

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Appeal No. 91 of 2008**

**Date of decision : 9.7.2008**

Vintel Securities Pvt. Ltd.

..... Appellant

Versus

Securities and Exchange Board of India

..... Respondent

Mr. Christopher D'Souza Advocate with Mr. Kunduru Venkatakrishna Advocate  
for the Appellant.

Dr. Poornima Advani Advocate with Ms. Sejal Shah Advocate for the Respondent

Coram : Justice N.K. Sodhi, Presiding Officer  
Arun Bhargava, Member  
Utpal Bhattacharya, Member

Per : Justice N.K. Sodhi, Presiding Officer (*Oral*)

1. Challenge in this appeal is to the order dated February 28, 2008 passed by the adjudicating officer levying a penalty of Rs. 5 lacs on the appellant under section 15A(a) of the Securities and Exchange Board of India Act, 1992 (for short the Act) on account of its failure to provide the necessary information during the course of the investigations.

2. The Securities and Exchange Board of India (hereinafter called the Board) ordered investigations into the dealings in the scrip of Robinson Worldwide Trade Limited (for short the company). Since the appellant had traded in the scrip of the company, it was issued summons to furnish information to the investigating officer. The first summons were issued to the appellant on December 27, 2004. The appellant did not respond to this summons and in the absence of any proof of acknowledgement available on the record, the investigating officer issued another summons on February 25, 2005 which were admittedly received by the appellant. A letter dated 4<sup>th</sup> March, 2005 was received from the appellant requesting for an adjournment. Time was granted but the appellant failed to furnish the requisite

information. Yet another summons were issued on 10<sup>th</sup> November, 2005 requiring the appellant to furnish the information by 17.11.2005. Again, there was no response from the side of the appellant. Yet another summons was issued on 18<sup>th</sup> January, 2006 and despite all these summons, the appellant failed to furnish the requisite information. The Board initiated adjudication proceedings under Chapter VIA of the Act. The adjudicating officer issued a show cause notice on 19<sup>th</sup> September, 2006 which was received by the appellant and time was sought for filing its reply. Admittedly, no reply was filed inspite of the fact that the adjudicating officer issued three notices for the purpose. By order dated February 28, 2008 the appellant was found to have failed to furnish the information sought from it and a monetary penalty of Rs. 5 lacs was imposed under section 15A(a) of the Act. Hence this appeal.

We have heard the learned counsel for the parties and are satisfied that the appellant was trying to dodge the regulator and was avoiding to furnish the information sought from it. A perusal of the summons issued to the appellant would indicate that the investigating officer was only seeking preliminary details pertaining to its trading in the scrip of the company, the names of its brokers, its clients' code, details of off market transactions, a copy of the demat account statement etc. which the appellant deliberately failed to furnish. Such a failure on the part of a market player has to be viewed seriously as it hampers the regulator from carrying on its statutory duty of investigating into the market irregularities. We have perused the impugned order and are satisfied that the appellant has been avoiding to supply the information sought by the investigating officer. The learned counsel for the appellant contends that the premises of the appellant were raided by the income tax authorities in January 2007 and all the record was seized by that department and, therefore, the appellant was unable to furnish the requisite information. Such a plea is being noticed only to be rejected. Investigations were going on in the year 2004 and the summons were issued to the appellant in the year 2005. All the records were then available with the appellant but the information

was not furnished. We specifically put it to the learned counsel for the appellant as to why the information could not be supplied till January 2007 and the reply is that the concerned officers of the company were not available. It is obvious that there was a deliberate attempt on the part of the appellant to hamper the investigations. In this view of the matter, we find no ground to interfere with the impugned order.

In the result, the appeal fails and the same is dismissed with no order as to costs.

Sd/-  
Justice N.K. Sodhi  
Presiding Officer

Sd/-  
Arun Bhargava  
Member

Sd/-  
Utpal Bhattacharya  
Member

9.7.2008  
bk/-