(2022) 07 SEBI CK 0088

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 222, 575 Of 2022, Appeal No. 158 Of 2021

Bipin Taro Vazirani APPELLANT

Vs

Securities And Exchange Board Of India RESPONDENT

Date of Decision : 29-07-2022

Acts Referred:

Citation : (2022) 07 SEBI CK 0088

Hon'ble Judges : Tarun Agarwala Presiding Officer;M. T. Joshi, J;Meera Swarup, Member

Bench : Full Bench

Advocate : Nimay Dave, Bachubhai Munim, Sumit Rai, Mihir Mody, Arnav Misra, Mayur Jaisingh, K Ashar

Final Decision : Disposed Of

Judgement

Tarun Agarwala, Presiding Officer

1. The present appeal has been filed against the communication of Securities and Exchange Board of India (‘SEBI’ for short) dated January 10, 2022 whereby the complaint of the appellant against Edelweiss Custodial Services Ltd. (‘ECSL’ for short) was disposed of.

2. The facts leading to the filing of the present appeal is, that the appellant is a client of Anugrah Stock and Broking Pvt. Ltd. (‘Anugrah’ for short) who is a trading member of National Stock Exchange of India Limited (‘NSE’ for short). The clearing member of Anugrah is ECSL. It is alleged that Anugrah violated the provisions of SEBI Act, 1992 and indulged in fraudulent trading. The appellant being a complainant also alleged that ECSL aided and abetted Anugrah in fraudulent dealings. Accordingly, a complaint was filed on May 21, 2021 by the appellant on the SCORES platform praying that SEBI should investigate the conduct of ECSL and take appropriate action.

3. The complaint was disposed of by a communication dated August 2, 2021

against which Appeal no. 661 of 2021 was filed by the appellant. This appeal was allowed by an order dated November 25, 2021 quashing the communication and directed the respondent to pass a fresh order after considering the matter positively and objectively.

4. Based on the direction of this Tribunal, SEBI passed the impugned order dated January 10, 2022.

5. We have heard Shri Nimay Dave, the learned counsel for the appellant and Shri Sumit Rai, the learned counsel along with Shri Mihir Mody, Shri Arnav Misra and Shri Mayur Jaisingh, the learned counsel for the respondent.

6. We find that the respondent has categorically stated in the impugned order that NSE initiated proceedings against ECSL and imposed a penalty. Further, NSE Clearing Ltd. (‘NCL’ for short) conducted an inspection regarding the dealings of ECSL and vide order dated October 20, 2020 directed ECSL to reinstate the securities worth Rs. 460.32 crore as the same was disposed of in contravention of the SEBI circulars and the NCL Regulations. We also find that SEBI is also conducting investigation against the broker Anugrah as well as ECSL. In reply they have categorically contended that action, if any, would be taken against ECSL after the investigation is completed.

7. In view of the aforesaid, we are of the firm view that the complaint of the appellant has been disposed of after considering all aspects of the matter and there is no reason for the appellant to be aggrieved by the communication made by the respondent. We accordingly dispose of the matter directing SEBI to conclude the investigation expeditiously and action taken, if any, against the stock broker and ECSL be intimated to the appellant in due course. The miscellaneous applications are disposed of.

8. 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. Certified copy of this order is also available from the Registry on payment of usual charges.