

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Date of Decision: 12.06.2014

Appeal No. 125 of 2014

Mrs. Urvashi Ashok Kadakia
C-211, Grand Paradi Co-Operative
Housing Society Ltd.,
August Kranti Marg,
Mumbai- 400 036

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

...Respondent

Mr. Sunil Kapadia, Advocate with Mr. Shrinivas Deshmukh, Advocate
for the Appellant.

Mr. Tomu Francis, Advocate for the Respondent.

CORAM: Justice J.P. Devadhar, Presiding Officer
Jog Singh, Member

Per: Justice J.P. Devadhar (Oral)

1. This appeal is filed to challenge order of Adjudication Officer (“AO” for short) of Securities and Exchange Board of India (“SEBI” for short) dated March 12, 2014, whereby penalty of ₹ 4 lacs has been imposed upon the appellant for violating disclosure provisions contained under Regulation 13(3) read with Regulation 13(5) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (“PIT Regulations, 1992” for short).

2. Counsel for the appellant fairly states that failure of the appellant to make disclosure regarding acquisition of shares of Ashok Alco-Chem

Ltd. would amount to violating Regulation 13(3) read with Regulation 13(5) of PIT Regulations, 1992, however he submits that in the facts of the present case there being no loss caused to the investor or any unfair advantage has been gained by the appellant by failure to disclose the acquisition of shares, imposition of penalty of ₹ 4 lacs is arbitrary and unreasonable and hence the penalty may be reduced to the extent as this tribunal deems fit and proper.

3. Obligation to make disclosures under PIT Regulations, 1992 is irrespective of any loss caused to the investors and irrespective of appellant gaining any unfair advantage on account of such non disclosure. Hence failure to make disclosure would incur penal liability. Penalty under section 15A(b) of Securities and Exchange Board of India Act, 1992 for violating PIT Regulations, 1992 calculated at the rate of ₹ 1 lac per day would in the facts of present case be more than 1 crore of rupees. However, AO after taking all mitigating factors has imposed penalty of ₹ 4 lacs only which cannot be said to be perverse or arbitrary.

4. For all the aforesaid reason, we see no reason to entertain the present appeal and the same is hereby dismissed with no order as to costs.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member