(2023) 12 SEBI CK 0040

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 1623, 1624 Of 2023, Appeal No. 979 Of 2023

M.P. Purushothaman And Ors — APPELLANT

Vs

BSE Limited & Anr — RESPONDENT

Date of Decision : 20-12-2023

Acts Referred:

Citation : (2023) 12 SEBI CK 0040

Hon'ble Judges : Tarun Agarwala, Presiding Officer;Meera Swarup, Technical Member

Bench : Division Bench

Advocate : Kunal Kataria, Manish Chhangani, Sumit Yadav, Abhay Chauhan, Atul Kumar Agrawal, Shreya Parikh, Mihir Mody, Arnav Misra, Harshvardhan Melanta, Arshaan Lentin

Final Decision : Allowed

Judgement

1. There is a delay in the filing of the appeal. For the reasons stated in the application, the delay is condoned. The application is allowed.

2. The demat account of the appellant has been frozen for non-payment of LODR fine and non-payment of the annual listing fees by the Company. It is the contention of the appellant that the Company is under liquidation and the Stock Exchange has already filed a claim before the Liquidator with regard to recovery of their fines and fees. However, on account of non-compliance of the payment of fines and fees by the Company the demat account of the appellant who are promoters in the Company has been frozen under the SEBI Circulars.

3. It has been pointed out by the learned counsel for the appellant that a letter / circular dated February 11, 2021 has been issued by SEBI placing the standard operating procedure for taking action for non-payment of annual listing fees. In this standard operating procedure, the Stock Exchange is required to give a notice before freezing the demat account. The submission is that no notice or an

opportunity was given to the appellant before their accounts were frozen. The appellant's application for reclassification was also rejected by the Stock Exchange which is also impugned in the appeal.

4. Let a reply be filed by the respondent within three weeks from today. Rejoinder may be filed within three weeks thereafter. The matter would listed for admission and for final disposal on February 2, 2024.