

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 07.02.2022

**Misc. Application No. 90 of 2022
And
Appeal No. 65 of 2022**

1. Meenu Tandon
33 Dayanand Marg,
Allahabad 211 002.
2. Neera Tandon
33 Dayanand Marg,
Allahabad 211 002.
3. Alankar Tandon
33 Dayanand Marg,
Allahabad 211 002.
4. Gaurav Tandon
33 Dayanand Marg,
Allahabad 211 002.
5. Girish Tandon
33 Dayanand Marg,
Allahabad 211 002.
6. Ela Tandon
33 Dayanand Marg,
Allahabad 211 002.
7. Badri Vishal Tandon
33 Dayanand Marg,
Allahabad 211 002.
8. Akshat Tandon
33 Dayanand Marg,
Allahabad 211 002.
9. Chavi Tandon
33 Dayanand Marg,
Allahabad 211 002.

10. Surabhi Tandon
33 Dayanand Marg,
Allahabad 211 002.

11. Paridhi Tandon
33 Dayanand Marg,
Allahabad 211 002.

12. Damini Tandon
33 Dayanand Marg,
Allahabad 211 002.

13. Alankar Udyog Private Limited
33 Dayanand Marg,
Allahabad 211 002.

14. Electra Logistics Limited
(earlier Tandon Investments Private
Limited)
33 Dayanand Marg,
Allahabad 211 002.

15. Sahitya Bhawan Private Limited
33 Dayanand Marg,
Allahabad 211 002.

..... Appellants

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. Sajeve Deora, Chartered Accountant for the Appellant.

Mr. Abhishek Khare, Advocate with Mr. Sharvil Kala,
Advocate i/b Khare Legal Chambers for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer
Justice M.T. Joshi, Judicial Member

Per : Justice Tarun Agarwala, Presiding Officer (Oral)

1. We have heard Shri Sajeve Deora, Chartered Accountant for the appellant and Shri Abhishek Khare, the learned counsel with Shri Sharvil Kala for the respondent SEBI. The miscellaneous application for urgent hearing is disposed of.

2. 15 appellants have filed the present appeal against the recovery certificates dated November 29, 2021. It transpires that the appellants had acquired shares pursuant to the Rights Issue and inter se shareholding transfer amongst the promoter group for which a disclosure was required to be made and the same was made belatedly and therefore violated the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('Takeover Regulations' for short). Accordingly, after issuance of the show cause notice penalties of different amounts was imposed upon the appellants to be paid jointly and severally.

3. An appeal was filed before this Tribunal which was dismissed. The matter went upto the Supreme Court and the orders of the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) was affirmed. Thus, the penalty amount became payable. After the dismissal of the appeal, the pandemic crept in and it was also stated that the Chairman of the Company Mr. Badri

Vishal Tandon was handling the matter who unfortunately died on July 12, 2021. The appellants were unaware of the matter and only came to know when the recovery proceedings were initiated by SEBI dated November 29, 2021 and thereafter efforts were being made to pay the amount in spite of the fact that the company is under an insolvency resolution process.

4. It has been stated that the penalties have been imposed to be paid jointly and severally whereas the amount of penalty should be segregated quo each appellant so that each individual could pay their share of the penalty. In this regard, letters have been written by the appellants in March 2020 as well as December 2021 to SEBI which remained unattended. It has also been stated that Supreme Court while entertaining the appeal had also granted a stay and further made a request that during the pandemic period the interest should be waived.

5. Considering the submission we are of the opinion that the order of the AO has attained finality and therefore the penalty amount is required to be paid. In this regard a request was made by the appellants that considering the financial situation they may be permitted to pay the amount in installments.

6. Considering the aforesaid, and in the peculiar facts and circumstances of the case, we dispose of the appeal with the following directions:-

- (a) The appellants may make a fresh application before SEBI for segregation of the penalty amount quo the appellants and for waiver of interest within two weeks from today. Upon receipt of the application SEBI will consider and decide the matter within six weeks thereafter.
- (b) In the meanwhile, the appellants will deposit a sum of Rs. 15 lakh within two weeks from today. It has been stated that the bank accounts, etc have been frozen. We accordingly direct SEBI to issue necessary instructions to the banks that the request of the appellants be entertained for the purpose of debiting the said amount to SEBI for this installment as well as for the second installment.
- (c) The balance amount along with interest shall be paid in five equal monthly installments of Rs. 15 lakh each on or before the 25th day of the month. The balance amount, if any, would be paid in the last installment.

- (d) Any decision made by SEBI on the application of the appellants, if found favourable in favour of the appellants, will be adjusted in the last installment.
- (e) The bank accounts, demat accounts including trading accounts, lockers etc will be defreezed after the payment of the second installment.

7. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

07.02.2022
msb