

## LEGAL UPDATES

### **SEBI: BARS FORMER MD AND CEO OF NSE FROM THE SECURITIES MARKET FOR LEAKING CONFIDENTIAL INFORMATION**

SEBI in an order passed by Sh. Ananta Barua imposes a penalty on NSE Ltd., its former MD & CEO for sharing confidential information with a purported 'spiritual guru', along with other ex-officials for making misleading statements to SEBI w.r.t. to the arbitrary appointment of NSE's Advisor to MD and NSE's Chief Strategic Advisor as 'Group Operating Officer' ("GOO"). The offender argued that disclosure of such information led to no harm, loss or prejudice to the market. The regulator rejected this contention stating that leaking business forecasts for the next five years, business goals for NSE, the board meeting agenda, discussions on staff ratings and performance evaluations and the dividend payout ratio to a stranger could deeply impact the company and securities market. SEBI observed that leaking such privileged information to strangers can wreak havoc on the very fabric of the stock exchange. The regulator further condoned the irresponsible behaviour of the ex-CEO and MD who led NSE. The securities watchdog also questioned the appointment of GOO and held that said appointment was not compliant with the code of ethics and was opaque and unfair. Further SEBI also held that GOO was lacking diligence in the fulfilment of his responsibilities by disclosing confidential information to an unknown person. Hence, SEBI barred GOO and Ex-MD from working with any intermediary or exchange for the next three years and prohibits NSE from launching any new products.