
(2023) 10 SEBI CK 0032

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 1240, 1241, 1242 Of 2023, Appeal No. 821 Of 2023

Pawan Kumar Sarawgi HUF

APPELLANT

Vs

Securities And Exchange Board Of India

RESPONDENT

Date of Decision : 20-10-2023

Acts Referred:

Citation : (2023) 10 SEBI CK 0032

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

Bench : Division Bench

Advocate : Rinku Valanju, Kush Khandelwal, Manish Chhangani, Sumit Yadav, Abhay Chauhan, Atul Kumar Agrawal

Final Decision : Allowed/Disposed Of

Judgement

Tarun Agarwala, Presiding Officer

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

2. We have heard the learned counsel for the parties. The present appeal has been filed against the ex parte order dated May 9, 2023 passed by the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) imposing a penalty of Rs. 5 lakh. The ground urged is, that the Karta of the HUF Shri Pawan Kumar Sarawgi died on June 18, 2018 and that show cause notice was issued to the same Karta on August 3, 2022. Admittedly the proceedings were initiated against the HUF through its Karta who has died. The other coparcener were unaware of this proceedings. The aforesaid fact is admitted by the learned counsel for the respondent.

3. Consequently, we are of the opinion that the impugned order was passed ex parte in violation of the principles of natural justice. On this short ground the

impugned order is set aside. The appeal is allowed. The matter is remitted to AO to decide afresh. In this regard the newly appointed Karta or any of the coparceners of the HUF will appear before the AO on November 1, 2023 on which date the show cause notice will be served and the matter will proceed there onwards in accordance with law. The miscellaneous applications are disposed of.