

MHCC020050412015



IN THE DESIGNATED SPECIAL COURT UNDER SEBI ACT, 1992
FOR MAHARASHTRA STATE
AT COURT ROOM NO.22, SESSIONS COURT, GREATER MUMBAI
SPECIAL CASE (SEBI) NO. 71 OF 2015
CNR No.MHCC02-005041-2015

Mr. Mahendra Shah	]	... Accused
Vs.		
Securities and Exchange Board of India.	]	... Complainant

Appearances :-

Ms. Pooja Jadhav, Ld. Adv. for accused.
Ms. Sabiha Ansari, Ld. Spl.PP. for Complainant.

**CORAM : H. H. THE SEBI SPECIAL JUDGE,
SHRI A. A. KULKARNI (C.R. NO.22)**

DATED : 16th April, 2024

ORDER BELOW EXH. 58

This application is filed by accused under Section 24A of Securities and Exchange Board of India Act for compounding of offence.

2. In brief, it is contention of accused that, complainant SEBI has filed complaint against accused and prosecuted for alleged violation of Section 11(3) of the SEBI Act which is punishable under Section 24 (1) of the Securities and Exchange Board of India Act, 1992. It is further contention that accused is ready to compound offence.

Therefore, by way of this application accused prayed for permission to compound offence.

3. As per say submitted by complainant SEBI below Exh.61 application filed by accused for compounding of offence was placed before High Powered Advisory Committee(HPAC), HPAC considered application of accused and recommended for compounding offence subject to condition of making payment of Rs.19,22,500/-(Rupees nineteen lakh twenty two thousand and five hundred only) including legal expenses of Rs.1,35,000/- towards compounding charges. Said recommendation is accepted by panel of Whole Time Members of SEBI.

4. As per SEBI Act HPAC is working and looking in to matters of SEBI placed before it for consideration proposals for compounding of offence. Complainant has also filed on record minutes of meeting of HPAC, which disclose that, HPAC has considered all the relevant aspects relating to the case before recommendations. Being regulatory authority of security market due regard shall have to be given to the views of complainant SEBI. In such circumstances I am of the opinion that, recommendation of HPAC which is approved by the Panel of Whole Time Members of SEBI is based on scientific method and approach. Therefore by taking in to consideration recommendations of HPAC, on condition to pay amount of Rs.19,22,500/-(Rupees nineteen lakh twenty two thousand and five hundred only) and legal charges of Rs.1,35,000/- permission may be granted to compound offence.

5. In view of submissions from both sides and on perusal of record of the case, if, accused pays amount of compounding charges,

then there is no need to continue prosecution. Hence I pass following order :-

ORDER

1. Application Exh. 58 is allowed.
2. Permission is granted to compound offence subject to payment of amount of Rs.19,22,500/- (Rupees nineteen lakh twenty two thousand and five hundred only) on account of compounding charges by accused within 30 days from the date of this order.
3. Application Exh. 58 is disposed of accordingly.

Date : 16.04.2024

**(A. A. Kulkarni)
SEBI Special Judge,
City Civil & Sessions Court,
Gr. Bombay (C.R.No.22)**

Directly dictated on computer on : 16.04.2024
HHJ signed on : 18.04.2024

**“CERTIFIED TO BE TRUE AND CORRECT COPY OF THE ORIGINAL
SIGNED JUDGMENT/ORDER.”**

Upload Date	Upload Time	Name of Stenographer
18.04.2024	4.30 p.m.	Manasi Kadam Stenographer (Grade-I)

Name of the Judge (With Court Room No.)	HHJ A. A. KULKARNI (Court Room No. 22)
Date of Pronouncement of JUDGMENT/ORDER	16.04.2024
JUDGMENT/ORDER signed by P.O. on	18.04.2024
JUDGMENT/ORDER uploaded on	18.04.2024