

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 09.11.2023

Misc. Application No. 1429 of 2023
And
Appeal No. 832 of 2023

Gyan Prakash Rai & Anr. ...Appellant

Versus

Securities and Exchange Board of India ...Respondent

Ms. Kalpana, Advocate with Mr. Mihir Nakrani and Dr. S. K Jain, PCS i/b S.K. Jain & Co. for the Appellant.

Mr. Manish Chhangani, Advocate with Mr. Atul Kumar Agrawal and Mr. Amarpal Singh Dua, Advocates i/b The Law Point for the Respondent – SEBI.

ORDER:

1. There is a delay in the filing of the appeal. For the reasons stated in the application, the delay is condoned. The application is allowed.

2. Connect with Appeal no. 791 of 2023 and list on December 22, 2023.

3. In the meanwhile, let a reply be filed by the respondent within three weeks from today. Rejoinder to be filed on or before the next date.

4. The appellants are only sellers of the scrip which they received pursuant to a scheme of amalgamation passed by the Bombay High Court. *Prima facie*, in the absence of any connection with the Company and its directors and promoters we find that the imposition of disgorgement and debarment on the basis that they had some connection with the purchaser appears to be arbitrary.

5. Considering the aforesaid, we stay the effect and operation of the impugned order. The stay application is disposed of.

Justice Tarun Agarwala
Presiding Officer

Ms. Meera Swarup
Technical Member

09.11.2023
msb