”/ “**IP**”).

3. REL is a financial services company registered with the Reserve Bank of India as a Non- Banking Finance Company under section 45-IA of the Reserve Bank of India Act, 1934. The shares of REL are listed on the BSE Ltd. (hereinafter referred to as ‘**BSE**’) and National Stock Exchange of India Limited (hereinafter referred to as ‘**NSE**’). The *Noticée* was the Executive Chairperson of REL since December 20, 2018, a Key Managerial Personnel and designated person of REL during the investigation period.

B. Allegations in Brief:

4. On September 25, 2023, before opening of markets, JM Financial Limited (Manager to the Offer) submitted to stock exchanges, NSE and BSE, a copy of Public Announcement for the attention of the Public Shareholders of REL in relation to an open offer to be made by the Burman Group for acquisition of 90,042,541 shares at INR 235/- per share, representing 26.00% shareholding of REL (hereinafter referred to as ‘**PA**’).
5. The investigation in the matter was conducted for the period from June 7, 2023 to December 25, 2023. The period from September 8, 2023 (the date when the UPSI came into existence) till pre-opening of securities markets on September 25, 2023 (the date when the UPSI was made public) is considered as the “**UPSI**”



period". The three months prior to the UPSI period *i.e.* from June 7, 2023 to September 7, 2023 is considered as the "**Pre UPSI period**" and three months post the public announcement *i.e.* the period from opening of the securities markets on September 25, 2023 till December 25, 2023 is considered as the "**Post UPSI period**".

6. The *Notictee* being an Executive Chairperson and a Key Managerial Person of REL during the investigation period was a connected person of REL. Investigation revealed that personal meetings took place between the *Notictee* and Dr. A C Burman, 'Chairman Emeritus' of Dabur India Limited, on August 25, 2023 and again on September 20, 2023 alongwith Mr. Arjun Lamba (representative of Burman Group). WhatsApp records provided by Dr. A C Burman and Mr. Arjun Lamba, indicated that the *Notictee* indeed was keeping a close watch on the acquisition of shares of REL by the Burman group. It has been also alleged that the *Notictee* was made aware of the impending open offer to be made by the Burman Group in the scrip of REL before it was ultimately announced on September 25, 2023. This was allegedly done during personal meeting the *Notictee* had with Dr. A C Burman and Mr. Arjun Lamba on September 20, 2023 at hotel, The Oberoi Delhi.

7. It has been alleged that the *Notictee*, based on the information with respect to impending open offer in the scrip of REL by the Burman Group, sold the shares of REL and avoided loss of approx. INR 1.99 crore. The *Notictee*, thus as per



the allegation, indulged in insider trading with respect to sale of shares in the scrip of REL after September 20, 2023 but before September 25, 2023 the date on which the UPSI with respect to open offer was made public.

8. Further, it has been alleged that the *Noticee* was a connected person of REL and in possession of or having access to the UPSI, by virtue of having frequent communications/meetings with Mr. Arjun Lamba as well as with Dr.A C Burman during the Investigation Period which includes the personal meeting the *Noticee* had with Dr. A C Burman and Mr. Arjun Lamba on September 20, 2023. The *Noticee* was hence alleged to be an insider in terms of sub-clauses (i) and (ii) of clause (g) of sub-regulation (1) of regulation (2) of the PIT Regulations.
9. It has further been alleged that the trades executed by the *Noticee* on September 21 and 22, 2023 were in violation of sub-regulation (1) of regulation 4 of the PIT Regulations read with clause (d) of section 12A of the SEBI Act. By indulging in insider trading, the *Noticee* averted a loss of INR 1,99,08,933.85 or INR 1.99 crore by selling shares prior to disclosure of UPSI on stock exchange platform.

C. Show Cause Notice (SCN), inspection, cross examination and hearing

10. SCN dated July 26, 2024 was served upon the *Noticee* calling upon her to show cause as to why, for the above alleged acts suitable directions including disgorgement of loss avoided, be not issued under sub-section (1) of section



11, sub-section (4) of section 11 read with sub-section(1) of section 11B and also why monetary penalty under sub-section (4A) of section 11 and sub-section (2) of section 11B read with section 15G of the SEBI Act, 1992 should not be imposed for indulging in insider trading while in possession of or having access to the UPSI.

11. The *Noticee* sought Inspection of documents and the same was provided on September 10, 2024 and October 16, 2024. The *Noticee* vide letter dated August 14, 2024 had requested for cross examination of Mr. Arjun Lamba and Dr. A C Burman which was also acceded to. As per the request, the cross examination of Mr. Arjun Lamba and Dr. A C Burman was conducted on December 10, 2024 and January 23, 2025 respectively.

12. On completion of cross examination, the *Noticee* requested for an extension of time to file reply to the SCN and the same was also granted. The *Noticee* subsequently filed reply to the SCN vide letter dated March 10, 2025. Upon request of the *Noticee* citing personal reasons, hearings scheduled on May 9, 2025, July 20, 2025 and August 19, 2025 were adjourned. The hearing was later fixed for September 17, 2025 which was attended by representatives of the *Noticee*. During the hearing, the representatives made submissions in line with replies filed in the matter. The hearing in the matter was concluded on September 17, 2025. Pursuant to hearing, the *Noticee* filed additional submissions on October 8, 2025.



D. Relevant facts of the case

The following facts are noted from the SCN:

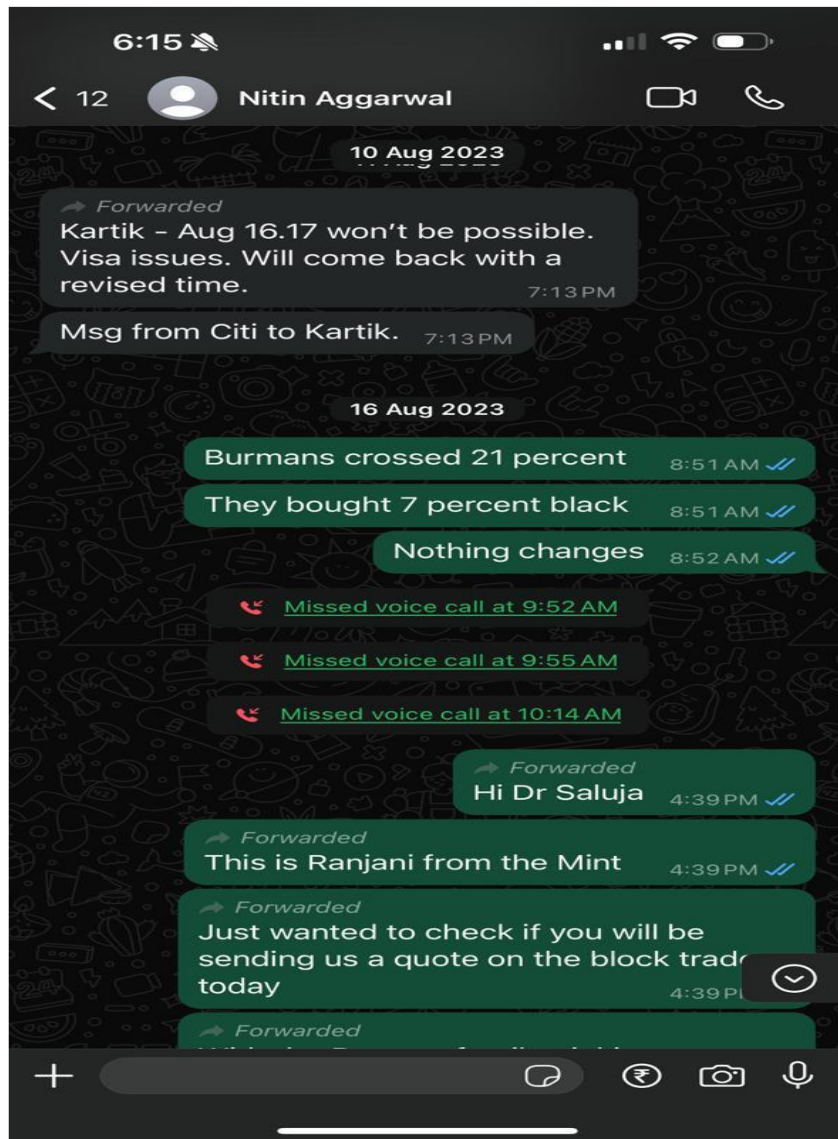
13. The *Noticee* was an Executive Chairperson and Key Managerial Person (KMP) of REL and hence a connected person of REL. It is alleged that the *Noticee* was made aware of the UPSI, by virtue of having frequent communications/meetings with Mr. Arjun Lamba as well as with Dr. A C Burman during the Investigation Period, which includes the personal meeting the *Noticee* had with Dr. A C Burman and Mr. Arjun Lamba on September 20, 2023. (which was just before the PA of September 25, 2023).
14. During investigation various materials were gathered in the form of Call Data Records (CDRs), WhatsApp Messages exchanged between the *Noticee*, Dr. A C Burman and Mr. Arjun Lamba. Statements were also recorded under oath.

Analysis of CDRs and WhatsApp Messages, which the *Noticee* had with Dr. A C Burman and Mr. Arjun Lamba:

15. The screen shot below is the WhatsApp chat between the *Noticee* and Mr. Nitin Aggarwal, Group Chief Financial Officer, REL on August 16, 2023, as provided by the *Noticee* vide email dated May 31, 2024:



Screen shot-1



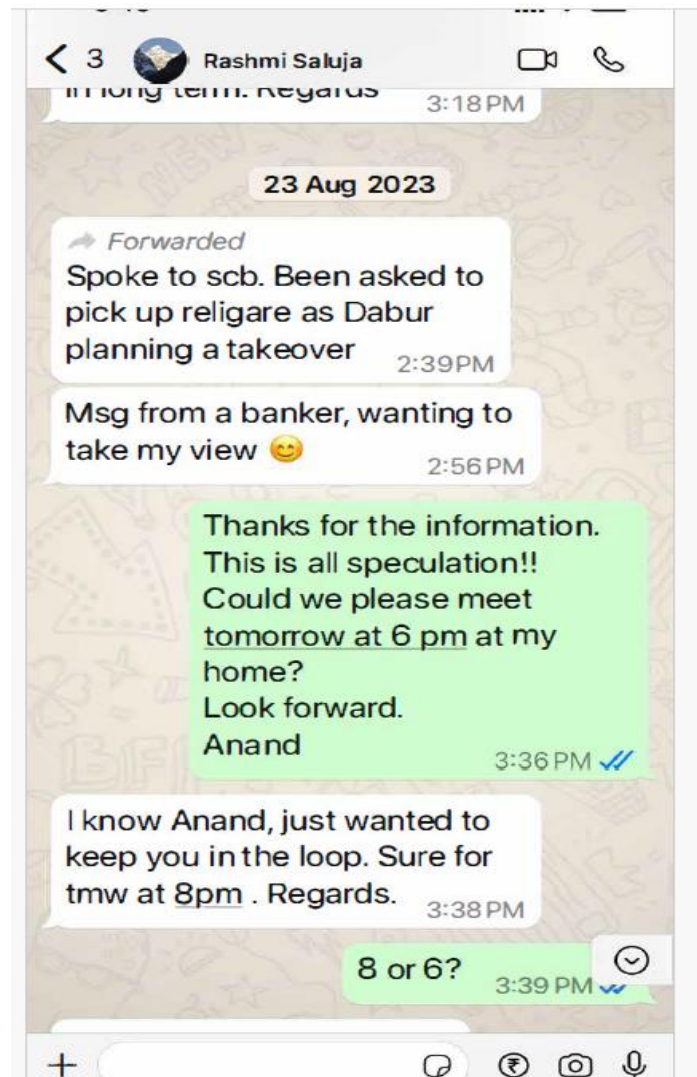
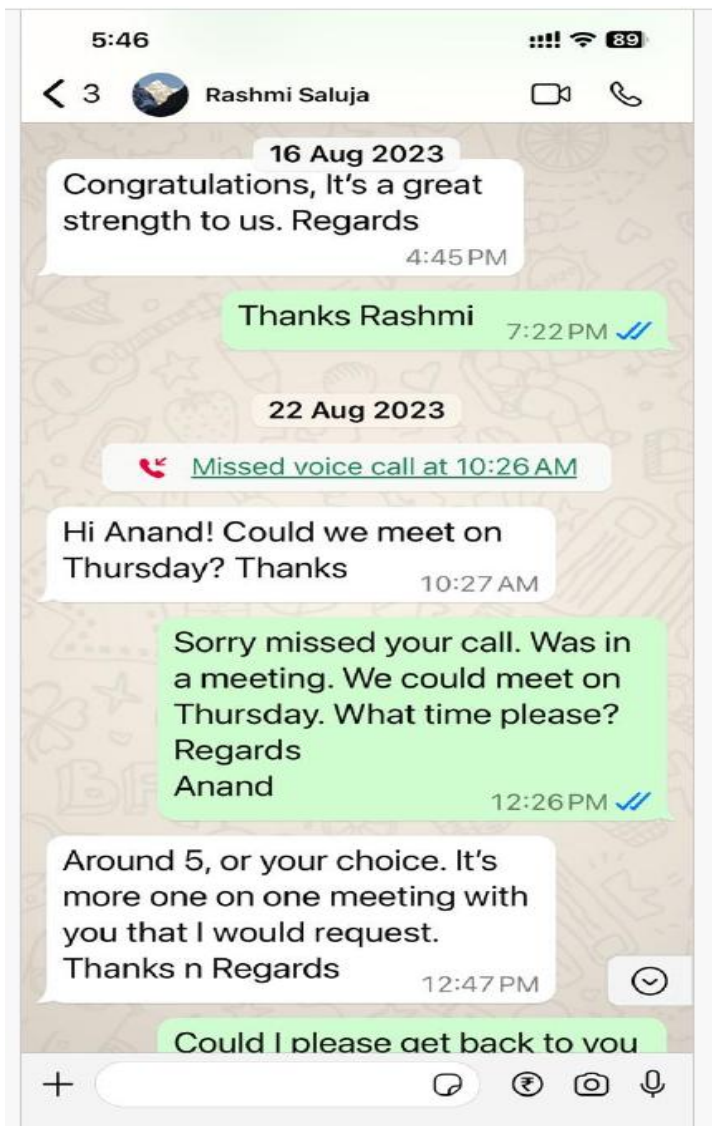
16. From the above WhatsApp chat the *Noticee* had with Mr. Nitin Aggarwal (Group Chief Financial Officer of REL) on August 16, 2023, it is observed that the *Noticee* was aware of the additional purchase made by the Burman group and that their shareholding in the scrip of REL crossed 21%. .



17. The screen shot of chats exchanged between Dr. A C Burman and the *Noticee* during the period from August 16, 2023 to August 23, 2023 (as provided by Dr. A C Burman vide his email dated May 3, 2024) is placed below:

Screen shot-2

Screen shot-3





18. As seen from the above WhatsApp chats at screen shot-2, the *Noticee* congratulated Dr. A C Burman on August 16, 2023 at 16:45 hrs., stating that *"It's a great strength to us"*. During her deposition before SEBI, the *Noticee* was asked to explain the context of the above text, to which the *Noticee* stated as follows: *"The message is in the context of One Time Settlement ("OTS") and cap removal which would in turn give boost to the business of Religare Finvest Limited ("RFL") for which we have been working for last five years"*.

19. As mentioned above, the *Noticee* in her statement under oath clarified that this message was with respect to the One Time Settlement ("**OTS**") and cap removal of RFL, a subsidiary of REL. However, on investigation, it was noted that there was no such media link or announcement made by REL regarding OTS during August 2023. The only major action item regarding REL on August 16, 2023 was acquisition of shares of REL by Burman Group. The corporate announcement with respect to OTS and cap removal of RFL by REL was made on March 09, 2023 and not on August 16, 2023 as stated by the *Noticee*.

20. It is also observed from screen shot-2, that the *Noticee* on August 22, 2023 (Tuesday) had requested Dr. A C Burman for a meeting on August 24, 2023 (Thursday). However, it is noted from the reply dated May 16, 2024 of Dr. A C Burman and from the deposition of the *Noticee* made on May 22, 2024 that the meeting took place on August 25, 2023 at the Belvedere, Oberoi in New Delhi. The *Noticee* during her deposition before SEBI on May 22, 2024 stated that the



discussions held on August 25, 2023 were general and regarding future business prospect of REL and fund raising and no discussion was held regarding open offer. Dr. A C Burman in his response dated May 16, 2024 has *inter alia* stated that in the meeting with the *Noticee* on August 25, 2023, he had informed the *Noticee* that the Burman Family had no plans at that time to launch an open offer.

21. From screen shot-3, it is noted that on August 23, 2023, the *Noticee* sent a message to Dr. A C Burman regarding Dabur planning a takeover. In reply to this, Dr. A C Burman clarified that it is a speculation and invited the *Noticee* for a meeting. As seen from the WhatsApp chat, the *Noticee* accepted the invite for the meeting, which was requested by the *Noticee* herself earlier on August 22, 2023.



22. Screen shot of WhatsApp chats between Mr. Arjun Lamba and the Noticee, on August 23, 2023 provided by Mr. Arjun Lamba vide email dated May 1, 2024:

Screen shot-4



*Redacted number is mobile no. of the Noticee

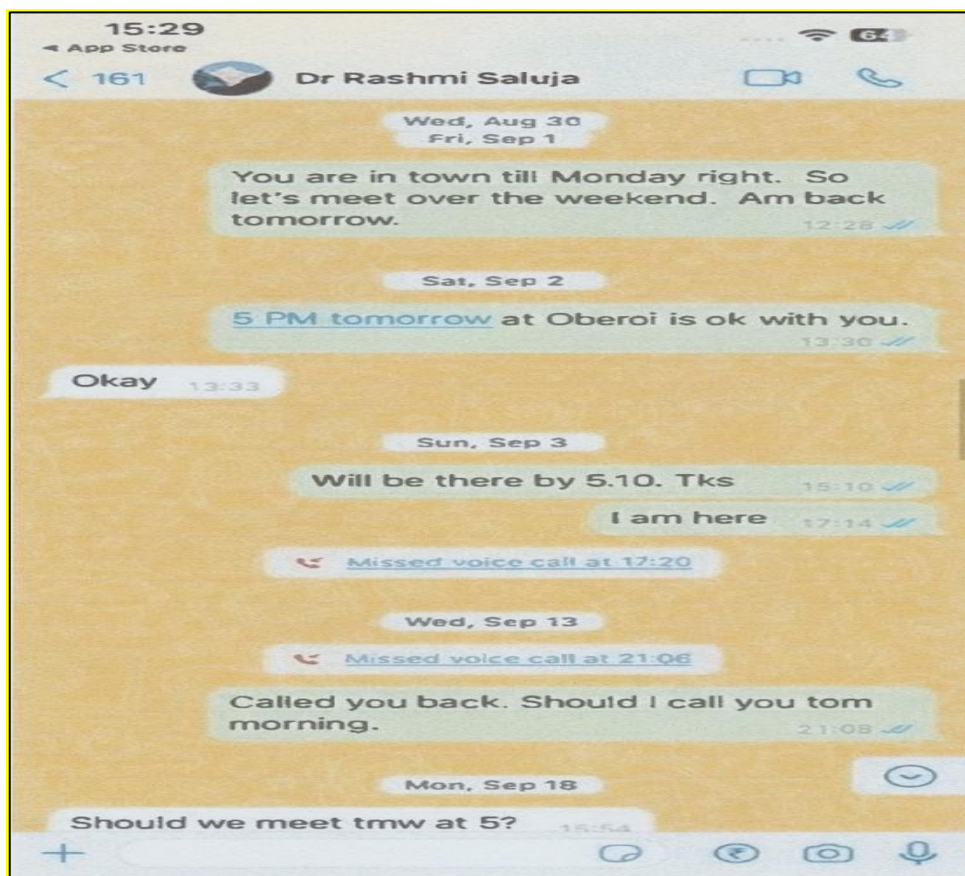
23. It is observed that the Noticee simultaneously sent the same WhatsApp message to Mr. Arjun Lamba as was sent to Dr. A C Burman on August 23, 2023 informing him about the news of Dabur planning a takeover. In reply to the same, Mr. Arjun



Lamba informed the *Noticee* that she would be informed first as stated if and when Burman Group plans.

24. Screen shot of WhatsApp chats between Mr. Arjun Lamba and the *Noticee* with respect to meeting scheduled for September 03, 2023 as provided by the Burman Group vide email dated February 7, 2024:

Screen shot -5



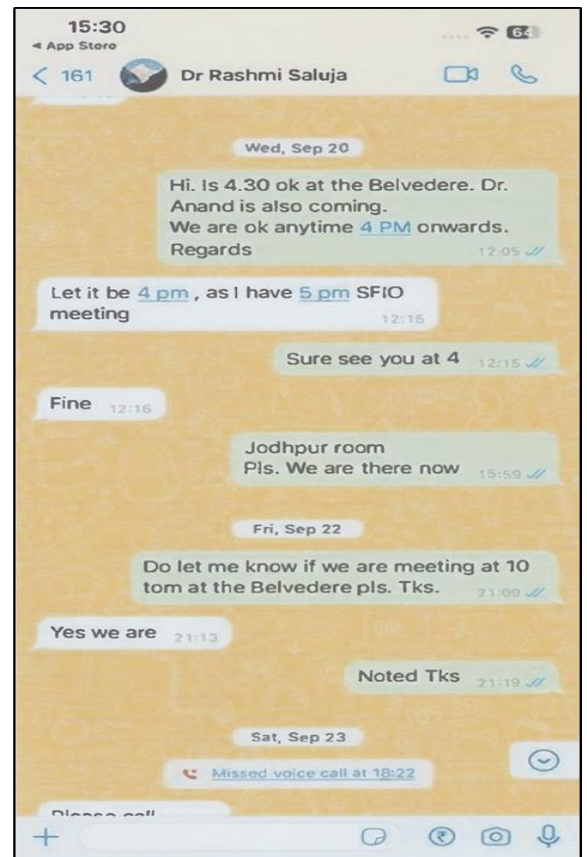
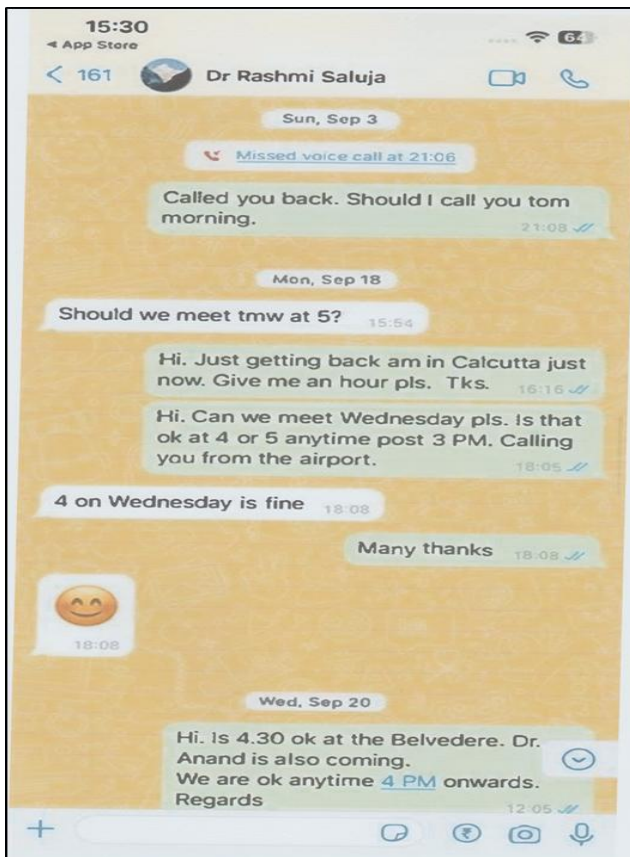
25. As seen from the above screen shot, on September 03, 2023, Mr. Arjun Lamba had a meeting with the *Noticee* at The Oberoi, Delhi around 17:00 hrs. In this regard, it was on September 02, 2023, that Mr. Arjun Lamba messaged the



Noticee for a meeting to be scheduled on September 03, 2023. As per the information furnished by REL, the Noticee and Mr. Arjun Lamba met on September 03, 2023. It has been discussed later in the order that screen shot no.5 is not being relied upon. Hence, this order is not based on any evidence from this screen shot.

26. Screen shots of WhatsApp chats between Mr. Arjun Lamba and the Noticee with respect to meeting scheduled for September 20, 2023 as provided by Burman Group vide email dated February 7, 2024 :

Screen shot-6





27. As seen from the above WhatsApp chats, Mr. Arjun Lamba was in Kolkata on September 18, 2023 and the *Noticee* had messaged Mr. Arjun Lamba for a meeting on September 19, 2023 at 05:00 P.M. However, Mr. Arjun Lamba was out of station and messaged for meeting to be scheduled for September 20, 2023 post 03:00 PM. The *Noticee* agreed for the said meeting to be held at 04:00 P.M. Mr. Arjun Lamba further informed the *Noticee* that Dr. A C Burman would also be coming for the meeting. As per the records submitted by REL and Burman Group, the personal meeting indeed took place between the *Noticee*, Dr. A C Burman and Mr. Arjun Lamba on September 20, 2023, at the Oberoi Hotel, New Delhi.
28. As per CDR, the mobile location of Mr. Arjun Lamba at 16:49 hrs on September 20, 2023 was having coordinates as 28.59614/77.23942. As per Google map this location corresponds to The Oberoi Delhi. Further, as per the CDR of mobile of the *Noticee*, her location showed at 'The Oberoi', Delhi. Information sought from 'The Oberoi', Delhi revealed that there was a booking at The Oberoi, Delhi in the name of Dr. A C Burman on September 20, 2023 for 5 persons from 16:00 hrs. to 18:00 hrs. The invoice issued by "The Oberoi Delhi", showed that Dr. A C Burman checked in at 16:00 hrs and checked out at 16:51 hrs on September 20, 2023. This information corroborated with the submissions made by REL and the Burman Group. It is thus confirmed that the *Noticee* had meeting with Mr. Arjun Lamba and Dr. A C Burman at 16:00 hrs on September 20, 2023.



29. Dr. A C Burman in compliance to summons dated April 25, 2024, vide his affidavit dated May 2, 2024 alongwith corrigendum dated May 3, 2024 (wherein,Dr. A C Burman had made certain corrections to the dates mentioned in the affidavit filed on May 2, 2024) replied as follows with respect to query regarding the above meeting: *“This meeting was attended by Dr Saluja and Mr. Arjun Lamba. The necessity for an in-person meeting stemmed from the significance of the decision to make an open offer.”*..... Dr. A C Burman further stated that- *“I reiterate that the in-person meeting on September 20, 2023, which lasted for approximately 40-45 minutes, took place to inform Ms. Saluja that the Acquirers intended to make the open offer on September 25, 2023.”*
30. Mr. Arjun Lamba in his statement taken under oath on April 22, 2024 with regard to meeting held on September 20, 20223, inter-alia, stated that *“It was informed to Dr. Rashmi Saluja regarding the intention of Burman family to launch an offer for control of REL on September 25, 2023.”*
31. The *Noticee* during her deposition before the Investigating Authority on May 22, 2024 was queried on when did she first become aware of the possible open offer/takeover of REL from Burman Group. The *Noticee* in response to the same replied as follows-

“I became aware of the open offer in the morning of September 25, 2023, when it came in the news.”



32. In continuation to the above query the *Noticee* was asked to explain in detail the discussion she had with Dr. A C Burman on September 20, 2023. To which the *Noticee* replied as follows:

“Meeting was to discuss the issue of nominee directorship from the Burman group. In which I told specifically to Dr. Burman that Mr. Arjun Lamba does not stand the strength of merit instead Dr. Burman may himself come on the Board of REL.”

33. Burman group vide email dated February 7, 2024 provided following WhatsApp chats (given at screen shots-7 and 8) exchanged between the *Noticee* and Mr. Arjun Lamba on September 25, 2023:

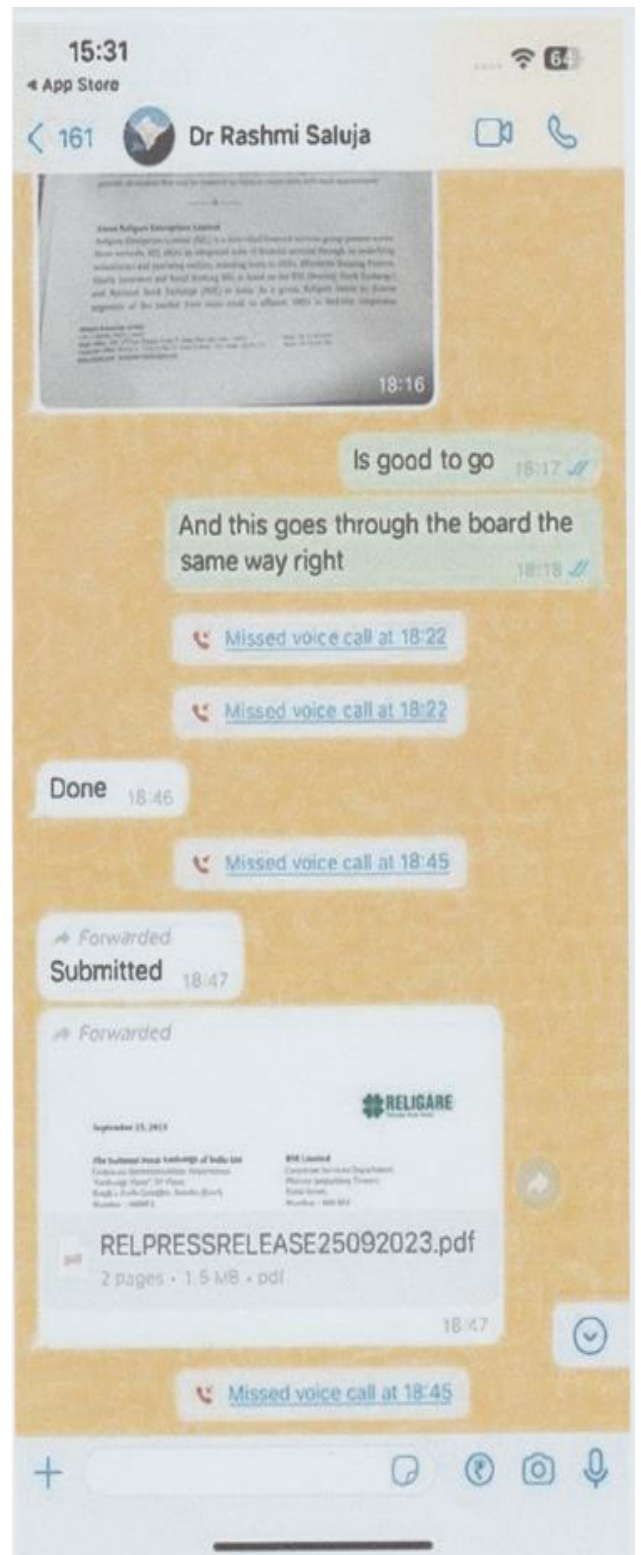


Screen shot -7





Screen shot - 8





34. It can be seen from the above screen shots that on September 24, 2023, Mr. Arjun Lamba had a meeting with the *Notictee* at hotel 'The Leela', New Delhi. As per the details submitted by REL, the *Notictee* had met Mr. Arjun Lamba at around 18:00 hrs on September 24, 2023.
35. Further, on September 25, 2023 at 18:17 hrs, the *Notictee* forwarded to Mr. Arjun Lamba a draft of Press release to be issued to stock exchanges. This Press release was finally issued by REL on September 25, 2023 and disseminated by the stock exchanges at 18:44 hrs. The *Notictee* confirmed to Mr. Arjun Lamba about submitting the said press release to stock exchanges at 18:47 hrs on September 25, 2023. Further, from the WhatsApp chats, it is observed that the *Notictee* was updating Mr. Arjun Lamba about the press release to be forwarded to the stock exchanges by REL and also shared the draft which was found to be "good to go" by Mr. Arjun Lamba. WhatsApp conversations dated September 25, 2023 between the *Notictee* and Mr. Arjun Lamba (provided by Burman Group) does not show any surprise on the part of the *Notictee* about the announcement of open offer on September 25, 2023. It may be highlighted that the *Notictee* in her submission has confirmed the contents of the WhatsApp chat.
36. The SCN also alleges that the *Notictee* was in a position to calculate the base open offer price at which the open offer in the scrip of REL was to be made. This calculation is made in terms of the regulation 8 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to



as “SAST Regulations”). Based on the scenarios stated in regulation 8 of the SAST Regulations the base open offer price can be calculated. Further, the data for calculation of base open offer price was publicly available on exchange website. The SCN also states that the base open offer price of REL that could be arrived at would be INR 217.95 which is based on the data which was readily available.

37. Impact of the Corporate Announcements with respect to the Open offer dated September 25, 2023 and the price of the scrip of REL on NSE is as under:

Table no.1

Date & time	Announcement	Price movement at NSE						Remarks
		Date	O	H	L	C	V	
25/09/20 23 08:17:51	Open Offer - J M Financial Limited has informed the Exchange regarding Public Announcement for Open Offer to Public Shareholders of Religare Enterprises Limited (Target Company)	22.09.23	270	279.9	263.65	271.55	43.99	On September 25, 2023 the scrip closed 6.85 % below its previous day closing price.
		25.09.23	267	267	251	252.95	43.79	
25/09/20 23 17:27:43	Updates- Religare Enterprises Limited has informed the Exchange regarding 'Public Announcement for Open Offer'.	25.09.23	267	267	251	252.95	43.79	On September 26, 2023 the scrip closed 3.08 % below its previous day closing price.
		26.09.23	254.95	255.15	244	245.15	12.15	
25/09/20 23 18:46:45	Press Release - Religare Enterprises Limited has informed the Exchange regarding a press release dated September 25, 2023, titled "Religare Enterprises- Public Announcement for Open Offer made by the Burman Group".							



Date & time	Announcement	Price movement at NSE						Remarks
		Date	O	H	L	C	V	
04/10/2023 14:49:38	Public Announcement- Open Offer - JM Financial Limited has submitted to the Exchange a copy of detailed public statement under sub regulation (1) of regulation 3, and regulation 4 read with sub-regulation (4) of regulation 13, sub-regulation (3) of regulation 14, sub-regulation (2) and (3) of regulation 15 and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, to the public shareholders of the Company.	03.10.23	241	243.55	237.2	239.65	9.42	
		04.10.23	239.8	245.5	238.2	240.3	14.18	
<i>O: Open Price; H: High Price; L: Low Price; C: Close Price; V: Volume (in lakh) Time: Dissemination time on NSE website</i>								

38. As seen from the above table, on NSE the share price of REL on September 22, 2023, which is the trading day prior to the date of PA, opened at INR 270 and closed at INR 271.55. The PA was announced at 08:17 hrs. on September 25, 2023 and the share price of REL opened at INR 267 and closed at a low of INR 252.95. This shows that the share price slid by INR 14.05. Even the subsequent public announcements which were related to the PA of September 25, 2023 showed a downslide in the closing price.



39. The price volume analysis in the scrip of REL on NSE during the investigation period is as under:

Table - 2

Period(t rading days)	Price / Vol.	Opening Price / volume on first day of the period	Closing price/ volume on last day of the period	Low price / volume during the period	High Price/ volume during the period	Daily average volume @
Pre-UPSI (65)	Price	164	227.85	162.2 (12.07.23)	243.65 (24.08.23)	1506205
	Vol.	435488	1154592	234780 (27.07.23)	7746601 (07.08.23)	
UPSI (10)	Price	227.85	271.55	227.85 (08.09.23)	280.6 (21.09.23)	2955601
	Vol.	1526677	4399390	1269359 (15.09.23)	5279231 (11.09.23)	
Post UPSI (62)	Price	267	216.05	210.6 (16.11.23)	267 (25.09.23)	1400344
	Vol.	4379480	1597330	153236 (12.11.23)	6407420 (20.11.23)	

@ rounded off

40. As seen from the above table, the price of REL opened at INR 164 on the first trade date during the pre-UPSI period and closed at INR 227.85 on the last trade date of the pre-UPSI period with a daily average volume of 1506205 shares. During the UPSI period, the price opened at INR 227.85 on the first trade date of the UPSI period and closed at INR 271.55 on the last trade date of the UPSI period having a daily average volume of 2955601 shares. The post-UPSI period saw a fall in the price from INR 267 to INR 216.05 and had a daily average volume of 1400344 shares.



Trading pattern of the Noticee during the investigation period:

41. The details of the Noticee's trades in the scrip of REL during the investigation period included pre UPSI, during UPSI and post UPSI period are as under:

Table - 3

Date	Buy Qty	Buy Value	Sell Qty	Av. Sale Price	Sell Value (in crore)
Pre- UPSI Period					
Nil					
UPSI Period					
21/09/2023	0	0	653248	267.14	17.45087
22/09/2023	0	0	639859	269.58	17.24917
Total	0	0	1293107		34.70004
Post -UPSI Period					
Nil					

42. The following is noted from the above mentioned trading pattern of the Noticee:
- (i) The Noticee sold 6,53,248 shares at a price of INR 267.14 which was 14.14% of the NSE volume in the scrip on September 21, 2023.
 - (ii) Further on September 22, 2023 the Noticee sold 6,39,859 shares of REL at a price of INR 269.58 which was 14.54% of NSE volume.
 - (iii) The Noticee had executed transactions in the scrip of REL during UPSI period on NSE only and there were no transactions during Pre-UPSI and Post UPSI period;
 - (iv) The Noticee had traded only in the scrip of REL during the investigation period.



43. All these materials were inspected by the *Notictee* and the replies submitted by the *Notictee* have been duly considered.

E. Summary of Replies filed by the *Notictee*

44. In the matter, the *Notictee* filed replies dated March 10, 2025, September 17, 2025 and October 8, 2025 denying the allegations, insinuations and findings made against her. A summary of replies filed by the *Notictee* is as under:

- i) The SCN has been issued pursuant to a complaint of insider trading made by the Burman Group with SEBI.
- ii) As per the Code of Conduct of REL, the director of REL is required to pre-clear all intended transactions irrespective of value or number of securities involved. The *Notictee* always traded only after obtaining the requisite pre-approval clearances from the Compliance Officer and all the trades were reported to the exchanges as per the PIT Regulations.
- iii) In August 2023, the Burman Group acquired 21.54% shareholding of REL and were a major shareholder. Rumours began circulating about the Burman Group possibly buying further shares in REL. This is evident from the WhatsApp messages received by the *Notictee* making inquiries regarding the same. Dr. A C Burman had assured that the Burman Group was not intending to buy further shares of REL and that it was simply a speculation.
- iv) The congratulatory message to Dr. A C Burman on August 16, 2023 was in respect to the OTS and not with respect to the acquisition of shares by the Burman Group.



- v) At the meeting between the *Noticee* and Mr. Arjun Lamba, the latter reiterated the Burman Group's demand for Board seats including one seat for Mr. Arjun Lamba. Following up on this issue, the *Noticee* requested for a meeting with Mr. Arjun Lamba on September 19, 2023, which was rescheduled on September 20, 2023.
- vi) On September 20, 2023 at 11.08 a.m. the *Noticee* made an application via email through her Executive Assistant to the Compliance Officer of REL for pre-clearance to sell 15,00,000 shares of REL. The application was approved at 11.26 A.M. on the same day. (*Noticee has attached copies of emails dated September 20, 2023 sent by her executive assistant to the Compliance Officer of REL alongwith the application for pre-trading approval*). Thereafter on September 20, 2023 itself at 12.05 P.M, Mr. Arjun Lamba informed the *Noticee* that Dr. A C Burman would also be present at the meeting scheduled later for the same day. The meeting with Dr. A C Burman alongwith Mr. Arjun Lamba took place at 4.00 P.M. on September 20, 2023. The issue of Mr. Arjun Lamba as the nominee of the Burman Group was once again discussed during the said meeting and while rejecting Mr. Arjun Lamba's nomination, the *Noticee* specifically told Dr. A C Burman that Mr. Arjun Lamba did not stand the strength of merit and repeated her suggestion that Dr. A C Burman may himself join the Board of Directors of REL. There was no intimation or communication by either Dr. A C Burman or Mr. Arjun Lamba to the *Noticee* about any potential and/or impending public open offer in respect of shares of REL.



- vii) Pursuant to the pre-clearance approval, the *Noticee* sold 6,53,248 shares of REL at the rate of INR 267.14 on September 21, 2023 for the total transaction value of INR 17,46,11,663. Further, on September 22, 2023 the *Noticee* sold 6,39,859 shares at the rate of INR 269.58 for a total transaction value of INR 17,24,92,005. These trades were notified to the stock exchanges within two working days of the transaction. This sale was made to exercise the *Noticee's* vested ESOP shares in Care Health Insurance Ltd. (“**CHIL**”) which she exercised in October 2023.
- viii) The *Noticee* had met Mr. Arjun Lamba on September 23 and 24, 2023 to discuss fund raising for REL for the future.
- ix) The *Noticee* became aware of the open offer made by the Burman Group for the first time on September 25, 2023 when JM Financial Ltd. submitted a copy of the public announcement in relation to the open offer of REL to the stock exchanges.
- x) On the evening of September 25, 2023, the *Noticee* and Mr. Arjun Lamba exchanged messages regarding the press releases to be issued to the stock exchanges.
- xi) The *Noticee* on October 3, 2023 filed an application to the Allotment Committee/Board of Directors of CHIL to exercise the ESOPs rights granted to her from CHIL under the Religare Health Insurance ESOP Scheme for 75,69,685 options at the exercise price of INR 45.32 per share for a total exercise price of INR 34,30,58,125 and total perquisite tax of INR 5,12,79,319 for a total aggregate amount of INR 39,43,37,442. The *Noticee* paid this



consideration from the proceeds of the sale of shares of REL made on September 21 and 22, 2023. The *Notictee* still holds the said shares. This investment was overlooked in the SCN. The *Notictee* would have never made such an investment in an unlisted subsidiary of REL, if she had ever been informed that the Burmans were planning to oust her from REL and replace her by some nominee of the Burman Group. The investment in CHIL was made to provide urgent liquidity to CHIL and the same does not benefit the *Notictee* since the shares of CHIL are not listed. This also proves that upto this stage the *Notictee* believed that it was positive information that the Burman Group had taken over REL since she had pumped INR 39.43 crores into CHIL which is a subsidiary of REL and is controlled by REL.

- xii) The *Notictee* believed that the takeover of REL by Burman Group was a very positive information and she had been anxious that Dr. A C Burman should become Director on the Board of REL. If the *Notictee* was aware of the impending open offer as alleged in the SCN, she would have never sold her shares in REL on 21st and 22nd September 2023 and would have never invested INR 39.43 crores in the unlisted shares of CHIL.
- xiii) On October 18, 2023, REL through its Committee of Independent Directors made a representation to SEBI against the Burman Group, raising objections to the proposed acquisition, *inter alia*, on the ground that the Burman Group does not meet the '*fit and proper*' criteria for acquiring shares of REL. Meanwhile, the Burman Group on October 20, 2023 addressed a communication to the *Notictee* asking for certain information (which they had



asked for on multiple occasions earlier) so that the Burman Group could obtain the requisite approvals from the statutory authorities to complete the open offer. In response to the same, REL vide letter dated October 26, 2023 stated that it was the prerogative of REL to make applications to the sectoral regulators and it had not authorised the Burman Group to do so.

- xiv) Being so chastised by the Committee of Independent Directors and by REL on this communication, the Burman Group for the first time vide an email dated October 26, 2023 raised the entirely false and fictitious allegation that the *Notictee* had allegedly been informed of the open offer at the meeting held on September 20, 2023.
- xv) The Burman Group then on October 31, 2023 once again requested the *Notictee* and the directors of REL to provide the information called for not later than November 6, 2023. Consequently, the Burman Group issued a complaint letter to SEBI on November 8, 2023 with the malafide intent to harm the interests of the *Notictee* and in retaliation to REL's action to bring to light the various concerns related to '*fit and proper*' status of the Burman Group in front of SEBI, RBI and IRDAI.
- xvi) This was followed by a series of correspondences issued, representations made and legal proceedings initiated. REL in the midst of a corporate battle which was initiated by the Burman Group that was opposed by the *Notictee* and the *Notictee* was accordingly targeted by the Burman Group. REL through its Independent Directors made several representations to SEBI, RBI, IRDAI in pursuance of their fiduciary duties to bring their concern to the



attention of the regulators highlighting that the Burman Group may not be '*fit and proper*' to acquire substantial shares in, or control over REL. The representations were based on various instances of concerns and complaints received by REL in relation to the Burman Group. The *Noticee* ceased to be a member of the Board of Directors of REL on February 7, 2025 and from CHIL and the subsidiaries of REL on February 27, 2025.

- xvii) The SCN is premised entirely on the basis of unreliable and tampered evidence provided by the Burman Group. The complaint dated November 8, 2023, was filed by the Burman Group due to deteriorated relationship between the *Noticee* and the Burman Group. Mr. Arjun Lamba in his cross examination stated that the series of events that took place between October and November 2023 gave Burman Group the understanding that the *Noticee* had hostility towards the open offer. Even Dr. A C Burman in his cross examination stated that it was his belief that the Board of Directors of REL were completely under the control of the *Noticee* and that the *Noticee* is against the open offer.
- xviii) The email dated October 26, 2023 and the complaint dated November 8, 2023 are clearly a counter blast to the *Noticee*'s and REL's representations and conduct in opposing the acquisition by the Burman Group. The SCN has failed to take into account the malicious and motivated conduct of the Burman Group while appreciating the evidence led and produced by them. Due to these circumstances the allegations that Mr. Arjun Lamba and Dr. A C



Burman informed the *Noticee* of the intention with respect to the open offer is entirely unreliable.

- xix) The Burman Group is admittedly an interested party with a demonstrable conflict of interest and it is settled law that extreme caution must be exercised when considering the evidence of an interested party witness and the same must not be accepted as definite proof, more so without any corroborating evidence.
- xx) The SCN has relied on selective WhatsApp chats to conclude that the *Noticee* was in frequent communication with Mr. Arjun Lamba and Dr. A C Burman during the investigation period. Further, there are no WhatsApp communication that evidences that either Mr. Arjun Lamba or any other person informed the *Noticee* about the impending open offer.
- xxi) No other messages were exchanged during the period from September 8, 2023 to September 25, 2023, apart from the messages exchanged between the *Noticee* and Mr. Arjun Lamba or Dr. A C Burman with respect to fixing a meeting on September 20, 2023. The mere exchange of messages in order to fix a meeting cannot be termed as "*frequent communication*" during the UPSI period.
- xxii) The WhatsApp screenshots in the SCN also contain deleted messages. The nature, rationale and selective contents of these messages have neither been questioned nor probed by the investigating agency of SEBI. There are inconsistencies in dates of chats exchanged between the *Noticee* and Mr. Arjun Lamba depicted in the screen shots 5 and 6 in the SCN. Further, the



presence of deleted messages and glaring inconsistencies is *ex-facie* evidence that there has been tampering and/or alteration made to the record by the Burman's on which the SCN seeks to build its case against the *Noticee*. Mr. Arjun Lamba has expressly admitted in his reply to SEBI that the auto delete function in his WhatsApp chats has led to deletion of several chat messages. In such circumstances, the need for circumspection by the investigating agency was even greater.

- xxiii) There is no material in the SCN to demonstrate that SEBI had verified the genuineness of the selected WhatsApp chat excerpts. There has been no search, seizure and confiscation of digital devices. It was incumbent upon SEBI to verify the genuineness to the WhatsApp before placing reliance on them.
- xxiv) The falsity of the allegations which form the basis of the complaint against the *Noticee* is also evident from the contradictory answers given by Mr. Arjun Lamba and Dr. A C Burman during their cross examination.
- xxv) Mr. Arjun Lamba had given contradictory statements with respect to when the Burman Group had decided to make the open offer. In his cross examination, he stated that the decision to launch the open offer was made between August 28 to 31, 2023, whereas in his email to SEBI he has stated that the decision to undertake the open offer was taken after a review of the annual report of F.Y. 2022-23 of REL which was received on September 5, 2023.
- xxvi) Dr. A C Burman in his affidavit stated that he had come to India specifically to meet the *Noticee* on September 20, 2023 about the decision to make an



open offer. However, Mr. Arjun Lamba in his cross examination admitted that between September 13 to 16, 2023 he was aware of the visit of Dr. A C Burman to India. This was well before September 18, 2023, the date when the *Noticee* asked for the meeting. This shows that Dr. A C Burman's statement that his visit to India was to meet the *Noticee* to discuss the open offer was false and fictitious.

xxvii) Regulation 3 of the PIT Regulations contains a prohibition against communication of UPSI to others except in the case of any "*legitimate purpose*" or "*communication in furtherance of performance of duties*" or "*communication for discharging legal obligations*". However, Dr. A C Burman in his affidavit dated May 2, 2024 has stated that he purportedly informed the *Noticee* about the open offer and public announcement because he felt it was appropriate and to ensure that the *Noticee* was aligned with the Burman group on the open offer. Though the *Noticee* consistently stated that she was not informed of the public announcement or of the open offer or any UPSI. It was Dr. A C Burman's and Mr. Arjun Lamba's own case that they have violated Regulation 3 of the PIT regulations as there was no "*legitimate purpose*" or "*communication in furtherance of performance of duties*" or "*communication for discharging legal obligations*" for them to purportedly inform the *Noticee* about the impending open offer. The partisan approach of SEBI in issuing the SCN while choosing to deliberately ignore Dr. A C Burman's or Mr. Arjun Lamba's express and unequivocal contentions that they informed the *Noticee* of the open offer raises serious questions about



the integrity of the allegations against the *Notictee* and the one-sided approach adopted by SEBI.

- xxviii) The announcement of open offer is viewed as the positive development and would drive the share price upwards. Hence, an insider would rather buy than sell shares given the anticipated price rise. However, the *Notictee* sold shares and this demonstrates that she was not in possession of the UPSI. It is Burman's own case that the *Notictee* was notified about the open offer on September 20, 2023 at 4.00 P.M.. However, by this time the *Notictee* had taken the pre-approval to sell shares of REL.
- xxix) There is not a single document or communication or any independent non-biased testimony in support of the assumption that the *Notictee* had any UPSI.
- xxx) The SCN fails to appreciate that if the *Notictee* had intended to indulge in insider trading to purportedly avoid losses, there would have been no reason for her not to dispose of all her shares and only dispose of a part of the same. It is therefore evident from the conduct of the *Notictee* that the approvals for the sale of shares was sought and that the *Notictee* had already decided to sell the shares.
- xxxi) Clause (iv) of sub regulation (1) of regulation 4 of the PIT Regulations expressly provides that even if an insider traded when in possession of UPSI (which the *Notictee* states that she was not), she may prove her innocence by demonstrating that the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise was predetermined. The *Notictee* had executed the transactions to exercise stock



options in respect of which the exercise price was predetermined *i.e.* the vested ESOP shares in CHIL with an exercise price of INR 45.32. Therefore, even if she had been aware of any UPSI (which the *Noticee* denies) the proviso to sub-regulation (1) of regulation 4 of the PIT regulations would be attracted. Thus, she has not only produced the true reason for carrying out transactions but has in fact substantiated the same. Regulation 3 of the PIT regulations statutorily prohibits Dr. A C Burman and Mr Arjun Lamba from revealing any UPSI to the *Noticee*.

- xxxii) Mere fact of frequent communication is not sufficient to allege that a person was a connected person and what is required is for the SCN to establish with cogent evidence that the communications would ordinarily grant a person access to the UPSI. The only rationale for the SCN that the *Noticee* is a 'connected person' is in view of her being the Executive Chairperson, Key Managerial Person and a designated person of REL. The *Noticee* held these positions in REL and not in any company that is part of the Burman Group, which held the UPSI. REL has nothing to do with the generation of the UPSI and the same originated in the Burman Group. It is an admitted position that no officer or employee of REL had knowledge of the alleged UPSI until the public announcement was made on September 25, 2023. There was no conversation whatsoever regarding the alleged UPSI in the meeting held on September 20, 2023.



- xxxiii) The entire edifice of the case against the *Notictee* is built upon the oral testimony of two admittedly interested parties who have a conflict of interest with the *Notictee*.
- xxxiv) It is denied that the *Notictee* knows to calculate or did in fact calculate the base price. It is submitted that for the *Notictee* to calculate the base price as per regulation 8 of the SAST Regulations, she would have required knowledge of future trading prices which would include closing price of September 21 and 22, 2023. Mr. Arjun Lamba in his cross examination had stated that for establishing the base price, it was necessary to know the closing price of September 22, 2023. Further, Dr. A C Burman in his affidavit had stated that as on September 20, 2023 the open offer price had yet to be computed. Therefore, there is nothing that substantiates to the allegation that the *Notictee* would have been able to calculate the proposed base price. The assumption of SEBI that the *Notictee* could have calculated the base price in advance is thus without any basis and is based only on surmises and conjectures.
- xxxv) The formula mentioned in the SCN seeks to calculate the loss by using the 'closing price of the day of UPSI becoming public depending upon the timing of notification of UPSI to stock exchange'. This calculation is entirely arbitrary and without any basis. At the relevant time when the exchanges open, the scrip was trading at INR 267. Therefore the formula ought to have used the amount of INR 267 for when the information had become public and not the closing price at the end of the day.



- xxxvi) The SCN does not demonstrate when Mr. Arjun Lamba and Dr. A C Burman came into possession of the UPSI and there is nothing in the SCN stating the identity of the person that purportedly communicated the same to the *Noticee*.
- xxxvii) The SCN is silent on the measures proposed to be taken against the *Noticee*. The SCN fails to deal with the various documents provided by the *Noticee* which demonstrates the motivation for the transactions and the bonafide nature of the same.
- xxxviii) The SCN alleges that there is no trading in shares of REL by the *Noticee* prior to or after the UPSI period, however the same is factually incorrect. The *Noticee* in support of her submissions dated September 17, 2025 provided details of trades carried out by her during the investigation period.
- xxxix) The record proves that it is only in October 2023 that the relations between the Burman Group and the *Noticee* totally deteriorated; and they incorrectly believed that the *Noticee* was responsible for the Independent Directors' representation to SEBI and it is only after this that the Burman Group concocted the said totally false allegation of the UPSI with respect to the open offer being communicated to the *Noticee*. Thereafter, the *Noticee* was ousted from REL and its group companies.

45. After taking note of submissions made by the *Noticee* and before proceeding ahead, I deem it important to refer to relevant provisions of the law alleged to have been violated by the *Noticee*, which are reproduced below:



SEBI Act, 1992:

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

Sections 12A(d) of SEBI Act:

'No person shall directly or indirectly—

(a).....

(b).....

(c).....

(d) engage in insider trading;

(e); '

PIT Regulations, 2015:

Sub-clause (i) of clause (d) of sub-regulation (1) of regulation 2 of the PIT Regulations defines '*connected person*' as follows:

'connected person' means-

(i) 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.'

Clause (g) of sub-regulation (1) of regulation 2 of the PIT Regulations defines '*Insider*' as follows:

'Insider means any person who is

(i) a connected person, or

(ii) in possession of or having access to unpublished price sensitive information.'



Trading when in possession of unpublished price sensitive information

Regulation 4(1):

‘No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.’

F. Consideration on merits and Findings

46. The *Noticee* was personally heard and the replies filed by her have been taken on record. I now proceed to consider the matter on merits. After considering the material available on record, the following issues emerges for consideration:

F.1. Whether the Noticee was an insider in terms of sub-clauses (i) or (ii) of clause (g) of sub-regulation (1) of regulation (2) of the PIT Regulations on account of being a connected person or in possession of or having access to UPSI pertaining to the impending open offer in the scrip of REL?

F.2. Whether the Noticee traded in the scrip of REL while in possession of UPSI?

F.3. If answer to above issues are affirmative, then whether it warrants issuance of directions and/or imposition of penalty under the SEBI Act

G. Findings on the submissions of the Noticee:

47. The *Noticee* contended that she has been alleged to be a ‘*connected person*’ in view of being the Executive Chairperson, Key Managerial Person and a designated person of REL. She did not hold any position/s in the companies that



is part of the Burman Group, which held the UPSI. Therefore, REL has nothing to do with the generation of the UPSI, which was originated in the Burman Group.

48. I note that in terms of clause (g) of sub-regulation (1) of regulation 2 of the PIT Regulations '*Insider*' means any person who is a connected person, or in possession of or having access to unpublished price sensitive information. As per sub-clause (i) of clause (d) of sub-regulation (1) of regulation 2 of the PIT Regulations a '*connected person*' is 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 UPSI or is reasonably expected to allow such access.
49. As per the above provision, the connected person/s should have association with the company from which UPSI originates and in that case they may be termed as '*Insider*'. The *Notictee* being an Executive Chairperson and Key Managerial Person (KMP) of REL may be termed as '*connected person*' of REL in case the UPSI had originated from REL. However, in the instant case, I note that the UPSI regarding impending open offer originated from the Burman Group and not from REL. Therefore, I find that the *Notictee* cannot be termed as '*insider*' under sub-



clause (i) of clause (d) of sub-regulation (1) of regulation 2 of the PIT Regulations, being a '*connected person*' of REL.

50. Therefore, now it is required to be ascertained whether the *Noticee* was having possession of or had access to the UPSI with respect to the impending open offer by the Burman Group in the scrip of REL and therefore can be considered as insider in terms of sub clause (ii) of clause (g) of sub-regulation (1) of regulation 2 of the PIT Regulations? Subsequently, whether the trades executed by the *Noticee* on September 21 and 22, 2023 were based on the UPSI?
51. To arrive at my findings on the above issue, it is necessary to examine the materials gathered during investigation including Call Records (CDRs), WhatsApp Messages exchanged between the *Noticee*, Dr. A C Burman and Mr. Arjun Lamba, their statements recorded under oath (including cross examination) and the replies filed by the *Noticee*.

(i) Analysis of meeting held on September 20, 2023 based on statements taken on oath and cross examination of Dr. A C Burman and Mr. Arjun Lamba

52. The *Noticee* has submitted that she became aware of the open offer for the first time only on September 25, 2023 when JM Financial submitted a copy of the PA to the stock exchanges. The crucial aspect, which requires to be decided is whether the information about open offer was conveyed to the *Noticee* during the meeting held between the *Noticee*, Dr. A C Burman and Mr. Arjun Lamba on



September 20, 2023 as alleged in the SCN. In this regard, I would now deal with statements made by Dr. A C Burman & Mr. Arjun Lamba and cross examination of them.

53. A summary of the affidavit dated May 2, 2024 read with the corrigendum dated May 3, 2024 (which corrected a few dates) filed by Dr. A C Burman in response to summons dated April 24, 2024 is as follows.

a) He held various roles before being elevated to the position of Vice Chairman on September 18, 2001. He took charge as Chairman of Dabur India Limited on July 23, 2007 and stepped down from this role on July 19, 2019 and currently hold the position of '*Chairman Emeritus*' of Dabur India Limited.

b) With respect to the open offer, he only interacted with Ms. Rashmi Saluja from REL.

c) As regards Query on reason for short stay in India i.e. between September 20, 2023 to September 23, 2023 and reason for having an in-person meeting with Dr. Rashmi Saluja, Chairperson of REL on September 20, 2023, he replied as under:

"....I had come to India specifically for the purpose of meeting with Ms. Rashmi Saluja on September 20, 2023, at 4 P. M. IST in the Belvedere, Jodhpur Room, The Oberoi, New Delhi. This meeting was attended by Dr Saluja and Mr. Arjun Lamba. The necessity for an in-person meeting stemmed from the significance of the decision to make an open offer. Though we were not legally obligated to do so, as a matter of good measure,



we felt it was appropriate to personally convey this to Ms. Rashmi Saluja, the Executive Chairperson of REL. Ms. Saluja, until then seemed to be very supportive of our investment in REL. The sole purpose of meeting her in person was to ensure that she is also aligned with us on the open offer given her position of holding the entire helm of affairs at REL. Typically, Mr. Arjun Lamba communicates with Ms. Saluja in matters concerning REL. However, given the strategic significance of this matter, it was important for me to engage with Ms. Saluja directly and in person. No other person in REL was informed of the open offer by me. I had also received an enquiry from Dr Saluja on August 23, 2023 over a WhatsApp message about an information purportedly received by her from "SCB" informing her about our "plans to takeover REL". Mr. Lamba had also received this from her and we did inform her that it was a speculation. Mr. Lamba had also told her that if we end up planning such a thing, we would let her know beforehand.

d) Dr. A C. Burman in response to query about the discussion he had with the Noticee on September 20, 2023, *inter alia*, stated that:

".... I reiterate that the in-person meeting on September 20, 2023, which lasted for approximately 40-45 minutes, took place to inform Ms. Saluja that the Acquirers intended to make the open offer on September 25, 2023.

I. Upon an exchange of pleasantries with Ms. Rashmi Saluja, I informed Ms, Rashmi Saluja of our intention to make the open offer. I conveyed to her that this sensitive information was being shared with her alone, in utmost confidence, to prevent any element of surprise once the announcement of the open offer was made.

II. Ms. Saluja informed Mr. Lamba and me that it was within the Acquirers' prerogative to launch an open offer. She also asked us if there, was anything specific that we required from her.

III. Ms. Saluja then inquired about her position following the open offer and whether she or the board of directors of REL should tender their



resignations. I clarified that, at the present stage, no decision had been made regarding this matter, however, we expressed our intention to supplement the board of directors of REL with representatives from the Burman Group, with the aim of REL operating as a professionally run company. Additionally, we assured Ms. Rashmi Saluja that she would continue in her position as Executive Chairperson until the completion of the open offer, however, that our intention thereafter would be to appoint a representative of the Burman Group as the Executive Chairperson of REL and to also get more expertise inducted in the Board of REL.

IV. Ms. Rashmi Saluja then expressed her willingness to lend her support to facilitate an amicable open offer process, to ensure a mutually beneficial outcome for management, shareholders and REL.

....

e) On query whether the proposed open offer price was a point of discussion during the meeting with the Noticee, Dr. A.C. Burman, inter alia, stated as under:

...I state that the exact price at which the open offer price would be made was never conveyed to Ms. Saluja. In fact, we had yet to compute the open offer price, as discussions with the managers to the open offer were yet to be concluded to arrive at the price. We informed her that the price would be in accordance with the relevant regulations of the Securities and Exchange Board of India, and we are in discussions with our bankers on this aspect.

54. A brief of statement taken under oath of Mr. Arjun Lamba dated April 22, 2024 is as under:

a) Mr. Arjun Lamba on query regarding his relationship with the Burman family stated that he was their portfolio manager from 2006 and was entrusted with



responsibilities like nominee director of Eveready Industries Ltd. and also handled Religare matter of the Burman Group. As regards his role while the Burman family increased their stake in REL, Mr. Arjun Lamba stated as under: *“I was pivotal in all the role played by the Burman family in the REL since meeting with Dr. Rashmi Saluja in December 2020”..*

- b) Reasons for having an in-person meeting with the *Noticee* on September 20, 2023 were stated as follows: *“We thought it was appropriate as a good corporate citizen to inform such important decision to the executive chairperson of Religare Enterprises Limited since we had a working relationship with the said person. This was the only agenda for the meeting. However, during the meeting Dr. Rashmi Saluja brought up the issue of her board nomination and voting for the upcoming Annual General Meeting dated September 27, 2023.”*
- c) On query regarding the discussion he had with Dr. Rashmi Saluja, Chairperson of REL on September 20, 2023 he replied as follows: *“It was informed to Dr. Rashmi Saluja regarding the intention of Burman family to launch an offer for control of REL on September 25, 2023. She asked whether she and/or the other board members have to resign after the said offer. To which we replied that we don’t want anybody to resign and would be more than happy to carry on all the board members during and post offer completion. Further, it was informed to Dr. Rashmi Saluja that post completion of the offer, Burman family*



might want to nominate their executive chair but would be happy to continue her on the board. Then she said we should endeavor to work together for the seamless and win-win transition for all. To which we said we would be happy for this to happen. Later, she brought up the issue of voting on her board nomination coming at the REL AGM on September 27, 2023. To which we said, we would happily oblige.”

- d) When queried about how the open offer price was determined and whether he was afraid about the open offer price being well below the current ruling market price, Mr. Arjun Lamba replied as follows- *“This is based on the minimum threshold price as per the SEBI formula given to us by the banker. Final price was decided by the Burman Family and myself. We are not afraid because it was above the SEBI minimum threshold and also above our market price of Rs. 217.90 in August 2023.”*

55. During the cross examination of Dr. A C Burman, 61 questions were posed to him. Dr. A C Burman was asked whether the meeting on September 20, 2023 took place between him and the *Noticee* at about 4.00 P.M., to which Dr. A C Burman replied: *“Yes. It is correct.”* Dr. A C Burman also confirmed his statement given before the Investigating Authority that he had come to India for specific purpose of meeting the *Noticee*.



56. The Authorised Representative of the *Noticee* questioned Dr. A C Burman that the reply provided by him to SEBI at para 9(VII) of his affidavit dated May 2, 2024 with regard to the alleged telephone call between Mr. Arjun Lamba and the *Noticee* was entirely false and no such phone call ever took place between the two.

57. The abovementioned para 9(VII) of the affidavit dated May 2, 2024 read alongwith the corrigendum dated May 3, 2024, to the above affidavit filed by Dr. A C Burman is reproduced below:

“Ms. Saluja reached out to Mr. Lamba on the phone on September 22, 2023, at approximately 8 pm. Mr. Lamba was with me at my residence at that time and Mr. Lamba placed the call on speaker and I heard the same. On that call, Ms. Saluja offered the Acquirers two board seats in exchange of the Acquirers not doing the open offer in exchange of a preferential issue to bring the shareholding to 24.9%. On the aforementioned phone call, I heard her request Mr. Lamba to engage with me to reconsider the decision to make an open offer and take another board seat. Until end August 2023, we did not intend to make an open offer to assume control of REL. The decision to make an open offer was made in end August 2023, after we witnessed a general reluctance on the part of Ms. Saluja to accede to our request for additional board seats and a desire to keep control of REL.”



58. Dr. A C Burman in response to the query raised by the *Noticee* that his submissions as mentioned in the preceding paragraph is entirely false replied as follows: *"I do not agree."* In other words, Dr. A C Burman stood by his statement given at para 9(VII) of the affidavit dated May 2, 2024 read with corrigendum dated May 3, 2024 to the above affidavit.
59. Dr. A C Burman also disagreed with the suggestion put forth by the Authorised Representative of the *Noticee* that at the meeting held on September 20, 2023, there was no discussion whatsoever between Dr. A C Burman, Mr. Arjun Lamba and the *Noticee* with regard to the open offer to REL.
60. I note that during the cross examination of Mr. Arjun Lamba, 88 questions were posed by the Authorised representative of the *Noticee*. Mr. Arjun Lamba was queried on whether he was informed on the reason why Dr. A C Burman was planning to come to India on September 20, 2023. To which Mr. Arjun Lamba replied as follows: *"Yes. Since I was planning to meet Rashmi Saluja, to convey to her that we were planning to launch an open offer for control for REL, Dr. Burman thought it would be good if he was also present in this meeting."*
61. On query to Mr. Arjun Lamba as to when the preparatory work for the open offer was completed. Mr. Arjun Lamba replied as follows: *"Round about the 13th – 14th of September 2023 we came to know that we would be ready to come out with the open offer after September 20, 2023."* On query regarding whether any



price was determined before September 24, 2023, Mr. Arjun Lamba replied as follows: *“The only guide price before launching the offer price is the SEBI determined formula which is a base price, but the exact price was determined only on the September 24, 2023.”*

62. I also note that during cross examination, Mr. Arjun Lamba was asked whether he is in agreement that there were no discussions with the *Noticee* with regard to the open offer either on September 20, 2023 or on any date thereafter upto the public announcement of open offer on September 25, 2023. To which Mr. Arjun Lamba replied as follows: *“I disagree. Whatever I have stated in my submissions is my honest truth.”* On query whether the open offer price was less than the prevailing market price, Mr. Arjun Lamba replied that *“Yes. Our open offer price was guided by SEBI’s floor price formula.”*

63. From the cross examination, it is seen that the witnesses have withstood the test of cross examination. There is no question which was not properly replied to and the *Noticee* has not been able to prove any inconsistency in deposition of the Witnesses about communication of the UPSI based on which statement can be rejected. At this stage, nothing has been provided by the *Noticee* which can challenge the veracity of the statements/affidavit made by Dr. A C Burman and Mr. Arjun Lamba.

64. The *Noticee* has stated that the SCN does not demonstrate when Dr. A C Burman and Mr. Arjun Lamba came in possession of the UPSI and that the SCN also does



not state the identity of the person who communicated the same to the *Noticee*. In this regards, it is noted from the records that Dr. A C Burman holds the position of 'Chairman Emeritus' of Dabur India Ltd. and Mr. Arjun Lamba was Financial Advisor of the Burman family (*as stated by Dr. A C Burman during his cross examination*) and was pivotal in all the role played by the Burman family for purchase of shares of REL. It is further evident that the *Noticee* was in constant contact with Dr. A C Burman and Mr. Arjun Lamba during August 2023 with regard to the purchase of shares by Burman Group. The *Noticee* was seeking clarification from Dr. A C Burman and Mr. Arjun Lamba on the rumours of possible takeover by the Burman Group. Further, Dr. A.C. Burman in his affidavit dated May 02, 2024 had categorically stated that the decision to make the open offer was made in end of August 2023. A copy of this affidavit was provided to the *Noticee* during inspection. I also note that the SCN did mention that it is Dr. A C Burman who had communicated the UPSI to the *Noticee* on September 20, 2023. Further, Dr. A C Burman vide affidavit dated May 2, 2024 read with corrigendum dated May 3, 2024 had, *inter alia*, replied as follows when queried on the discussion he had with the *Noticee* on September 20, 2023:

“Upon exchange of pleasantries with Ms. Rashmi Saluja, I informed Ms. Rashmi Saluja of our intention to make the open offer. I conveyed to her that this sensitive information was being shared with her alone, in utmost confidence, to prevent any element of surprise once the announcement of the open offer was made.”

65. It is noted that, the above mentioned affidavit dated May 2, 2024 alongwith the corrigendum dated May 3, 2024 was provided to the *Noticee* during inspection



proceedings wherein Dr. A C Burman had categorically stated the manner in which he had informed the *Noticee* about the open offer. I also note that, during cross examination Dr. A C Burman had confirmed his statement that the specific purpose for coming down to India was for meeting the *Noticee* on September 20, 2023. Dr. A C Burman also submitted that the necessity for an in-person meeting stemmed from the significance of the decision to make an open offer.

66. The *Noticee* has submitted that Mr. Arjun Lamba had given contradictory statements with respect to when the Burman Group had decided to make the open offer. In his cross examination, he stated that the decision to launch the open offer was made between August 28 to 31, 2023, whereas in his email to SEBI he has stated that the decision to undertake the open offer was taken after a review of the annual report of REL for the F.Y. 2022-23 was received on September 5, 2023. In this regard, I am of the opinion that whether the decision to make an open offer was taken between August 28 to 31, 2023 or after the receipt of annual report of REL for the F.Y. 2022-23 *i.e.* on September 5, 2023 as replied by Mr. Arjun Lamba, it is a fact that both Mr. Arjun Lamba and Dr. A C Burman were aware of the scheduled date of open offer being September 25, 2023 when they had met the *Noticee* on September 20, 2023. The differences in dates when the decision was taken to launch the open offer is not relevant for the instant proceedings as the fact that decision about open offer had been taken prior to the meeting held on September 20, 2023 is not disputed. The dispute is only about communication of such decision of open offer to the *Noticee* on September 20, 2023.



67. The *Notictee* has submitted that Dr. A C Burman made a false and fictitious statement that his visit to India was to meet the *Notictee* to discuss the open offer. In this regards, I note from series of WhatsApp chats produced at screen shot no. 6 above that the *Notictee* on September 18, 2023 had enquired with Mr. Arjun Lamba if they could meet tomorrow *i.e.* September 19, 2023, to which Mr. Arjun Lamba replied that they can meet on Wednesday *i.e.* September 20, 2023. In addition to these chats, Mr. Arjun Lamba inter alia texted the *Notictee* on September 20, 2023 at 12.05 hrs. that Anand (referring to Dr. A C Burman) will also be coming. From these sequence of events I note that the *Notictee* in her chats was only looking forward for a meeting with Mr. Arjun Lamba on September 20, 2023. It was Mr. Arjun Lamba who informed the *Notictee* that Dr. A C Burman will also be coming. What is understood from these series of events is that it was the decision of Dr. A C Burman to meet the *Notictee* on September 20, 2023. This understanding puts to rest the submission of the *Notictee* that Dr. A C Burman's statement on his visit to meeting the *Notictee* was false and fictitious. *Notictee's* claim that she asked for meeting only on September 18, 2023 does not belie the claim of Dr. A C Burman. The *Notictee* may have asked for meeting on September 18, 2023 but that does not mean that Dr. A C Burman could not have decided to visit India to meet the *Notictee* and that decision could have been taken before confirmation of the meeting date.



(ii) Pre-Clearance of trades by Compliance Officer

68. The *Noticee* has submitted that the code of conduct of REL mandates pre-clearance for all intended transactions and that the *Noticee* has always traded only after obtaining the requisite pre-approval clearances from the Compliance Officer of REL. In this regard, I note that the Minimum Standards for Code of Conduct for listed companies as stipulated at Schedule B read with sub-regulation (1) of regulation 9 of the PIT Regulations mandates the requirement for designated persons to take pre-clearance from the Compliance Officer. Further, the Compliance Officer prior to providing the approval shall seek declaration to the effect that the applicant seeking pre-clearance is not in possession of any UPSI. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

69. In the instant matter, it is seen from the submissions of the *Noticee* that she had taken pre-clearance of trades on September 20, 2023 *i.e.* before executing sell trades on the subsequent days *i.e.* September 21 and 22, 2023. The *Noticee* had applied for pre-clearance and received the approval from the Compliance Officer of REL on September 20, 2023 itself. The *Noticee* had provided an undertaking to the Compliance Officer of REL that she does not have any information that could be construed as '*price sensitive information*'. The clause (c) of the undertaking given by the *Noticee* reads as follows:



“(c)In the event that I have access to or received any information that could be construed as “Unpublished price sensitive information” as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the company until such information becomes public;”

70. I note from the above that the *Noticee* gave an undertaking of not having information that could be construed as ‘*price sensitive information*’ and in the event of having access to any such information it shall be informed to the Compliance Officer and would refrain from dealing in the securities of REL. Therefore, I find that the pre-clearance of shares of REL was also not absolute and it was subject to true compliance of undertaking.

71. The allegation is that the *Noticee* was made aware of the UPSI in the meeting held on September 20, 2023. At this stage, it must be stated that if the allegation is correct and the *Noticee* was made aware of the UPSI in the meeting held on September 20, 2023, she was obliged to inform the Compliance Officer of the same and should not have carried out the trade on September 21 and 22, 2023 while being in possession of the UPSI. In fact, it should also be noted that while pre-clearance was taken by the *Noticee* for sale of 15 lac shares, actual sale was of 6,53,248 shares on September 21, 2023 and 6,39,859 shares of REL on September 22, 2023 (totalling 12,93,107 shares). Thus, it is not necessary that after pre-clearance, shares are necessarily to be sold. If during this period, the



Noticee comes in possession of UPSI, law prohibits her to sell even one share. Hence, the fact of pre-clearance obtained by the *Noticee* is not held as a valid defence.

(iii) Sale was necessitated for buying ESOP shares

72. The *Noticee* stated that proceeds from the sale of shares on September 21 and 22, 2023 was used in order to exercise the *Noticee*'s vested ESOP shares in CHIL which is a subsidiary of REL. On query with respect to rationale for sale of shares in the scrip of REL on September 21 and 22, 2023, the *Noticee* vide her reply dated March 14, 2024 replied as follows:

“The proceeds of ESOP share sale of REL in September 2023 was utilised to exercise the ESOPs of a subsidiary company i.e. Care Health Insurance Limited in October 2023.”

73. The *Noticee* further submitted that she still holds ESOP shares in CHIL and this investment was overlooked in the SCN. It is stated that the *Noticee* made an investment of INR 39.43 crores in CHIL to provide urgent liquidity and this investment did not benefit the *Noticee* since the shares of CHIL are not listed. Upto this stage the *Noticee* believed that the takeover by Burman Group was a positive information. The *Noticee* further contended that if she was aware of the impending offer as alleged in the SCN, she would have never sold the shares of REL and would have never invested INR 39.43 crores in the unlisted shares of CHIL.



74. In this regards, I note that the *Noticee* had applied for pre-clearance for sale of shares of REL on September 20, 2023 at 11.08 A.M. and the same was granted at 11.26 A.M. on the same day, which is before her scheduled personal meeting with Dr. A C Burman and Mr. Arjun Lamba at 4.00 P.M. on the same day. The *Noticee* choose to execute the sale of shares on September 21 and 22, 2023 after the said meeting. The *Noticee* in her submissions stated that the consideration from the sale of shares of REL was utilised by her for payment towards the exercise of ESOPs of CHIL. However, I note that the *Noticee* filed an application to the Allotment Committee/Board of Directors of CHIL for exercise of ESOPs on October 3, 2023. This shows that there was no immediate need for the *Noticee* to execute the sale of shares of REL as the immediate need would have arisen after October 03, 2023.

75. The *Noticee* has also submitted that she would have never sold her shares in REL and would have never invested in CHIL which is an unlisted company if she was informed that the Burmans were planning to oust her. In this regard, I note from various evidences discussed earlier, that at the time when the *Noticee* sold shares of REL and exercised ESOPs of CHIL, she was still the Executive Chairperson of REL and had good relations with Mr. Arjun Lamba and Dr. A C Burman. It is also noted from the submissions of the *Noticee* that her relationship with the Burman Group deteriorated only after October 18, 2023 when Committee of Independent



Directors of REL made a representation to SEBI. Therefore, the decision to invest in shares of CHIL needs to be seen in the situation prevailing at that point of time. At that time the *Noticee* expected to continue as Chairperson and thus, there was no risk to her investment.

(iv) Facts of selling shares not in line with positive UPSI

76. With regard to the contention of the *Noticee* that open offer news was a positive news and she would have bought shares instead of selling the shares, I am of the view that whether the information with regard to the open offer by the Burman Group is positive or negative news is different from expected price movement post the announcement of open offer. Price of shares post announcement mainly depended on the offer price which the Burman Group offered to the shareholders of REL. It is discussed later how the offer price could be pre-calculated which would have revealed the direction of the price of REL post open offer. That direction of price was expected to be downward due to lower expected open offer price vs. market price, as per known formula.

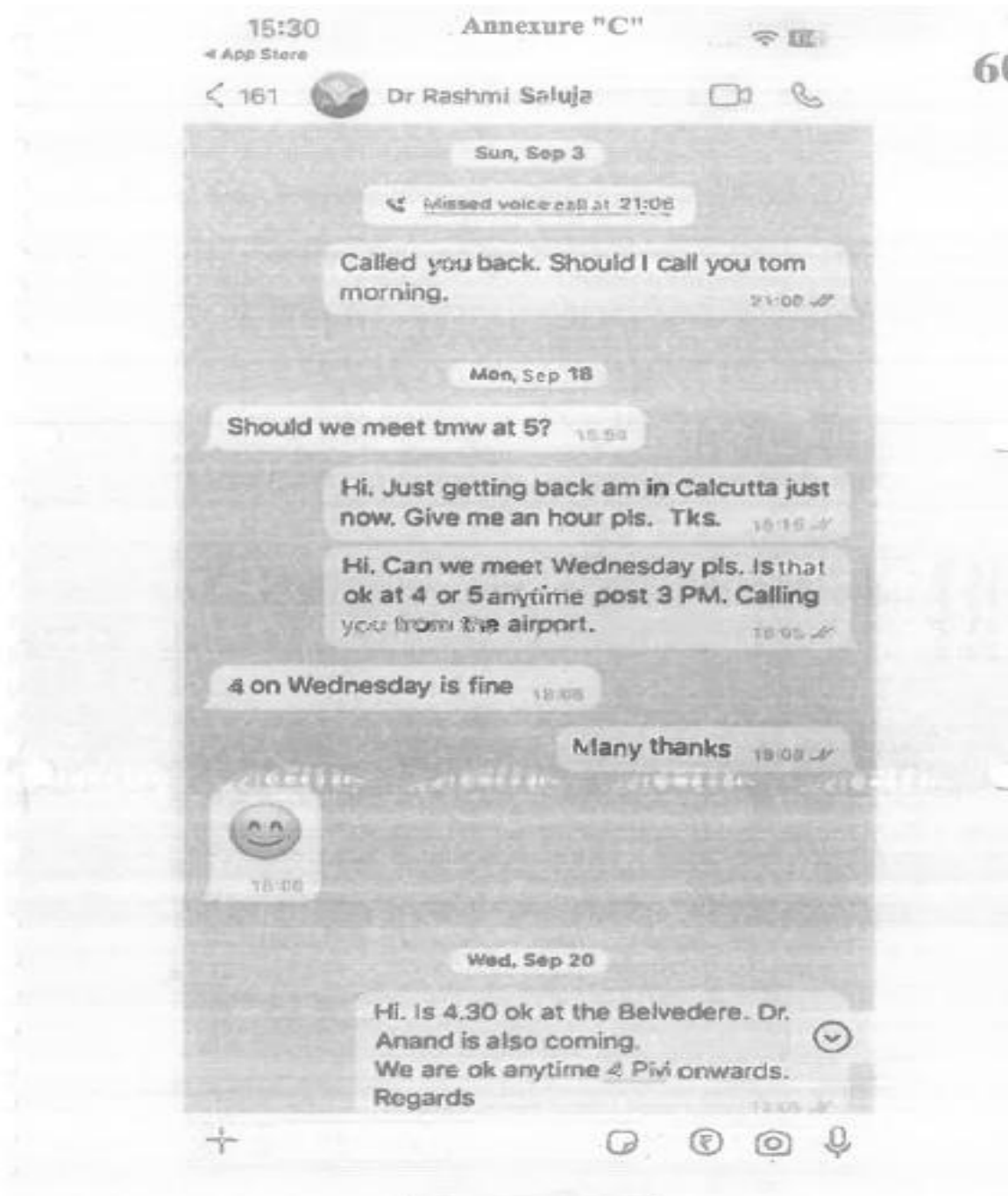
(v) Inadmissible evidence

77. The *Noticee* has contended that the SCN is premised on the basis of unreliable and tampered evidence provided by the Burman Group. The *Noticee* has stated there are instances of similar chats appearing on different dates at screen shots 5 and 6 of the SCN. In this regard, I note that chats provided at screen shots 5 and 6 of the SCN pertain to conversations exchanged between Mr. Arjun Lamba and



the *Notictee* during the period from August 30, 2023 to September 23, 2023. Among these chats, the *Notictee* has specifically stated inconsistencies in chats shown on September 03, 2023 and September 17, 2023. In this regards, I note from screen shots at 5 and 6 of the SCN that there are no chats exchanged between them on September 17, 2023. However, I note that in screen shot no. 5 one chat (*Called you back. Should I call you tom morning.*) is appearing on September 13, 2023 at 21:08 hours whereas the same chat is shown in screen shot no. 6 on September 03, 2023 at 21:08 hours.

78. In this regards, I find that there is inconsistency in dates of chats, however, I note that the *Notictee* has not disputed the contents of chats and timing which has been relied upon in the SCN. It is only contents of screen shot no.5 which is disputed. Further, I note that the *Notictee* at Annexure 'C' to her submissions dated March 10, 2025 provided details of chats exchanged between her and Mr. Arjun Lamba during the period from September 03, 2023 to September 20, 2023, which is as under:



79. This screen shot (which is part of screen shot no.6 of the SCN) was picked by the Noticee from the annexure of SCN and has been relied upon by her. Thus, she has not disputed this chat. Therefore, I find that this screen shot no.6 can be relied



upon and screen shot no. 5 can be ignored. No such objection (like for screen shot no.5) has been raised with respect to other screen shots and hence they can be relied upon. The *Noticee* also had an opportunity to provide screen shots from her mobile to counter any of the evidences which she has failed to provide. It is seen that the contents of the chats between the *Noticee*, Mr. Arjun Lamba and Dr. A C Burman in the month of August and September 2023 which are provided in the SCN have not been disputed or denied by the *Noticee*. The allegations in the SCN are based on evidences collected in the form of WhatsApp chats, other electronic evidences and statements taken under oath and hence the contention of the *Noticee* that the SCN is based on unreliable and tampered evidence is not tenable, once we exclude screen shot no. 5.

80. The *Noticee* has stated that the SCN has relied on selective WhatsApp chats in order to conclude that she was in frequent communication with Mr. Arjun Lamba and Dr. A C Burman. In this regard, I note that as detailed above, WhatsApp chats the *Noticee* had with Mr. Arjun Lamba and Dr. A C Burman were on various dates in months of August and September 2023. I note that in addition to WhatsApp chats there were meetings between the *Noticee*, Mr. Arjun Lamba and Dr. A C Burman. Further, if there were any other chats the *Noticee* had with Mr. Arjun Lamba and Dr. A C Burman in addition to the chats detailed in the SCN, the *Noticee* could have produced the same. Hence the contention of the *Noticee* that SEBI has relied upon only on selective WhatsApp chats to prove frequent communication is not tenable.



81. The *Noticee* has contended that the WhatsApp screenshots produced in the SCN contain deleted messages and selective contents of these messages have not been questioned or probed by SEBI. The presence of deleted messages and inconsistencies is ex-facie evidence that there has been tampering and/or alteration made to the records by the Burman's and the SCN is build its case in accordance with the narrative put forth by the Burman Group. Hence the need for circumspection by the investigating agency was even greater. It is further stated that there is no material in the SCN which shows that SEBI had verified the genuineness of the selected WhatsApp chats.

82. From WhatsApp chats in the SCN and as stated by the *Noticee*, I note that there are instances of deleted messages in the WhatsApp chats shown at screen shots 7 and 8 of the SCN. However, I note that these deleted messages pertain to period after the public announcement was made on the stock exchange platform to the shareholders of REL regarding the open offer in the scrip of REL and hence has no relevance with regard to the alleged communication of open offer before September 25, 2023. Further, the communication between the *Noticee* and Mr. Arjun Lamba after the PA was made, is produced to only show that the *Noticee* was in frequent communication with them via WhatsApp. Further, as observed above, in case there was any tampering with the contents of chats, the *Noticee* was at liberty to produce the contents of the whole chats as she was party to chats as receiver / sender. Therefore, the contention of the *Noticee* in this regard is



devoid of merits. Even if these screen shots are not available due to passage of time, the *Noticee* could have submitted what actually transpired in these deleted chats. In fact, she has not even disputed the fact that till October 18, 2023 their relationship was good. In fact in her reply dated September 17, 2025, the *Noticee* has acknowledged that her relationship was good till that time and it got deteriorated only post October 18, 2023.

83. It may further be seen that these WhatsApp communications are used as evidences to demonstrate:

- i) Acquaintance amongst the *Noticee*, Dr. A C Burman and Mr. Arjun Lamba;
- ii) Their fixing up of meetings on August 25, 2023, September 20, 2023 and September 24, 2023;
- iii) The *Noticee* being aware of initial acquisition of REL shares by Burman Group and her inquisitiveness over whether there will be a takeover;
- iv) The *Noticee* having cordial relationship with Dr. A C Burman and Mr. Arjun Lamba even post announcement of open offer;
- v) The *Noticee* sending draft press release to Mr. Arjun Lamba post announcement of open offer, for his review without expressing any surprise over the open offer.

84. These facts have not been denied by the *Noticee*. In fact, she herself has confirmed most of these facts in her submissions by enclosing these screenshots. In her submission dated March 10, 2025, she has confirmed meeting Mr. Arjun



Lamba in August 2023, September 03, 2023 and requesting Mr. Arjun Lamba for September 19, 2023 meeting which was rescheduled to September 20, 2023 in which both Dr. A C Burman and Mr. Arjun Lamba were present. She also confirmed her message to Mr. Arjun Lamba and Dr. A C Burman about initial acquisition of REL shares by Burman Group and her inquisitiveness on whether there will be a takeover. She stated that in the meeting held on September 20, 2023, the issue of nominee director of Burman Group was discussed and she opposed the nomination of Mr. Arjun Lamba. However, she still confirmed meeting Mr. Arjun Lamba on September 23 and 24, 2023 in a cordial manner. She also confirmed discussing press release with Mr. Arjun Lamba on September 25, 2023. Thus, once we exclude screen shot no.5, other chats are important evidences for arriving at judicious outcome of this case.

(vi) Motivated Complaint

85. The *Noticee* has submitted that the complaint filed by the Burman Group against the *Noticee* is a counter blast of the *Noticee*'s and REL's representations and conduct in opposing the acquisition by the Burman Group. The SCN has failed to take into account the malicious and motivated conduct of the Burman Group while appreciating the evidence produced by them. In this regard, I note that the SCN has taken into account the WhatsApp chats, the meetings held amongst the *Noticee*, Mr. Arjun Lamba and Dr. A C Burman, depositions made in the matter and the subsequent sale of shares in the scrip of REL by the *Noticee*. I note that the referred email and complaint were sent much after the sale of shares by the



Noticee on September 21 and 22, 2023 and from the date of public announcement with respect to open offer by the Burman Group on September 25, 2023. Further, allegations are based on factual findings in the form of chats, trades executed by the *Noticee*, affidavits of Dr. A C Burman and statement of Mr. Arjun Lamba. It is possible that allegation has been made post deterioration of the relationship. However, deposition cannot be rejected merely on this ground. It is for the *Noticee* to produce any evidence or verifiable defence showing that the statements made by Dr. A C Burman and Mr. Arjun Lamba are not true. *Noticee* has failed to do that even during cross examination.

86. It is also important to note here that there was communication between the *Noticee* and Mr. Arjun Lamba on September 24 and 25, 2023. From the WhatsApp chats at screen shots 7 and 8 above, it is noted that the *Noticee* had met Mr. Arjun Lamba personally on September 24, 2023 and there was a continuous exchange of WhatsApp chats on September 24 and 25, 2023. It is noted from the chats dated September 25, 2023 that after the PA was disclosed on the stock exchanges, Mr. Arjun Lamba shared the press release of the Burman Group with the *Noticee*. This message was followed by another message by Mr. Arjun Lamba whereby he extended help to the *Noticee* for drafting the intimation to be given by REL to stock exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which was to be complied with by REL pursuant to the PA by the Burman Group. In response to the same the *Noticee* assures that the draft will be shared with Mr. Arjun Lamba. Later on the same day at 17.28 hrs.



the *Noticee* shared the draft with Mr. Arjun Lamba to which Mr. Arjun Lamba replies that it is good to go and also asked the *Noticee* whether the attached document would be send to the Board in the same way, to which the *Noticee* replies that the same has been done and submitted. These chats have not been disputed and in fact *Noticee* herself has submitted that she exchanged messages with Mr. Arjun Lamba on September 25, 2023 to finalise the press release.

87. It is pertinent to note that throughout the above chats the *Noticee* did not express any element of surprise to the PA made by the Burman Group. The conversations she had with Mr. Arjun Lamba appeared as normal as it was before the PA. This observation further strengthens the weightage on the preponderance of probability about the *Noticee* being already aware of the Burman Group's intention to announce their open offer to the shareholders of the REL on September 25, 2023.

88. I also note that pursuant to the PA the *Noticee* in her communication with Mr. Arjun Lamba did not express any element of surprise on the PA made by the Burman Group. Rather, the *Noticee's* chats with Mr. Arjun Lamba were formal and supportive to the procedural compliance to be followed by REL post the PA. This observation suggests of probability that the *Noticee* was already aware of the Burman Group's intention to announce their open offer to the shareholders of the REL on September 25, 2023.

89. The *Noticee* was very inquisitive earlier as to whether the Burmans would do takeover. Since at that time, decision was not taken she was informed that it was



speculation only. If in such a situation, the *Noticee* comes to know after a month that there is actually a takeover, the probability of the *Noticee* being surprised is very high, unless she had been informed before public announcement. Since there does not appear to be any surprise element in her conduct, a reasonable inference is that it is for this reason that she already knew about the UPSI.

(vii) Entitlement of exemption

90. The *Noticee* while relying upon clause (iv) of sub-regulation (1) of regulation 4 of the PIT Regulations has stated that the above proviso enables her to prove innocence by demonstrating that the transaction in question was undertaken pursuant to exercise of stock options in respect to which the exercise price was predetermined *i.e.* the vested ESOP shares in CHIL with an exercise price of INR 45.32.

91. In this regard, I note that sub-regulation (1) of regulation 4 of the PIT regulations provides that-

*No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:
Explanation –When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.*



Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

(i)....

(ii)....

(iii)...

(iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations

(v).....

(vi).....

92. As per the above provision, no insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI. The explanation to this provision clarifies that if a person having possession of UPSI trades, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The proviso, enlists certain circumstances which can be demonstrated to prove his innocence. As per the circumstances listed at clause (iv) of the proviso, the alleged insider may prove his innocence by demonstrating that the transaction was carried out pursuant to exercise of stock options for which the price was pre-determined.

93. Trading by an insider while in possession of UPSI is strictly prohibited. However, vide the aforesaid proviso, an exception from prohibition of trading while in possession of UPSI has been carved out in case of exercise of ESOPs of the company to which the UPSI pertains, if the exercise price for ESOPs was pre-



determined in compliance with applicable regulations. In this case, the allegation is for selling the shares of REL while in possession of UPSI and not for buying the shares under ESOPs of REL at pre-determined price. Further the defence of the *Noticee* about purchase of ESOPs of another company, CHIL is not appropriate since violation is with respect to sale of shares of REL during UPSI period and not for purchase of CHIL shares outside the UPSI period. Hence, the objection is not valid.

(viii) Interested Witnesses

94. The *Noticee* states that the entire edifice of the case was built upon the oral testimony of two admittedly interested parties who have a conflict of interest with the *Noticee*. In this context, I note that the case is not built only on oral testimonies as alleged. The allegations in the SCN are based on WhatsApp chats (contents of which have not been disputed by the *Noticee* except screen shot no.5 which has not been relied upon), personal meetings the *Noticee* had with Dr. A C Burman and Mr. Arjun Lamba, deposition of Dr. A C Burman and Mr. Arjun Lamba and analysis of conduct and trading pattern of the *Noticee*. Hence, the submission of the *Noticee* that the case is built only on oral testimony cannot be accepted. Further, the *Noticee* may have strained relationship or conflict of interest with Mr. Arjun Lamba and Dr. A C Burman, the outcome in the matter is determined based on various evidences. Thus strained relationship alone is not sufficient to negate the outcome that is emerging from objective analysis of various evidences.



95. In the case of ***State of Haryana vs. Shakuntla and Others***¹, the Hon'ble Supreme Court had occasion to deal with the issue of interested witness. The Hon'ble Court in the said matter analyzed findings of various judgments of the Apex Court on the issue of interested witness and held that -

"14...Once, the statement of a witness is found trustworthy and is duly corroborated by other evidence, there is no reason for the Court to reject the statement of such witness, merely on the ground that it was a statement of a related or interested witness."

96. Therefore, the contention of the *Noticee* that evidence of Dr. A C Burman and Mr. Arjun Lamba being interested parties cannot be relied upon is not tenable.

(ix) Violation by Dr. A C Burman and Mr. Arjun Lamba

97. The *Noticee* has contended that the statement given by Dr. A C Burman that he purportedly informed the *Noticee* about the open offer was in violation of regulation 3 of the PIT Regulations, as there was no legitimate purpose for communicating the same to the *Noticee*. In this regard, I note that the ambit of instant proceedings pertains to the alleged violations against the *Noticee* as stated in the SCN. My findings and conclusion in the instant matter are restricted to the allegations made in the SCN. Therefore, contentions of the *Noticee* made in this regard does not have any bearing on the allegations against the *Noticee* as brought out in the SCN.

¹ CrI. Appeal No. 658 of 2008 decided on April 19, 2012.



(x) Price of open offer cannot be calculated

98. The *Notictee* has submitted that she did not have information to calculate the base price. In this regards, it is seen that price for an open offer is calculated in terms of regulation 8 of the SAST Regulations. The data/information for calculation of the open offer price was publicly available on exchange website. REL is frequently traded and NSE was the stock exchange where the maximum volume of trading in the equity shares was recorded during twelve calendar months *i.e.*, September 2022 till August 2023 preceding the calendar month in which the PA was made. In case of REL, as per formula to calculate open offer price on September 21, 2023, the open offer price was required to be the highest of the following:

- (i) Highest negotiated price per share under the Share Purchase Agreement (“**SPA**”) triggering the offer. (*It was known that there is no SPA triggering the event.*)

- (ii) Volume weighted average market price of shares (“**VWAMP**”) acquired by the acquirer during 52 weeks preceding the PA;

- (iii) Highest price paid for any acquisition by the acquirer during 26 weeks immediately preceding the PA.

(The Burman Group acquired 24,500,000 shares of REL (amounting to 7.5638%), at a price of INR 217.95 per share on August 16, 2023 as disclosed under block deal data. This is the price paid for acquisitions by the Acquirers



during the preceding 52 weeks as well as 26 weeks and this information was known to all.

(iv) Volume weighted average market price for sixty trading days is also publicly available and can be downloaded from exchange website. NSE being the reference exchange, a total of 60 trading days before September 21, 2023 is considered and the VWAMP would be around INR 215.95).

99. Based on above scenarios, the base open offer price that could have been arrived at was INR 217.95 as this was the price which was the highest from both the above calculations. Therefore, above explanation was provided to the *Noticee* in the SCN itself. It is true that the exact open offer price on the date of public announcement i.e. September 25, 2023 may not be known to the *Noticee*. But if on September 21, 2023 one knows that open offer is going to be made shortly, it can calculate the expected offer price on that day and that price would not be materially different from calculation based on actual day of PA. It is noted from the SCN that the *Noticee* had executed sell trades in the scrip of REL for an average sale price of INR 267.14 and INR 269.58 respectively. This price was far higher than the base open offer price of INR 217.95 which was arrived at irrespective of whether PA was made on September 21st or 25th, 2023. It is for this reason that the SCN alleges that the *Noticee* in order to avoid losses had sold the shares held in the scrip of REL. Since it was known that open offer price is likely to be substantially lower than the then market price, it was legitimate



expectation that price shall fall and hence *Noticee* decided to sell shares immediately. This finding establishes that the *Noticee* was in a position to calculate the base offer price in the scrip of REL.

(xi) SCN does not state proposed action

100. The *Noticee* has stated that the SCN is silent on the measures proposed to be taken against her. In this regards, I note that the SCN has detailed the facts which resulted in alleged violations by the *Noticee*. Further, the SCN has also referred to provisions under which directions (including disgorgement and penalty) can be issued against the *Noticee* Further, in a case what nature of directions are warranted can be decided after examination of violations committed by the *Noticee* in light of the available evidence. Therefore, the contention of the *Noticee* is not tenable.

(xii) Trading Pattern:

101. The *Noticee* in her submissions dated September 17, 2025 has contended that the SCN states that the *Noticee* during the investigation period had traded only on September 21 and 22, 2023, which is not correct. In support of this contention, the *Noticee* has provided details of certain transactions, which are as under:



Sr No	Pre-clearance Request Raise Date	Time	Pre-Clearance Request approval Date	Time	Transaction Date	Action	Stock Exchange	Quantity	Total Transaction Value	Pre-Clearance obtained
1.	June 19, 2023	19.01	June 20, 2023	9.22	June 20, 2023	Pledge Revocation	Off market	528251	9,04,36,571.20	Yes
2.	June 19, 2023	19.01	June 20, 2023	9.22	June 20, 2023	* Disposal, ESOP	NSE	528251	9,04,70,926.00	Yes
3.	June 19, 2023	19.01	June 20, 2023	9.22	June 21, 2023	Pledge Revocation	Off market	443200	7,59,86,640.00	Yes
4.	June 19, 2023	19.01	June 20, 2023	9.22	June 21, 2023	* Disposal, ESOP	NSE	443200	7,64,92,499.00	Yes
5.	June 27, 2023	17.04	June 27, 2023	17.42	June 28, 2023	Pledge Revocation	Off market	1528549	27,35,33,843.55	Yes
6.					Sept.19, 2023	Acquisition ESOP	Off market	2500000	23,70,00,000.00	No, not required
7.	Sept. 20, 2023	11.08	Sept. 20, 2023	11.26	Sept. 21, 2023	Disposal, ESOP	NSE	653248	17,46,11,663.00	Yes
8.	Sept. 20, 2023	11.08	Sept. 20, 2023	11.26	Sept. 22, 2023	Disposal, ESOP	NSE	639859	17,24,92,005.00	Yes
9.	Nov. 07, 2023	11.33	Nov. 07, 2023	12.22	Nov. 07, 2023	Pledge Create	Off market	2500000	56,85,00,000.00	Yes
10.	Nov. 16, 2023	11.15	Nov. 16, 2023	14.14	Nov. 17, 2023	Pledge Create	Off market	647084	14,06,76,061.60	Yes

* It is confiscation of shares by a finance company and not trades executed by the Noticee on the exchange platform

102. From the above details, I note that there are five instances of pledge creation/revocation and five instances of ESOPs acquisition/disposal during the investigation period. In order to verify the submissions of the Noticee, information was sought from the stock exchanges and depositories with regard to the trades executed by the Noticee. From the replies received, it is noted that other than the trades executed by the Noticee on September 21 and 22, 2023 (as alleged in the SCM), no other trades were carried out by the Noticee on NSE or BSE capital



market segment. Even the transactions shown at sr. nos. 2 and 4 (marked as ESOP disposal) in the above table is actually not sale. It is confiscation of shares by a finance company and therefore are not trades executed by the *Noticee* on the exchange platform. The other transactions carried out by the *Noticee* during the investigation period are instances of pledge creation, pledge revocation and ESOPs acquisition through off market. Thus, there are only two instances of sale of shares which are at sr. nos. 7 and 8 and these trades are alleged to be based on UPSI. In view of the above finding, I am of the view that the submission of the *Noticee* that she had carried out trades during the investigation period other than the trades executed on September 21 and 22, 2023 is factually not correct when we define the execution of trades as execution on stock exchanges.

103. In the instant matter, as explained in the preceding paragraphs, the *Noticee* did not trade in NSE/BSE in the scrip of REL during the entire investigation period except the sale of shares which were executed on September 21 and 22, 2023. This fact when seen in entirety of facts as discussed above, further strengthens the preponderance of probability that the *Noticee* being aware of the information with respect to the impending open offer by the Burman Group in the scrip of REL and having knowledge of the fact that the base offer price would be lesser than the existing market price had sold shares of REL which were already held by her and thus avoided losses. It is true that clearance was obtained before the personal meeting the *Noticee* had with Dr. A C Burman and Mr. Arjun Lamba on September 20, 2023. However, that clearance did not mandate compulsory



selling or immediate selling. Further, the pre-clearance was also subject to an undertaking that in case the *Noticee* comes across UPSI she would inform the Compliance Officer and refrain from trading. However, from the discussion above, it is clear that the *Noticee* did have access to UPSI and instead of refraining from sale of shares executed sale transactions; on the NSE platform immediately due to her knowledge of fall in price post open offer.

104. As regards requirement of evidence to prove an allegation, the Hon'ble Supreme Court in the matter of ***Kishore R Ajmera vs. SEBI [(2016) 6 SCC 368]***, has held as under:

"26. It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion."

105. Further Hon'ble Supreme Court in the *matter of Hanumant vs State of Madhya Pradesh* [AIR 1952 Supreme Court 343] held that:



41..... It is well to remember that in cases where the evidence in of a circumstantial nature, the circumstances from which the conclusion of guilt is to be drawn should in the first instance be fully established, and all the facts so established should be consistent only with the hypothesis of the guilt of the accused. Again, the circumstances should be of a conclusive nature and pendency and they should be such as to exclude every hypothesis but the one proposed to be proved. In other words, there must be a chain of evidence so far complete as not to leave any reasonable ground for a conclusion consistent with the innocence of the accused and it must be such as to show that within all human probability the act must have been done by the accused.”

106. Reference is also drawn to the order dated October 8, 2012, passed by the Hon'ble SAT in the matter of **V K Kaul vs SEBI**, wherein Hon'ble SAT held that:

14....“We are also of the view that the adjudicating officer has rightly relied on the observations of U. S.Court in Rajaratnam case (supra) on the relevance of circumstantial evidence in para 38 of the impugned order which reads as under:

“38. Regarding the issue of relevance of circumstantial evidence, the Hon'ble District Court Southern District of New York in the matter of United States of America V Raj Rajaratnam 09 Cr. 1184 (RJH) decided on 11.08.2011 has observed as follows:

“...Moreover, several other Courts of Appeals have sustained insider trading convictions based on circumstantial evidence in considering such factors as “(1) access to information; (2) relationship between the tipper and the tippee; (3) timing of contact between the tipper and the tippee; (4) timing of the trades; (5) pattern of the trades; and (6) attempts to conceal either the trades or the relationship between the tipper and the tippee.” United States v. Larrabee, 240 F.3d 18, 21-22 (1st Cir. 2001)...”



The above principles are not in conflict with the regulatory framework prescribed by the Board and can be looked into while deciding case of insider trading under the Indian regulatory framework.”

107. In the instant matter, I note that there is no denial by the *Noticee* with respect to following:

- i) Acquaintance with Dr. A C Burman and Mr. Arjun Lamba and their meetings on August 25, 2023, September 20, 2023 and September 24, 2023.
- ii) Being aware of earlier initial acquisition of REL shares by Burman Group and being curious whether there would be takeover.
- iii) Having cordial relationship with Burmans even post open offer and finalising press release in consultation with Mr. Arjun Lamba.

108. The *Noticee* during cross examination was not able to find any defect in deposition of Dr. A C Burman and Mr. Arjun Lamba about their claim of communication of open offer in the meeting of September 20, 2023. While the *Noticee* was curious a month back about the open offer, she took the news of open offer on September 25, 2023 without any element of surprise. Further, as discussed above, the *Noticee* was in a position to calculate the base offer price based on the publicly available information. Subsequently, the sale of REL shares by the *Noticee* on the immediate next day is to be seen alongwith the fact that the base offer price was known to be much lower than the market price. All the above



facts put together crosses the threshold of preponderance of probability to arrive at the conclusion that the *Noticee* was in possession of UPSI and sold shares while in such possession. This finding further gets support from the fact that the *Noticee* did not carry out any other trades in the scrip of REL during the investigation period.

109. The above sequence of events establishes that the *Noticee* was in possession of the UPSI with respect to the impending open offer by the Burman Group in the scrip of REL and the act of sale of shares of REL by the *Noticee* on September 21 & 22, 2023 was based on the aforesaid UPSI and carried out with the intention to avoid losses.

110. Accordingly, I answer to issues framed in the matter as under:

F.1. Whether the Noticee was an insider in terms of sub-clauses (i) or (ii) of clause (g) of sub-regulation (1) of regulation (2) of the PIT Regulations on account of being a connected person or in possession of or having access to UPSI pertaining to the impending open offer in the scrip of REL?

The *Noticee* was an insider in terms of sub-clause (ii) of clause (g) of sub-regulation (1) of regulation (2) of the PIT Regulations on account of being in possession of and having access to UPSI pertaining to the impending open offer in the scrip of REL.

F.2. Whether the Noticee traded in the scrip of REL while in possession of UPSI?



Yes.

111. In view of the above, I find that the allegations against the *Noticee* as alleged in the SCN stands proven. I will now examine the computation of wrongful gain i.e. loss avoided by the *Noticee* and directions warranted against the *Noticee* under the SEBI Act.

H. Computation of wrongful gain i.e. Loss avoided:

112. As discussed in the preceding paragraphs, the *Noticee* executed sell trades in the scrip of REL while in possession of UPSI. Further, as discussed above, it was known to the *Noticee* that the UPSI once made public would bear negative effect on the price of the scrip of REL. The *Noticee* sold shares held by her in the scrip of REL in order to avoid losses. The computation of loss avoided by the *Noticee* by executing sell trades in the scrip of REL during the UPSI period is as under:

Table - 4

A	B	C	D	E	F
Sell Qty.	Sell value (As per NSE trade data)	Weighted average Sell Rate (C=B/A)	Closing Price on September 25, 2023	Notional Sell value based on Price on September 25, 2023 (E=A*D)	Wrongful gain (F=B-E)
1293107	347000349.5	268.3462	252.95	327091415.7	19908933.85



113. The wrongful gain in the form of loss avoided is equal to:

‘Number of shares sold while in possession of UPSI \times weighted average sale price

(-)

Number of shares sold while in possession of UPSI \times closing price of the day of UPSI becoming public or the closing price on the following trading day depending upon the timing of notification of UPSI to stock exchange.’

114. The *Noticee* has contended that the formula mentioned in the SCN with respect to calculation of loss avoided is entirely arbitrary and without any basis. The formula ought to have used the amount of INR 267 when the information became public and not the closing price at the end of the day. In this regard, I note that the PA was made on exchange platform (NSE) on September 25, 2023 at 08.17 hrs. and the actual impact of the public announcement is reflected across the entire day when the common investors became aware of the same. The closing price on the date of public announcement reflects the actual impact of the disclosure on the price of the scrip. Therefore, in my view the adoption of closing price on the date of disclosure i.e. September 25, 2023 to the stock exchanges is the appropriate price used for computation of wrongful gain in the form of loss avoided by the *Noticee*.



115. As seen from the above table, the *Noticee* avoided a loss of INR 1,99,08,933.85 (INR 1.99 crore approx.) by selling the shares of REL prior to disclosure of UPSI on stock exchange platform.

116. Before proceeding further, the relevant provisions under which directions were proposed in the matter are reproduced as under:

“SEBI Act, 1992

Functions of Board.

Section 11.

(1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

....

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —

....

(a) suspend the trading of any security in a recognised stock exchange;
(b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;
(c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;
(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

....

(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

Power to issue directions and levy penalty.

Section 11B.

(1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary,—



- (i) in the interest of investors, or orderly development of securities market; or*
 - (ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or*
 - (iii) to secure the proper management of any such intermediary or person, it may issue such directions,—*
 - (a) to any person or class of persons referred to in section 12, or associated with the securities market; or*
 - (b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.*
- Explanation. — For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.*
- (2) Without prejudice to the provisions contained in sub-section (1), subsection (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.*

Penalty for insider trading.

15G. *If any insider who,—*

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or*
- (ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or*
- (iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price-sensitive information, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.”*

117. I note that Section 11 of the SEBI Act casts a duty on the Board to protect the interests of investors in securities market and to promote the development of and



to regulate the securities market. For achieving such object, it has been empowered to take such measures as it thinks fit. Thus, the power to take all measures necessary to discharge its duty under the statute, which is a reflection of the objective disclosed in the preamble, has been conferred in widest amplitude. Since the conduct of the *Noticee* is not in the interest of investors and the securities market and considering the violations committed by the *Noticee*, I find that it becomes necessary for SEBI to issue appropriate directions against her.

118. I have in preceding paragraphs, taken note of the wrongful gain in the form of avoidance of losses made by the *Noticee* in the extant matter. However, I find that allegations made in the SCN do not indicate the amount of specific loss caused to investors or group of investors as a result of the default by the *Noticee*.

119. About the past orders against the *Noticee*, records show that an interim cum show cause notice dated June 19, 2024 was passed against 7 entities including the *Noticee* in the matter of 'Acquisition of shares by Burman Group in the scrip of Religare Enterprises Ltd.'. The order inter alia issued the following directions : (i) Religare Enterprises Ltd. shall apply to the regulatory authorities for all the requisite statutory approvals that are necessary for proceeding with the open offer by the Acquirers; (ii) shall take all the necessary steps to facilitate the acquirers to fulfil their obligations under the SAST Regulations, 2011; (iii) shall forthwith constitute Committee of the Independent Directors, in terms of



Regulations 26(6) of SAST Regulations, 2011, if not already constituted. The appeal filed against the said order has been disposed of by the Hon'ble Securities Appellate Tribunal (Hon'ble SAT) vide order dated July 25, 2025, inter alia, granting liberty to appellants to approach SEBI for any appropriate directions. Further, the Misc. Application filed in the matter was disposed of by Hon'ble SAT vide order dated January 05, 2026 granting liberty to appellant nos. 2 and 4 therein to challenge the order dated July 25, 2025.

Imposition of Monetary Penalty:

120. Since the *Noticee* had indulged in insider trading, she is also liable to be imposed with monetary penalty under section 15G of the SEBI Act. I note that before imposing the monetary penalty under section 15G of the SEBI Act, the following factors need to be considered:

- i) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- ii) the amount of loss caused to an investor or group of investors as a result of the default;
- iii) the repetitive nature of the default;

121. I note that material available on record does not bring out any loss caused to any specific investor or a group of investors, as a result of violations committed by the *Noticee* with respect to trading while in possession of UPSI. However, the *Noticee* avoided a loss of INR 1.99 crores. Further, there is no material available on



record to indicate that the violations committed by the *Noticee* is repetitive in nature.

122. In the instant matter, I find that the allegations stand proven based on preponderance of probabilities, as established by the evidence on record. Considering all the facts and circumstances of this case and available evidences, I am of the view that proportionality lies in imposition of monetary penalty and direction for disgorgement of the wrongful gain in the form of avoidance of losses alongwith interest by the *Noticee* during the UPSI period.

I. Order

123. In view of the above, I, in exercise of powers conferred upon me under sub-sections (1), (4) and (4A) of section 11 and sub-sections (1) and (2) of section 11B read with Section 15G of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992 and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, hereby direct as under:

- i) The *Noticee* shall disgorge the amount of wrongful gain in the form of losses averted of INR 19908933.85 as mentioned in Table no. 4 above along with simple interest @ 12% per annum from the date of sell till the date of deposit. The said amount shall be remitted to the Investor Protection and Education Fund (IPEF) as referred to in sub-section (5) of section 11 of the SEBI Act, 1992, within 45 (forty five) days from the date of receipt of this Order and the payment can be made through the



designated payment link provided on the SEBI homepage (www.sebi.gov.in) under “*Click here to make payment to SEBI IPEF*”.

- ii) A penalty of INR 40,00,000/- (Rupees Forty Lakhs Only) is hereby imposed on the *Noticee* under Section 15G of the SEBI Act, 1992, and is directed to pay the penalty within a period of forty-five (45) days, from the date of receipt of this order.
- iii) The *Noticee* shall pay the above monetary penalty by online payment through the designated payment link provided on the SEBI website at the path www.sebi.gov.in / ENFORCEMENT → Orders → Orders of Chairman/ Members → PAY NOW. In case of any difficulties in payment of penalties, the said *Noticee* may contact the support at portalhelp@sebi.gov.in.
- iv) The *Noticee* shall forward the details of the online payments made in compliance of this order to: “The Division Chief, Investigation Division 16 (ID-16), Investigation Department, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C-7, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051” and also to email id: tad@sebi.gov.in in the format as given in following table:

Case Name	
Name of Payee	
Date of payment	
Amount paid	



Transaction No.	
Bank details in which payment is made	
Penalty is made for:	

124. This order shall come into force with immediate effect.

125. A copy of this Order shall be served on the *Noticee*, recognized Stock Exchanges, Depositories, Registrar and Transfer Agents to ensure compliance with the above directions.

PLACE: MUMBAI
DATE: May 13, 2026

KAMLESH C. VARSHNEY
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA