

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision: 10.01.2022

Appeal No. 798 of 2021

Mr. Murugavel Karunanidhi
6/9, Patel Street, Ananda Nagar,
Tambaram, Kancheepuram- 600 059
Tamil Nadu

...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai- 400 051

...Respondent

Ms. Amrita Jain, Advocate for the Appellant.

Mr. Akash Rebello, Advocate with Mr. Mihir Mody, Mr. Arnav Misra and Mr. Mayur Jaisingh, Advocates i/b. K. Ashar & Co. for Respondent SEBI.

CORAM: Justice Tarun Agarwala, Presiding Officer
Justice M. T. Joshi, Judicial Member

Per: Justice Tarun Agarwala, Presiding Officer (Oral)

1. The present appeal has been filed against the order dated October 26, 2021 passed by the Whole Time Member (“WTM” for convenience) of the Securities and Exchange Board of India (“SEBI” for convenience) whereby the appellant has been

restrained from accessing the securities market for a period of one year and has also been imposed a penalty of Rs. 15 lakhs.

2. The appellant is noticee no. 6 before the WTM. From a perusal of the impugned order, one finds that the appellant had appeared and made his submissions through its advocate. The record also indicates that the appellant had filed a reply to the show cause notice. However, in paragraph 35 of the impugned order, the WTM records that the appellant has not filed any reply to the show cause notice and accordingly has proceeded to pass an order imposing the penalty and debarment without considering his reply.

3. We are of the view, that since the reply had already been filed it was necessary for the WTM to consider the objections raised by the appellant in his reply. Consequently, on this short ground that the impugned order is violative of the principles of natural justice. Accordingly, the impugned order in so far as the appellant is concerned is set aside. The appeal is allowed. The matter is remitted to the WTM to pass a fresh order after giving an opportunity of hearing to the appellant. In the circumstances of the case, parties shall bear their own costs.

3. 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

10.01.2022
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