

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Appeal No. 32 of 2011

Date of decision: 10.3.2011

Aruna Hotels Ltd.
No. 145, Sterling Road,
Nungambakkam, Chennai – 600 034.

.....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. D. Ramjee, Authorized Representative for the Appellant.

Mr. Ajay Khaire, Advocate with Ms. Amrita Joshi, Advocate for the Respondent.

CORAM : Justice N. K. Sodhi, Presiding Officer
P. K. Malhotra, Member
S. S. N. Moorthy, Member

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

We have heard the authorized representative of the appellant and the learned counsel for the respondent Board. The only charge levelled against the appellant is that there was delay on its part in dematerializing the shares of its investors/shareholders. As per the regulations framed by the Securities and Exchange Board of India, requests for dematerialisation are supposed to be dealt within 15 days. In the case before us, there was a delay in complying with the requests of the investors in 213 cases and the delay ranges from 10 to 120 days. The fact that there was a delay is admitted by the authorized representative of the appellant. This being so, we are satisfied that the appellant violated the provisions of Regulation 54(5) of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. Since the charge has been established, penalty must follow. Since all the requests from the investors/shareholders have now been complied with, the adjudicating officer appears to have taken a lenient view and imposed a penalty of ₹ 2 lacs. The

authorized representative of the appellant contends that the amount of penalty may be reduced. Since the adjudicating officer has imposed a paltry sum of only ₹ 2 lacs, we do not find any ground to reduce it further.

In the result, we find no merit in the appeal and the same stands dismissed with no order as to costs.

Sd/-
Justice N. K. Sodhi
Presiding Officer

Sd/-
P. K. Malhotra
Member

Sd/-
S. S. N. Moorthy
Member

10.3.2011
Prepared & Compared by
ptm