(2020) 12 SEBI CK 0039

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 533 Of 2020, Appeal (L) No. 552 Of 2020

Quantum Securities Private Limited — APPELLANT

Vs

Securities And Exchange Board Of India — RESPONDENT

Date of Decision : 10-12-2020

Acts Referred:

Citation : (2020) 12 SEBI CK 0039

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

Bench : Division Bench

Advocate : Mustafa Doctor, Sandeep Parekh, Dinkar Singh, Rahul Das, Mihir Deshmukh, Venkatesh Dhond, Mihir Mody, Arnav Misra

Final Decision : ?Allowed

Judgement

1. We have heard Shri Mustafa Doctor, the learned senior counsel for the appellant and Shri Venkatesh Dhond, the learned senior counsel for the

respondent SEBI through video conference.

2. The urgency application is allowed.

3. The appellant has filed the present appeal questioning the order of the WTM dated November 27, 2020 whereby the appellant has been debarred

from accessing the securities market for a period of two years and in addition thereto the appellant has been directed to disgorge an amount of Rs.

2.20 crore to be paid jointly and severally by the appellant and other noticees.

4. The alleged transaction for violation of price sensitive information relates to the year 2006-2008 and consequently one of the grounds urged is, that

there is an undue delay in initiating the proceedings, as a result of which, a clear prejudice has been caused to the appellant pursuant to the impugned order. It has also been contended that the only transaction of the appellant is a trade of 1000 shares for Rs. 4,08,000/- and as per the impugned order

the profit indicated is Rs. 3100/-. It was, thus, contended that the impugned order is totally illegal and wholly arbitrary.

5. We find that one of the noticee is Mr. Sanjay Dutt who is also a director along with his brother in the appellantâ??s Company and Mr. Sanjay Dutt

is supposed to have played the main role of an insider in the entire transaction. Considering the aforesaid coupled with the fact that the appellant is a

broker and has hundreds of clients we direct the respondent to file a reply within four weeks from today. Two weeks thereafter to the appellant to file

a rejoinder. The matter would be listed for admission and for final disposal on January 28, 2021.

6. In the meanwhile, we stay the effect and operation of the impugned order provided the appellant deposits a sum of Rs. 1 crore before the

respondent within two weeks from today. If the said amount is deposited, the same shall be kept in a separate interest bearing account and would be

subject to the result of the appeal.

7. Parties are directed to take instructions from the Registrar 48 hours before the date fixed in order to find out as to whether the matter would be

taken up for hearing through video conference or through physical hearing.

8. 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 Presiding Officer 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.

