

SECURITIES APPELLATE TRIBUNAL & SECURITIES EXCHANGE BOARD OF INDIA RULINGS

NEHA SINGHI

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PROCEDURE & FEES

- ◆ English or Hindi
- ◆ Apply within 45 days of order
- ◆ Scrutiny and Rectification
- ◆ Copy to be served to the Respondent by hand delivery, speed post or registered post
- ◆ Respondent reply within 1 month
- ◆ Hearing and Decision

Amount of penalty imposed Amount of fees payable	Amount of penalty imposed Amount of fees payable
Less than rupees ten thousand	Rs. 500
Rupees ten thousand or more but less than one lakh	Rs. 1200
Rupees one lakh or more	Rs. 1200 plus Rs. 1000 for every additional one lakh of penalty or fraction thereof

KETAN PAREKH

- December 8, 2006
- Alleged violation of SEBI Take Over Regulations 7(8.36%), 10(15.28%)
- Target Company-Aftek Infosys Ltd.
- Person in Concert(7 companies controlled by Ketan Parekh)
- Decision: Regulation 10 dropped and Regulation 7 upheld
- Penalty-1.5 lacs

Kosha Investments Ltd.,

VS SEBI

- Date: December 18, 2006
- Failure to make public announcement under Regulation 11 at a minimum price.
- Penalty levied
- Appeal against penalty to SAT Mumbai
- Penalty confirmed by SAT

MENS REA

- Chairman SEBI vs Sri Ram Mutual Funds and Others
- Supreme Court, 23rd May 2006
- MENS REA or guilty mind is not necessary for civil offences

Insider trading cannot be punished unless proven wrong

- No insider trading-no intention of gaining any unfair advantage
- ABS Industries equity tie up with Bayer
- Rakesh Agarwal indulges in insider trading to help Bayer for takeover and no intention of profit.

INDIAN SYNTANS INVESTMENT (P) LTD.

◆ 2006

◆ IN THE ABSENCE OF ANY NEGOTIATED PRICE, THE PRICE HAVE TO BE DETERMINED IN ACCORDANCE WITH REGULATION 20(2)(d) OF SEBI(SAST) REGULATION, 1997

APPELLANT STRANGER

- ◆ 22.11.2005
- ◆ Broker challenging the order passed by SEBI against another broker by name Trusted Shares and Investment Ltd. (TSIL).
- ◆ Settle personal scores
- ◆ No Merit-SEBI Act

TRANSACTION COSTS ORDER

- SEBI board had issued a circular on January 28, 2005
- No Transaction Cost
- CDSL and NSDL contended Memorandum provides for profit and distribution of dividend
- SAT upheld SEBI Circular

SAT vs SEBI

- ◆ A large proportion of SEBI Rulings are overturned by SAT
- ◆ 15T says person aggrieved by an “order” passed by the SEBI may come to SAT
- ◆ SEBI contention that only quasi judicial orders and no policy decisions. (not to charge demat account holders in a specific situation)

SAT vs SEBI

- ◆ SAT The language used in Section 15T is of widest amplitude and makes every order passed by the board appealable, whether it be in exercise of its administrative, legislative or judicial/quasi judicial powers

SAT sets aside SEBI ban on UBS Securities

◆ 22.11.2005

◆ SEBI held responsible UBS Securities for the May 17 market crash, but SAT said the Swiss-based FII had not done anything to endanger the interest of investors and securities market

◆ Securities Appellate Tribunal (SAT) chief Justice Kumar Rajaratnam resigned.

NO APPEAL

- ◆ Even bigger operators would think twice before antagonizing SEBI
- ◆ Appeals take years to come to verdict.
- ◆ Mechanism is so slow and corrects such a small proportion