

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Date of Decision: 17.09.2019**

**Appeal No. 113 of 2019**

Sanjay Lai  
104 Palak Apartment, 57 Bhosale Nagar,  
Pune,  
Maharashtra- 411 007 ...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. Saurabh Bachhawat, Advocate with Mr. Lalit Joshi,  
Advocate i/b Ms. Shubhangi Chavan, Advocate for the  
Appellant.

Mr. Karan Bhosale, 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. Against the order of the Adjudicating Officer (“AO” for convenience) of Securities and Exchange Board of India (“SEBI” for convenience) dated May 11, 2018 imposing a penalty of ₹ 10 lakhs for violation of Regulation 8A(4) of the

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2009 the present appeal has been filed. The basic ground urged is that neither the show cause notice was served nor an opportunity was provided to the appellant before passing the impugned order. We find from paragraph 8 of the impugned order that the show cause notice was returned undelivered and thereafter the same was served by affixation on the same address presumably since details are lacking in the impugned order.

2. We however find that the notice of demand pursuant to the impugned order was served upon the appellant at his Pune address based on which the appellant came to know of the impugned order and thereafter the appeal was filed. Apparently, the show cause notice was not sent nor served at the Pune address of the appellant. It was served at the Goregaon address in Mumbai where the appellant contends that he was previously residing.

3. We also find that pursuant to a show cause notice the company was also served and similar order of penalty of ₹ 10 lakhs was also passed against the company. The said company filed an Appeal No. 274 of 2018 which was allowed and the

impugned order was set aside on the ground of violation of the principles of natural justice. The matter has been remitted to the AO of SEBI to decide the matter afresh on merit after giving an opportunity of hearing to the appellant.

4. In the light of the aforesaid, we are of the opinion that since adequate opportunity was not given to the appellant, the impugned order cannot be sustained and consequently, the impugned order is set aside in so far as the appellant is concerned. The matter is remitted to the AO of SEBI to pass a fresh order after giving an opportunity of hearing.

5. For the aforesaid purpose the appellant shall appear before the AO of SEBI on October 04, 2019.

Sd/-  
Justice Tarun Agarwala  
Presiding Officer

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

Sd/-  
Justice M. T. Joshi  
Judicial Member