

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 13.05.2021

**Misc. Application No. 600 of 2021
(Urgency Application)**

And

**Misc. Application No. 601 of 2021
(Stay Application)**

And

Appeal No. 368 of 2021

AKG Securities and Consultancy Limited ...Appellant

Versus

Securities and Exchange Board of India ...Respondent

Mr. P.N. Modi, Senior Advocate with Mr. Neville Lashkari and Mr. Prakash Shah, Advocates i/b Prakash Shah & Associates and Mr. Jai Kumar Rai and Mr. Rahul Goyal, Authorized Representatives for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Mr. Hersh Choudhary, Ms. Nipa Paka and Ms. Riddhi Pawar, Advocates i/b Vidhii Partners for the Respondent.

ORDER:

1. The present appeal has been filed on an urgent basis against the impugned order dated May 5, 2021 passed by the Whole Time Member ('WTM' for short) of the Securities and Exchange Board of India ('SEBI') restraining the appellant for a period of two years and directing the appellant to disgorge the

unlawful gains as well as pay the penalty. Since we have taken up the appeal, the urgency application is allowed and disposed of.

2. The contention of the appellant is, that it is a public limited company and is doing business in the securities market. The turnover is around Rs. 86,000 crore in the last year and they have been in the business for the last 20 years and have made no default till date. Considering the aforesaid, and after hearing the learned counsel for the appellant we direct the respondent to file a reply within three weeks from today. Three weeks thereafter to the appellant to file a rejoinder. The matter would be listed for admission and for final disposal on July 12, 2021.

3. In order to balance the equities, we direct that the effect and operation of the impugned order shall remain stayed provided the appellant deposit the penalty and disgorgement amount totaling Rs. 12 lakh within a week from today. In addition to the aforesaid, the appellant shall also deposit a sum of Rs. 1 crore as security before SEBI within the same period. The amount so deposited shall be kept in a fixed deposit which shall be subject to the result of the appeal. The miscellaneous application for stay is also disposed of.

4. 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.

5. 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.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

13.05.2021
msb