

**BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI**

**Appeal No. 5 of 2011**

**Date of decision: 24.02.2011**

Good Value Marketing Co. Ltd.  
3<sup>rd</sup> Floor, Industrial Assurance Bldg.,  
Churchgate,  
Mumbai – 400 020.

..... Appellant

Versus

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

..... Respondent

Mr. Dilip Dahanukar, authorised representative of the Appellant.

Ms. Daya Gupta, Advocate with Ms. Harshada Nagare, 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)

This order will dispose of two Appeals no. 5 and 6 of 2011 both of which are directed against identical orders imposing monetary penalty on the appellants for not complying with the requests of their shareholders/investors for dematerializing their shares within the time prescribed by law. A penalty of Rs.10 lacs has been imposed on the appellant in Appeal no. 5 of 2011 whereas a penalty of Rs.5 lacs has been imposed on the other appellant. The fact that there has been considerable delay in complying with the requests of the investors is not in dispute before us. In large number of cases the delay has been anywhere between 3-4 years. Mr. Dahanukar, the director in both the companies, has submitted that the companies were in financial difficulties since the year 2000 and that a reference had also been made to the Board for Industrial and Financial Reconstruction for framing a scheme and it is on account of these difficulties that the requests of the shareholders for the dematerialization of their securities could

not be dealt with expeditiously. He further points out that as on October, 2010 there were no requests pending and all the shares had been dematerialized. When he appeared before the adjudicating officer, he also gave an undertaking that no such defaults shall be committed in future. We find from the record that the promoters of the two companies are trying to take them out of the red. Having regard to the facts and circumstances of this case and without making it a precedent for other cases, we are of the view that the penalty levied on both the appellants deserves to be reduced. In our view, the ends of justice would be adequately met if the penalty in Appeal no. 5 of 2011 is reduced to Rs.5 lacs and to Rs.2.5 lacs in the other case. We order accordingly.

The appeals stand disposed of as above. The appellants are allowed three months time to deposit the amount. No costs.

Sd/-  
Justice N. K. Sodhi  
Presiding Officer

Sd/-  
P. K. Malhotra  
Member

Sd/-  
S.S.N. Moorthy  
Member

24.2.2011

Prepare and compared by-ddg