(2021) 08 SEBI CK 0193

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 858, 859, 864 Of 2021, Appeal No. 561, 562, 563 Of 2021

Priyadarshan Mehta And Others — APPELLANT

Vs

Securities And Exchange Board Of India — RESPONDENT

Date of Decision : 30-08-2021

Acts Referred:

Securities And Exchange Board Of India (Prohibition Of Fraudulent And Unfair Trade Practices Relating To Securities Market) Regulations, 2003 — Regulation 3, 4
Securities And Exchange Board Of India Act, 1992 — Section 12A

Citation : (2021) 08 SEBI CK 0193

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

Bench : Division Bench

Advocate : Poonam D. Gadkari, Anil Shah, Kritika Nahate, Sumit Rai, Abhiraj Arora, Rashi Dalmia, Karthik Narayan

Judgement

Tarun Agarwala, Presiding Officer

1. All the three appeals are filed against a common order dated June 22, 2021 passed by the Whole Time Member ('WTM' for short) of the Securities and Exchange Board of India ('SEBI' for short) whereby the appellants have been debarred from accessing the securities market for three years and have also been restrained from holding any position in a listed Company for a period of three years.

2. The appellants are non-executive directors in the Company which issued Global Depository Receipts ('GDR' for short) and which has been found to be violative of Section 12A and Regulation 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations' for short).

3. The only charge against the appellants is that they were signatories to the resolution of the board of directors which authorized the issuance of the GDR issues and which authorized the Managing Director to execute the necessary

documents. Apart from that there is no finding that the appellants had any other role to play in issuance and implementation of the GDR issue.

4. In our view the controversy involved in the present appeals is squarely covered by a decision of this Tribunal in the matter of Prafull Anubhai Shah vs Securities and Exchange Board of India (Appeal no. 389 of 2021 decided on June 28, 2021).

5. In view of the aforesaid, the impugned order insofar as it relates to the appellants are quashed at the admission itself without calling for a reply. The appeals are allowed with no order as to costs. The miscellaneous applications are also disposed of.

6. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, 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. Parties will act on production of a digitally signed copy sent by fax and/or email.