BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved On : 10.12.2013
Date of Decision : 24.12.2013

Appeal No. 182 of 2012

Mr. G. Jayaraman
Plot No. 67, Phase- III,
Bhaskar Rao Nagar,
Sainikpuri (PO),
Secunderabad- 500 094. …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. Somasekhar Sundaresan, Advocate with Mr. Ravichandra Hegde, Advocate for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Mihir Mody and Mr. Pratham V. Masurekar, Advocates for the Respondent.

CORAM : Justice J.P. Devadhar, Presiding Officer
Jog Singh, Member
A.S. Lamba, Member

Per : Justice J.P. Devadhar

1. Whether Adjudicating Officer ("AO" for short) of Securities and Exchange Board of India ("SEBI" for short) by his order dated 27th July, 2012 was justified in imposing penalty of ₹ 5 lac under Section 15HB of Securities and Exchange Board of India Act 1992 ('SEBI Act 1992' for short) on appellant on ground that appellant as Compliance Officer of Satyam Computer Services Ltd. has violated para 1.2 and 3.2.3 in

Schedule I, Part- A of the Model Code of Conduct for prevention of Insider Trading for listed Companies framed under Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations 1992 ("PIT Regulations" for short) is the question raised in this appeal.

2. Appellant at all material time was Vice President (Corporate Affairs)/ Global Head, (Corporate Governance) and Company Secretary of Satyam Computer Services Ltd. ("Satyam" for short). Satyam had designated appellant as "Compliance Officer" as is evident from the statement of policy and procedures of Satyam framed in accordance with the Model Code of Conduct contained in the PIT Regulations.

3. As a "Compliance Officer" of Satyam, appellant was obliged to keep the "Trading Window" closed when in possession of unpublished price sensitive information specified in para 3.2.3 of the model code of conduct for prevention of insider trading for listed companies set out in schedule I, Part A of PIT Regulations ('Model Code' for convenience) till that price sensitive information is published and 24 hours thereafter. Expression "Trading Window" under PIT Regulations means the specified trading period for trading in the company's securities. As per the model code, all directors/officers/designated employees are entitled to deal in securities of the company only in a valid trading window, subject to pre-clearance by Compliance Officer as per prescribed pre-dealing procedure except during the period when the trading window is closed for purposes set out in para 3.2.3 of the model code or during any other period as may be specified by the company from time to time. Expression

'price sensitive information' is defined under Regulation 2(ha) of PIT Regulations to mean any information which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of that company. Employees/Directors who are privy to price sensitive information are required to maintain utmost confidentiality and are required not to pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Moreover, price sensitive information is to be disclosed only to those within the company who need that information to discharge their duty.

4. Regulation 3 of PIT Regulations prohibits an insider who is/ was/ deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of that company from dealing, communicating or counseling on matters relating to insider trading either on his own behalf or on behalf of any other person, when in possession of any unpublished price sensitive information.

5. Apart from above prohibition, para 1.2 and para 3.2.3 of the model code requires Compliance Officer to keep the trading window closed during the period set out therein. Para 1.2 and para 3.2.3 of the model code are relevant and they read thus:-

> "**1.2** The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the

implementation of the code of conduct under the overall supervision of the Board of the listed company.
3.2.3 The trading window shall be, inter alia, closed at the time :—
(a) Declaration of financial results (quarterly, half-yearly and annually).
(b) Declaration of dividends (interim and final).
(c) Issue of securities by way of public/rights/bonus etc.
(d) Any major expansion plans or execution of new projects.
(e) Amalgamation, mergers, takeovers and buy-back.
(f) Disposal of whole or substantially whole of the undertaking.
(g) Any changes in policies, plans or operations of the company."

6. Question to be considered in this appeal is, whether, appellant as Compliance Officer of Satyam failed to close trading window when in possession of the price sensitive information relating to acquisition of two companies and whether such failure amounts to violating the model code and consequently violation of PIT Regulations.

7. Investigation conducted by SEBI, revealed that on December 6, 2008 morning, Chairman of Satyam Mr. B. Ramalinga Raju, called appellant to his residence and informed that as Chairman of Satyam he was contemplating acquisition of two companies viz. Maytas Properties Limited and Maytas Infra Limited with a view to avoid possible takeover threat to Satyam by companies like IBM and Microsoft and that he planned to appraise the Board of Directors of the company regarding the proposed acquisitions (See page 186 of the appeal paper book). Thereafter, on December 6, 2008 itself, Chairman Mr. Ramalinga Raju called to his residence officials of Satyam responsible for statutory compliance, accounts and treasury activities in connection with acquisition and told them about proposed acquisitions. Chairman also

called Head of Mergers and Acquisitions of the company Mr. Satti to his residence and after appraising him about proposed acquisitions asked Mr. Satti to prepare a presentation on acquisitions for perusal of Board of Directors in the Board meeting. Chairman Mr. Raju had also requested all those who met him at his residence on December 6, 2008 to maintain utmost confidentiality about proposed acquisitions until approved by Board of Directors.

8. On December 7, 2008, Satyam engaged the services of Ernst and Young (E&Y) with a view to obtain equity valuation report relating to the companies to be acquired. On December 7, 2008, Chairman Mr. Raju went to U.S.A. to appraise directors of Satyam stationed at U.S.A. about acquisitions and returned on December 13, 2008. In the meantime Mr. Satti prepared presentations relating to acquisition of above two companies. On December 13, 2008, E&Y submitted its valuation report to the advocate retained by Satyam.

9. On December 13, 2008 appellant as Global Head-Corporate Governance and Company Secretary of Satyam sent notices (without agenda) to all members of Board of Directors stating therein that next Board meeting has been scheduled at 2.00 P.M. on Tuesday, December 16, 2008 at Satyam Info City, Madhapur, Hyderabad.

10. On December 13, 2008, Chairman Mr. Ramalinga Raju & Managing Director Mr. B. Rama Raju met Company's President and appraised him about acquisitions. On December 14, 2008 several

meetings were held between Chairman and various other high officials of Satyam.

11. On December 15, 2008 appellant e-mailed to all Board members, agenda as well as draft resolutions and three presentations on acquisition proposal to be discussed in the Board meeting scheduled on December 16, 2008. By another mail sent to Board members on very same day, appellant clarified that in the main presentation relating to acquisition of two companies by Satyam which was mailed earlier, the title is disguised as 'Acquisition of, B1 & B2 by Alpha' and in fact, expression 'Alpha' stands for Satyam, 'B1' stands for Maytas Infra Ltd. and 'B2' stands for Maytas Properties Ltd.

12. On December 16, 2008 Board of Directors of Satyam interalia considered acquisition proposal and approved draft resolutions circulated along with agenda on December 15, 2008. Immediately thereafter, the stock exchange by a letter dated December 16, 2008 and general public by a press release were informed about the Board resolution approving acquisition of aforesaid two companies.

13. To complete narration of facts it may be noted that in view of negative response from investors/ shareholders that followed immediately after public announcement, Board of Directors of Satyam decided not to go ahead with acquisition of two companies approved on December 16, 2008 and communicated it to stock exchange and general public by a press release dated December 17, 2008. On December 17, 2008 scrip of Satyam on NSE fell to a low of ₹ 151/-, which was 33.5% fall from

previous close, but after reversal of Board decision, recovered marginally to close at ₹ 157.10. It may be noted that trading window of Satyam was closed from December 17, 2008 and stayed closed till beyond January 9, 2009 as per policy statement and procedures of Satyam which mandatorily requires closure of trading window during the period beginning fifteenth day of third month of any fiscal quarter of the company and ending two days after public release of earning data prepared in accordance with the listing agreement with Indian Stock Exchanges.

14. From above facts revealed during investigation, SEBI was of opinion that appellant as Compliance Officer of Satyam had violated PIT Regulations by not closing the trading window when in possession of unpublished price sensitive information relating to acquisition of two infrastructure companies by Satyam. Accordingly, proceedings were initiated against appellant and by impugned order dated July 27, 2012 penalty of ₹ 5lac has been imposed upon appellant. Challenging order dated July 27, 2012 present appeal is filed.

15. Short question, therefore, to be considered herein is, whether information relating to acquisition of two infrastructure companies by Satyam disclosed by Chairman Mr. Ramalinga Raju to appellant on December 6, 2008 was a price sensitive information warranting closure of trading window by appellant as Compliance Officer and if so, for failing to close the trading window when in possession of such price

sensitive information, whether, imposition of penalty of ₹ 5 lac upon appellant is justified?

16. Arguments advanced by counsel for appellant (both oral and written) can be summarized thus:-

a) Trading window under PIT Regulations is not to be closed each and every time any information having remote prospect of a potential transaction or other development comes to the knowledge of Compliance Officer. It is only when a concrete development of a nature that is capable of moving towards potential fruition taking place that the Compliance Officer should close the trading window. In other words, a decision whether or not to shut the trading window is one of a best professional judgment on part of Compliance Officer. Subsequent events if any, cannot by themselves render a professional decision of this nature to be right or wrong. Key question therefore to be considered is, whether there was any dereliction of duty in terms of failure on part of Compliance Officer to take in to account obvious/evident facts that would inexorably lead a reasonable man to believe that a material development which could impact price of securities of the company is about to take place.

b) Even when trading window is open, all designated employees are required to seek prior approval of

Compliance Officer to trade in securities of the company, subject to the value of such trade not being below such de minimis threshold as may be determined by the company. Model code does not apply to employees who are not designated employees, however, they are governed by substantive provisions contained in Regulation 3 of PIT Regulations. Thus an employee who is not a designated employee may trade throughout the year even when the trading window is shut for trades subject to their taking pre-clearance from Compliance Officer. If any designated employee trades regardless of closure of trading window, it would not be possible for Compliance Officer, to prevent execution of such trades. In such a case, violation by a designated employee would not constitute a breach of any legal requirement by Compliance Officer since Compliance Officer does not physically control trading actions of employees. Moreover, 'trading window' is not a physical window that can barricade execution of a trade. Therefore, fact that T.A.N. Murti a non-designated employee of Satyam has traded in shares of Satyam immediately prior to Board meeting scheduled on December 16, 2008 without any pre-clearance, cannot be a ground to

hold appellant guilty of not closing the trading window and impose penalty upon appellant.

c) Information received by appellant on December 6, 2008 from Chairman of Satyam regarding acquisition of two companies was a price sensitive information, but not such a price sensitive information warranting closure of trading window, because, firstly on December 6, 2008 when Chairman disclosed proposal for acquisition of two companies, there was not even in principle approval granted by the Board of Directors of Satyam for such acquisition. Secondly, best professional judgment of appellant was that such a proposal would not be approved by Board of Directors because, Satyam was operating in the field of Information Technology whereas, two companies proposed to be acquired were engaged in infrastructure activity. Thirdly, in the ordinary course, in principle approval for such acquisitions is initially granted by Board of Directors and thereafter final approval is granted. In the present case, instead of granting in principle approval, Board of Directors at the threshold itself granted final approval and immediately thereafter made it public as a result there was no occasion to close the trading window. Fourthly, best professional judgment of appellant turned out to be correct

judgment, as the Board of Directors themselves have reversed their erroneous decision dated December 16, 2008 on December 17, 2008. Fifthly, no employee (except T.A.N. Murti) of Satyam had traded in the shares of Satyam between December 6, 2008 to December 16, 2008. Therefore in the absence of any prejudice caused to any one, imposing penalty upon appellant is unjustified.

d) On December 6, 2008 proposal of Satyam to acquire two companies was at a nascent stage as the proposal was neither approved by Board of Directors nor was there any date fixed for consideration of the above proposal by Board of Directors. Even on December 13, 2008 when appellant sent notices to Board members regarding Board meeting scheduled on December 16, 2008, it was not clear as to what would be discussed in the Board meeting because the notices were sent without agenda. Agenda for Board meeting was prepared and forwarded to Board members by appellant on December 15, 2008 alongwith draft resolutions and three presentations on proposed acquisition. Thus it is only on December 15, 2008 it became evident that Board of Directors would consider proposal for acquisition of two Companies on December 16, 2008.

e) On December 16, 2008, Board of Directors, instead of giving in principle approval, after heated arguments approved acquisition proposal finally, which was disclosed to stock exchange/ public on December 16, 2008 itself. On December 17, 2008, trading window was closed for reasons other than reasons set out in para 3.2.3 of model code. Thus, the proposal for acquisitions mooted on December 6, 2008 was crystallized only on December 16, 2008 and since it was made public on December 16, 2008, itself there was no question of closing window, prior to or subsequent to December 16, 2008.

f) Closing of trading window itself suggests that within the organization some material development is afoot. Therefore, a decision to close trading window has to be taken judiciously. In the facts of present case, professional judgment of appellant was that unless acquisition proposal mooted by Chairman was approved in principle by Board of Directors, said proposal could not be considered as materially potential proposal and till then it was not necessary to close the trading window. Such a professional judgment taken by appellant in good faith cannot be faulted.

g) Appellant was neither involved in accounting fraud allegedly confessed by Chairman Ramalinga Raju nor appellant was party to the decision to acquire two companies and subsequently dumping that decision. Appellant as Compliance Officer bonafide believed that information regarding acquisition of two companies disclosed to appellant on December 6, 2008 was a price sensitive information but not warranting closure of trading window. Fact that subsequent events like Board of Directors approving the acquisition proposal finally instead of approving it in-principle, cannot be a ground to hold appellant liable for his acts done bonafide and in good faith.

h) Appellant as an honest officer has always discharged his duties as Company Secretary/ Compliance Officer to the satisfaction of all concerned authorities. Very fact that appellant has been continued as Company Secretary/Compliance Officer even after merger of Satyam with Tech Mahindra Satyam bears testimony to his credentials. In these circumstances penalty of ₹5 lac imposed upon appellant by impugned order be quashed and set aside.

17. We see no merit in above contentions.

18. As rightly contended by counsel for respondent, apart from regulation 3 of PIT Regulations which prohibits an insider from dealing, communicating or counseling in securities of a company when in possession of unpublished price sensitive information, Model Code contained in PIT Regulations further requires Compliance Officer to keep the trading window closed during the period when information referred to in para 3.2.3 is unpublished. Object of keeping the trading window closed under para 3.2.3 of Model Code in addition to prohibition contained in regulation 3 of PIT Regulations is to doubly ensure that directors/officers and designated employees of the Company do not misuse 'Price Sensitive Information' and trade in securities of the Company while in possession of such unpublished price sensitive information. Therefore, Compliance Officer is mandatorily obliged under Model Code to keep the trading window closed when in possession of price sensitive information specified in para 3.2.3 of Mode Code. If Compliance Officer fails to close the trading window inspite of being in possession of price sensitive information, then he would be violating PIT Regulations. In such a case, whether any employee/director by taking undue advantage has traded in securities of that company or not, Compliance Officer would be liable for violating PIT Regulations. Question, therefore to be considered in this appeal is, whether appellant has violated PIT Regulations?

19. It is not in dispute that on December 6, 2008, appellant who was Vice President (Corporate Affairs)/ Global Head (Corporate Governance) and Company Secretary as also Compliance Officer of

Satyam was called by then Chairman of Satyam Mr. Ramalinga Raju to his residence and was informed that he was contemplating acquisition of two Companies namely Maytas Infra Ltd. and Maytas Properties Ltd. of which he was a promoter. It is also not in dispute that thereafter on December 6, 2008 itself, Mr. Ramalinga Raju called other top officials of Satyam including officials dealing in acquisition activities to his residence and after informing them about proposed acquisitions, called upon Mr. Srinivasu Satti, Head of Mergers and Acquisitions to prepare a presentation on proposed acquisitions for consideration of Board of Directors in the Board Meeting and further directed all those who met Chairman at his residence to maintain utmost confidentiality about price sensitive information disclosed to them. Very fact that Chairman called appellant to his residence, who apart from holding high position in the Company was also Company Secretary and Compliance Officer and informed him about proposed acquisitions even before disclosing that information to other top officials of Satyam clearly shows that Chairman disclosed such a price sensitive information to appellant with a view to enable appellant inter-alia to discharge his duties as Compliance Officer, namely, closing the trading window. Similarly Chairman on December 6, 2008 itself called various other top officials of Satyam and after disclosing acquisition proposal directed them to take necessary steps so as to implement the acquisition proposal expeditiously. Seriousness with which Chairman of Satyam disclosed acquisition proposal to top officials including appellant and called upon them to keep the information in top secret while taking necessary steps to complete the

transaction, leaves no manner of doubt that acquisition proposal was to be implemented expeditiously. Hence argument of appellant that acquisition proposal disclosed on December 6, 2008 was not a price sensitive information warranting closure of trading window cannot be accepted.

20. It is relevant to note that during the period from December 6, 2008 to December 11, 2008 all relevant data and information was supplied to Mr. Satti relating to acquisitions and thereupon Mr. Satti did independent research on synergies and business models in relation to similar acquisitions. In the meantime, services of E&Y were engaged by Satyam with a view to obtain equity valuation report on shares of Maytas Properties Ltd. E&Y in fact submitted its valuation report on December 13, 2008 and that valuation report was handed over to Mr. Satti on December 14, 2008. On December 13, 2008, third party opinion was also taken by Satyam on investment limits under Section 372A of Companies Act, 1956. After aforesaid necessary steps were taken, on December 13, 2008 itself, appellant sent notices (without agenda) to Board of Directors of Satyam stating that Board Meeting is scheduled on December 16, 2008. In the presentations prepared by Mr. Satti and forwarded by appellant along with agenda, to Board members on December 15, 2008, the names of the parties were disguised as Alpha, B1 and B2 which clearly show that the acquisition proposal was considered as extra sensitive. In such a case appellant could not have considered that acquisition proposal was not sensitive enough so as to warrant closure of trading window.

21. Appellant being Vice President (Corporate Affairs)/Global Head (Corporate Governance) and Company Secretary of Satyam cannot claim to be oblivious of what steps were being taken by Satyam from December 6, 2008 in relation to acquisition proposal. Even if appellant had any doubt as to the gravity of acquisition proposal when disclosed to him on December 6, 2008, by December 13, 2008, it was clear that all requisite steps were taken to ensure approval of acquisition proposal finally from Board of Directors. It is a matter record that Chairman of Satyam went to USA on December 7, 2008 to brief on acquisitions to directors of Satyam stationed at USA. Merely because, agenda for Board meeting scheduled on December 16, 2008 was not forwarded by appellant to Board members along with notice dated December 13, 2008, appellant who was a Company Secretary of Satyam cannot claim that he was not aware of as to what was to be discussed by Board on December 16, 2008 and that he had sent notices to Board members on December 13, 2008 in ignorance of what was to be discussed in the Board meeting scheduled on December 16, 2008. Therefore, assuming that appellant was under a bonafide belief that information relating to acquisitions disclosed by Chairman on December 6, 2008 was only a proposal, subsequent events, namely, appraising Board members about the acquisition proposal even before the Board meeting and appellant sending notice on December 13, 2008 regarding Board meeting scheduled on December 16, 2008 without agenda, clearly show that the acquisition proposal was to be considered as a highly sensitive proposal

and in such a case appellant ought to have closed the trading window atleast on December 13, 2008.

22. Admittedly, agenda for December 16, 2008 Board meeting was prepared by appellant (See page 159 of Appeal) and forwarded to Board members on December 15, 2008. Perusal of agenda for Board meeting prepared by appellant including draft resolution annexed thereto leave no manner of doubt that all minute steps were undertaken with a view to obtain final approval and not in principle approval from the Board of Directors. Agenda prepared by appellant records the price at which the shares of Maytas Infra Ltd. were to be offered to the promoters of that company and the price at which shares of Maytas Infra Ltd. were to be offered to public shareholders of that company in the open offer. As per the agenda prepared by appellant Maytas Infra Ltd. was to be acquired by investing ₹ 1504.10 Crores and Maytas Properties Ltd. was to be acquired by investing ₹ 6400 Crores. Draft resolution appended to the agenda further requires Board of Directors to approve names of V. Srinivas, Chief Financial Officer and Mr. G. Jayaraman (appellant) Global Head- Corporate Governance and Company Secretary to enter into and sign the share purchase agreements relating to acquisition of two companies. These facts belie contention of appellant that acquisition proposal disclosed by Chairman on December 6, 2008 was not a price sensitive information which warranted closure of trading window even on December 13, 2008.

23. Contention of appellant that decision to place acquisition proposal before Board of Directors was taken by Satyam only on December 15, 2008 cannot be accepted because firstly, Chairman, after disclosing top executives of Satyam about acquisition proposal on December 6,2008 had directed them to prepare all necessary documents for finalization of acquisition proposal by Board of Directors. Secondly, on December 7, 2008 Chairman had left for USA to appraise directors of Satyam stationed at USA about proposed acquisition. Thirdly, immediately after returning from USA on December 13, 2008 Chairman met President, Healthcare and Commercial Business and Whole Time Director and appraised him about acquisitions and thereafter directed appellant to send notices and accordingly appellant sent notices (without agenda) to all Board members stating that Board meeting is convened on December 16, 2008. Nothing is brought on record to suggest that at Satyam it was regular practice to send notices about Board meeting first and thereafter decide as to what should be discussed in the Board meeting. In these circumstances, argument of appellant that since notices on December 13, 2008 were sent without agenda, he was not aware as to what was to be discussed in the Board meeting scheduled on December 16, 2008 and it is only on December 15, 2008 he came to know as to what was to be discussed in the Board meeting scheduled on December 16, 2008 cannot be accepted especially when appellant was discharging duties as a Company Secretary of Satyam. It is not the case of appellant that prior to December 15, 2008 he was kept in dark about implementing the acquisition proposal. Assuming that appellant came to know about

agenda for December 16, 2008 meeting on December 15, 2008, appellant ought to have closed trading window atleast on December 15, 2008. Since appellant has failed and neglected to close trading window even on December 15, 2008, he cannot escape liability for violating PIT Regulations.

24. Argument that appellant in his best professional judgment believed that the Board of Directors would first consider granting in-principle approval and thereafter consider granting final approval to the acquisitions is without any merit, because, firstly no provision of law or rule or regulation is brought to our notice which require the Board of Directors to first grant in-principle approval for any proposal and thereafter grant final approval. Secondly, there is nothing on record to suggest that at Satyam, regular practice of the Board was first to grant in-principle approval and thereafter grant final approval. In fact, contents of agenda prepared by appellant, draft resolutions and presentations forwarded to the Board of Directors by appellant do not even remotely suggest that in the present case, intention was to take in-principle approval from Board of Directors. Therefore, argument of appellant that according to his best professional judgment Board of Directors on December 16, 2008 were to consider granting in-principle approval for acquisition is without any basis and hence liable to be rejected. Thus, in the facts of present case, appellant as Compliance Officer of Satyam being privy to unpublished price sensitive information, ought to have kept trading window closed from December 6, 2008, alternately from December 13, 2008 and in any event from

December 15, 2008. Since appellant has failed to close the trading window during above period, it is apparent that appellant has violated PIT Regulations.

25. Argument that no employee of Satyam (except T.A.N. Murti) who was privy to price sensitive information has actually traded in Satyam shares during December 6, 2008 to December 16, 2008 and further that T.A.N. Murti has traded without obtaining preclearance from appellant as required under PIT Regulations and in such a case appellant cannot be penalized is also without any merit, because liability to pay penalty by Compliance Officer for not closing the trading window when in possession of unpublished price sensitive information is not dependent upon the fact as to whether any designated employee when in possession of price sensitive information has traded in the shares of that Company or not. In other words, Compliance Officer would be liable for penalty if he fails to close trading window when in possession of unpublished price sensitive information even if no employee has traded in shares of that company when in possession of unpublished price sensitive information. Similarly fact that the Board of Directors on December 17, 2008 have reversed there earlier decision granting approval to the acquisition does not absolve appellant from liability to pay penalty for violating PIT Regulations, because, once it is found that the appellant as Compliance Officer has failed to comply with PIT Regulations, then he is liable for penalty.

26. Under Section 15HB of SEBI Act 1992, penalty for contravention of PIT Regulations may be imposed upto ₹ 1 crore. On facts of present

case, imposition of penalty of ₹ 5 lac upon appellant for violating PIT Regulations cannot be said to be unreasonable, especially when appellant occupying high ranking position such as Vice-President – Corporate Affairs/ Global Head – Corporate Governance/ Company Secretary and Compliance Officer of Satyam was duty bound to close the trading window when in possession of unpublished price sensitive information.

27. For all aforesaid reasons no fault can be found in the order impugned in this appeal.

28. Appeal is accordingly dismissed with no order as to costs.

Sd/-
Justice J.P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member

Sd/-
A S Lamba
Member

24.12.2013
Prepared & Compared By: Pk