

LEGAL UPDATES

SEBI: TITAN EMPLOYEES PENALIZED FOR VIOLATING THE NORMS OF INSIDER TRADING, "IGNORANCE OF THE LAW IS NO EXCUSE"

SEBI penalized Titan employees ('noticees') for an amount of INR 1 Lakh as they failed to disclose the trade as entered into in excess of INR 10 Lakh, which resulted in the infringement of PIT regulations. The bench noted that-(i) On several incidents, the noticees had traded in the shares of Titan which amounted to approx. INR 10 Lakh, (ii) the noticees being the worker/designated person of the company were mandated to file the disclosures within 2 trading days of such trade. Noting that the noticees were mandated as per reg. 7(2)(a) of PIT regulations to disclose to Titan about their every transaction within a span of two working days. SEBI states that there is not adequate evidence to establish that the employees had disclosed the trade, further, with regard to the PIT regulations, required disclosures have to be made on every event of either acquisition or disposal of shares more than the minimum limits as defined therein. The bench observed that the transaction of the respondents in the shares was more than INR 10 Lakh. Lastly, dismissing the submissions of the employees that they were negligent about the regulatory provisions, the bench ruled that as provided by the maxim "ignorantia juris excusat" which means that a presumption is there that everyone is aware of the law of the land and hence, ignorance of the law is no excuse. Further, highlighted that no one can defend their unlawful actions on the pretext that they were unaware of their actions and that the same was unlawful.