

## A YOGI BEHIND FORMER NSE MD'S ORDERS: SEBI

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Capital Market & SEBI

Chitra Ramkrishna | Photo Credit: YURI GRIPAS

Chitra Ramkrishna, the former MD and CEO of NSE, was steered by a yogi dwelling in the Himalayan ranges in the appointment of Anand Subramanian as the exchange's group operating officer and adviser to MD, according to a SEBI order.

Further, Ms. Ramkrishna gave "frequent, arbitrary and disproportionate" increase in compensation to Mr. Subramanian when there was no evidence of any performance evaluation being done for him nor was there any evidence to satisfy the rating of A+ given to him for giving such high increment.

Apart from this, Ms. Ramkrishna had shared certain internal confidential information including financial and business plans of NSE, dividend scenario, financial results with the yogi and even consulted him over the performance appraisals of the exchange's employees.

This was revealed by SEBI in its final order passed on Friday against Ms. Ramkrishna and others. Ms. Ramkrishna, who was the managing director and CEO of NSE from April 2013 to December 2016, referred the yogi as "Sironmani" and the yogi is a spiritual force who has been guiding her for the past 20 years on personal and professional matters.

The unknown person or yogi, according to Ms. Ramkrishna, was a "spiritual force that could manifest itself anywhere it wanted and did not have any physical or locational coordinates and largely dwelt in the Himalayan range".

In its 190-page order, SEBI found that the yogi guided her to appoint Mr. Subramanian, who was delegated substantial power of management akin to the powers granted to MD and CEO.

Mr. Subramanian was offered to join NSE in the role of chief strategic adviser from April 2013 for an annual compensation of Rs. 1.68 crore. Prior to this, he had worked in Balmer and Lawrie in a middle level management with zero exposure to capital markets and was drawing less than Rs. 15 lakh per annum as of March 2013.

His annual compensation increased from Rs. 1.68 crore to Rs. 2.01 crore in April 2014 and again his compensation went up to Rs. 3.33 crore in April 2015. In addition, he was re-designated as Group Operating Officer (GOO) and Adviser to MD. Further, in April 2016, his compensation zoomed to Rs. 4.21 crore.

Further, the yogi advised Ms. Ramkrishna to revise the contract with Mr. Subramanian to five days a week only on paper for the sake of emoluments.

SEBI noted that in spite of being aware of the irregularities on the appointment of Ms. Subramanian, NSE and other officials, including former MD and CEO Ravi Narain did not recorded the matter in the minutes of the board meeting in the name of confidentiality and sensitive information.

In the matter of governance lapses while appointing Mr. Subramanian, SEBI has levied a fine of Rs. 3 crore on Ms. Ramkrishna, Rs. 2 crore each on NSE, Mr. Subramanian and Mr. Narain, and Rs. 6 lakh on V.R. Narasimhan, who was the chief regulatory officer and compliance officer.

Further, Ms. Ramkrishna and Mr. Subramanian have been restrained from associating with any market infrastructure institution or any intermediary registered with SEBI for a period of three years, while the same for Mr. Narain is two years.

SEBI has also barred NSE from launching any new product for six months.

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