

**IN THE SUPREME COURT OF INDIA**  
**THE HON'BLE MR. JUSTICE J. P. DEVADHAR , THE HON'BLE MR. JUSTICE**  
**A. S. LAMBA**

**MA NO. 95 OF 2014    &    APPEAL NO. 237 OF 2014**

02.09.2014

Mr. Rishiraj Agarwal, Andheri (West), Mumbai 400053, rep. by Mr. Ramesh Mishra  
(Practicing Company Secretary) & Ors.

*... Petitioners*

**v.**

Securities and Exchange Board of India, Bandra (East), Mumbai 400051, rep. by  
Mr. Mihir Mody (Advocate)

*... Respondent*

**Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 — Delay in statutory disclosures for open offer — 31-day delay — Imposition of four lakh rupees penalty upheld — Strict compliance emphasized — Appeal dismissed.**

**Securities and Exchange Board of India Act, 1992 — Delay in making disclosures — §. 15 A(b) imposes strict liability for 31-day delay — Unintentional delay not accepted — Penalty of four lakh rupees not arbitrary or excessive — Timely disclosures mandated under Regulation 30(2) read with Regulation 30(3) of SAST Regulations, 2011 — Appeal dismissed.**

**FACTS.** The appellants made an open offer for shares of Green Earth Resources and Projects Ltd. and were required to disclose details of that offer to the stock exchange by April 12, 2012. They actually submitted the disclosure on May 14, 2012, causing a 31-day delay. An adjudication order dated April 30, 2014 imposed a penalty of four lakh rupees on the appellants. They filed an appeal before the Securities Appellate Tribunal contesting this penalty, which was heard at the present stage.

**PRAYER.**

**ISSUES OF LAW.**

Whether the imposed penalty for the delayed disclosure is arbitrary, excessive, or justified given the mandatory nature of disclosure requirements.

**SUMMARY.** The appellants appealed against a penalty imposed for a 31-day delay in submitting mandatory disclosures to the stock exchange regarding their open offer. The Tribunal found the penalty neither arbitrary nor excessive, and dismissed the appeal, emphasizing the strict requirement for timely disclosures.

**HELD.** The Tribunal upheld the penalty, finding no arbitrariness or excess in its imposition and confirming that the disclosure requirements are strict. The appeal was dismissed, reinforcing the importance of timely compliance for future cases.

**FINAL STATUS.** Dismissed.

**COUNSELS**

Mr. Ramesh Mishra (Practicing Company Secretary for the Appellants)

Mr. Mihir Mody (Advocate for the Respondent)

**Judgment Pronounced on 02.09.2014**