

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 10.04.2019

Appeal No. 353 of 2017

BTS Consultancy Services Pvt. Ltd.
M S Complex, First Floor,
Plot No. 8, Sastri Nagar,
Nr. 200 Feet Road RTO
Kolathur, Chennai 600 099. ...Appellant

Versus

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

Mr. Jayesh Ahire, Advocate for the Appellant.

Mr. Sumit Rai, Advocate with Mr. Chirag Bhavsar, Advocate
i/b MDP & Partners for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer
Dr. C.K.G. Nair, Member
Justice M.T. Joshi, Judicial Member

Per : Justice Tarun Agarwala (Oral)

1. The appellant is a Share Transfer Agent. SEBI conducted
the inspection of the books of accounts / records and documents.

In the first inspection no irregularities were found. However, in

the second inspection various irregularities were found which resulted in the issuance of show cause notice and on the basis of ten violations, the Adjudicating Officer of SEBI passed an order imposing a penalty of Rs. Three lakhs under Section 15B and 15HB of the SEBI Act, 1992. The appellant being aggrieved has filed the present appeal.

2. The contention made by the appellant is, that the irregularities so indicated in the second inspection report were basically technical which were largely removed and was reflected in the third inspection report and consequently the imposition of penalty was harsh and excessive. It was contended that at best the order of penalty should be converted into a warning as has been held by this Tribunal in *Porecha Global Securities Pvt. Ltd. vs. Adjudicating Officer, SEBI* decided on April 18, 2005.

3. Having heard the learned counsel for the parties and having perused the impugned order we find that the appellant did commit the violations of various regulations and directions contained in the circulars though it was largely redressed by the appellant as has been found in the third inspection report. However, the fact remains that the appellant had contravened various provisions of the securities laws even though it may be

technical in nature. Considering the fact that the appellant had largely remedied the situation, we are of the opinion that a minimum penalty should have been imposed upon the appellant considering the factors which are stipulated under Section 15J of the SEBI Act.

4. For the reasons stated aforesaid, the appeal is partly allowed. The penalty is reduced from ₹ 3,00,000/- (Rupees Three Lakh Only) to ₹ 1,00,000/- (Rupees One Lakh Only) which will be paid within four weeks from today.

Sd/-
Justice Tarun Agarwala
Presiding Officer

Sd/-
Dr. C.K.G. Nair
Member

Sd/-
Justice M.T. Joshi
Judicial Member

10.04.2019

Prepared and compared by:msb