IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

Dated this the 17th day of January, 2025

CORAM : Justice P.S. Dinesh Kumar, Presiding Officer
Dr. Dheeraj Bhatnagar, Technical Member

Appeal No. 016 of 2025
[Along with Misc. Application No. 62 of 2025]

BETWEEN:

Abhipra Capital Ltd.
BM1, 3 Dilkush Industrial Complex,
A-387, G.T. Karnal Road,
Azadpur, Delhi – 110 033. ….. Appellant

(By Mr. Kunal Katariya, Advocate i/b SD & Associates for the Applicant)

AND:

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

(By Mr. Manish Chhangani with Mr. Sumit Yadav, Mr. Abhay Chauhan, Mr. Atul Kumar Agrawal, Advocates i/b The Law Point for the Respondent – SEBI)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SECURITEIS AND EXCHANGE BOARD OF INDIA ACT, 1992 TO QUASH AND SET ASIDE ORDER DATED DECEMBER 31, 2024 PASSED BY CHIEF GENERAL MANAGER, SEBI.

THIS APPEAL COMING ON FOR HEARING THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

O R D E R

Per: Justice P.S. Dinesh Kumar, Presiding Officer (Oral)

The appellant, Abhipra Capital Ltd., a stock broker has challenged the impugned order dated December 31, 2024 passed by the Chief General Manager, SEBI[1] prohibiting the appellant from taking up any new clients as a stock broker on any segment of stock exchanges for a period of one month.

2. After arguing the matter at length, Shri Kunal Katariya, learned Advocate for the appellant submitted in the alternative that the appellant has already suffered the order for 17 days and he is not involved in any similar activities. In view of the same, this Tribunal may consider to give quietus by treating the period of prohibition as 17 days.

3. In reply, Shri Manish Chhangani, learned Advocate for the respondent SEBI submitted that since appellant has restricted his argument to the aspect of proportionality, by upholding the findings recorded in the impugned order, this Tribunal may pass appropriate orders.

[1] Securities and Exchange Board of India

4. We have carefully considered rival contentions and perused the records.

5. The appellant has alleged the violation of Rule 8(3)(f) of Securities Contracts (Regulation) Act, 1957, which reads as follows:-

> *"(f) he engages either as principal or employee in any business other than that of securities or commodity derivatives except as a broker or agent not involving any personal financial liability, provided that-*
>
> *(i) the governing body may, for reasons, to be recorded in writing, permit a member to engage himself as principal or employee in any such business, if the member in question ceases to carry on business on the stock exchange either as an individual or as a partner in a firm.*
>
> *(ii) in the case of those members who were under the rules in force at the time of such application permitted to engage in any such business and were actually so engaged on the date of such application, a period of three years from the date of the grant of recognition shall be allowed for serving their connection with any such business.*
>
> *(iii) nothing herein shall affect members of a recognized stock exchange which are corporations, bodies corporate, companies or institutions referred to in items [(a) to In) of sub-rule (8)."*

6. The impugned order also records that the above rules are manifestly ambiguous in respect to the language. Learned Advocate for the appellant submitted that the appellant is only in the business of stock-broking and as a stray incident, the advances were made.

7. In view of the above and the submissions made by the learned Advocate for the appellant there being no earlier incident of appellant's involvement in similar violation, in our view, ends of justice would be met by limiting the prohibition till today. Ordered accordingly.

8. The appeal stands disposed of while upholding the findings recorded hereinabove in the impugned order, in our view the period of prohibition undergone till today shall meet ends of justice.

9. As prayed for by Shri Kunal Kataria, learned Advocate for the appellant, it is clarified that the order in this appeal shall not prejudice appellant's rights and contentions in the appellant's other cases, because this order has been passed based on the peculiar facts and circumstances of the case.

10. Interlocutory application(s), if any, stands disposed of.

Justice P.S. Dinesh Kumar
Presiding Officer

Dr. Dheeraj Bhatnagar
Technical Member

17.01.2025 MADHUKAR BHALBAR
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