

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. VSS/AO- 91/2009]

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

In respect of

ALPA HAREN SHAH

(PAN. AAPPS4737D)

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted an investigation into the trading in the shares of M/s Alpha Hi Tech Fuel Limited (hereinafter referred to as “**AHTFL/Company**”) for the period from November 24, 2004 to February 09, 2005 (hereinafter referred to as “**investigation period**”) Pursuant to the investigation, it was alleged that the promoter-director viz. Alpa Haren Shah (hereinafter referred to as “**Noticee/AHS**”) had failed to make necessary disclosure under regulations 13(4) read with 13(5) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the “**PIT**”). Consequently, it was alleged that the Noticee was liable for penalty under section 15A (b) of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”).

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer vide order dated April 23 , 2008 under section 15 I of SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Rules**') to inquire into and adjudge the alleged violation of provisions of the aforesaid regulations.

SHOW CAUSE NOTICE, HEARING AND REPLY

3. Show Cause Notice No. EAD-5/VSS/SS/133356/2008 dated July 29, 2008 (hereinafter referred to as "**SCN**") was issued to the Noticee under rule 4(1) of the Rules to show cause as to why an inquiry should not be held and penalty be not imposed under section 15A (b) of SEBI Act for the alleged violation specified in the said SCN.
4. The Noticee replied to the SCN vide letter dated August 11, 2008 furnishing, inter alia, details of the disclosures made by the Noticee to AHTFL, etc. and denied the allegations made against her.
5. In the interest of natural justice and in order to conduct an inquiry as per rule 4 (3) of the Rules, the Noticee was granted an opportunity of personal hearing on April 01, 2009 vide hearing notice dated March 12, 2009. Mr. Haren Shah, Authorized Representative, (hereinafter referred to as "**AR**") appeared. During the hearing, the AR reiterated the submissions made vide letter dated August 11, 2008 and submitted that the Noticee has made the disclosure in the prescribed format except for a sale of 2500 shares on December 04, 2004 and submitted the copies of Form D in support of the contention.

CONSIDERATION OF ISSUES AND FINDINGS

6. I have carefully perused the copies of Form D sent by the Noticee to AHTFL which bears the acknowledgment of AHTFL and find the status of compliance as under:-

DATE OF TRANSACTION	NO.OF SHARES	DATE OF DISCLOSURE	WHETHER DISCLOSED IN FORM D OR NOT	WHETHER ACKNOWLEDGED BY AHTFL
04/12/2004	2,500	No	No	No
15/12/ 2004	1,00,000	15/12/2004	Yes	Yes
22/12/2004	1,00,000	22/12/2004	Yes	Yes
23/12/2004	46,000	23/12/2004	Yes	Yes
25/01/ 2005	20,000	25/01/2005	Yes	Yes
25/01/ 2005	75,000	25/01/2005	Yes	Yes
25/01/ 2005	5,000	25/01/2005	Yes	Yes
TOTAL	3,48,500			

7. Accordingly, I find that the Noticee has made proper disclosure in prescribed format in respect of the aforesaid transactions. With regard to non disclosure of sale of 2,500 shares on December 04, 2004, I have noted the submission of the Noticee that the sale value was Rs.16,250/- and this did not attract the provisions of regulation 13(4) of PIT. Upon perusal of the provisions of regulation 13(4) of PIT, I find that the disclosure is mandatory if the change exceeds Rs.5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower. In the present case, the value, quantity and percentage have not exceeded the prescribed limit under regulations 13(4) of PIT. Thus, I find merit in the submissions of the Noticee.

ORDER

8. In view of the foregoing, the alleged violation of the provisions of regulations 13(4) and 13(5) of PIT by the Noticee does not stand established and the matter is, accordingly, disposed of.

9. In terms of rule 6 of the Rules, copies of this order are sent to the Noticee and to SEBI.

Date: **June 09 , 2009**
Place: **Mumbai**

V.S.SUNDARESAN
ADJUDICATING OFFICER