(2021) 10 SEBI CK 0111

In the Securities Appellate Tribunal Mumbai

Case No : Appeal No.647 Of 2021

Priyanka Phakka APPELLANT

Vs

National Stock Exchange Of India Limited RESPONDENT

Date of Decision : 21-10-2021

Acts Referred:

Citation : (2021) 10 SEBI CK 0111

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

Bench : Division Bench

Advocate : Amit Gupta, Kapila Mahendroo, Pradeep Sancheti, Rashid Boatwalla, Aditya Vyas, Dhruv Jadhav

Final Decision : Allowed

Judgement

Tarun Agarwala, Presiding Officer

1. The appellant deposited a sum of Rs. 10 lakh before the broker in December 2018 for the purpose of doing transaction on the Stock Exchange platform. The broker became a defaulter on February 27, 2019 which order was confirmed on November 4, 2019. The appellant accordingly filed a claim under the Investor Protection Fund. The claim application of the appellant was rejected by Defaulters' Committee on February 28, 2020. The review application was filed which was rejected by communication through e-mail dated August 5, 2021.

2. We find that the claim petition for the appellant has been rejected on the ground that the deposit made by the appellant to the broker was in the nature of a loan transaction.

3. Having heard the learned counsel for the parties, we are of the opinion that there is no evidence to indicate that the deposit made by the appellant was a loan transaction. In the absence of any reasoning we do not accept the finding given by the respondent. Consequently, the order of the respondent is set aside. The matter is remitted and respondent is directed to decide the claim application as per circular dated February 23, 2017 within three months. The appeal is

allowed.

4. 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.