IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

DATED THIS THE 2ND DAY OF APRIL, 2025

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

Appeal No. 145 of 2025
And
Misc. Application No. 367 of 2025
And
Misc. Application No. 368 of 2025

Between

1. Shaikh Ajgar Ali
2. Asraf Ali Shaikh
3. SK. Majaffar

Dighasipur, P. O. Chakdwipa,
Haldia, Purba Midnapore,
West Bengal – 721 666.

…. Appellants

By Mr. Kunal Kataria, Advocate with Mr. Karan Ratti Kapoor, Advocate i/b Ragini Singh & Associates for the Appellant.

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. Vishal Kanade, Advocate with Mr. Ratan Singh, Ms. Neha Rautela, Advocates i/b Agama Law Associates for the Respondent.

THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE ORDER DATED MAY 12, 2016 (EX-A) PASSED BY WTM, SEBI.

THIS APPEAL COMING ON FOR HEARING THIS 2ND DAY OF APRIL 2025, THIS TRIBUNAL PASSED THE FOLLOWING:

O R D E R

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

This appeal is directed against order dated May 12, 2016 passed by the WTM[1] of SEBI[2] directing the appellant and other noticees to *inter-alia*, refund the money collected by Cell Industries Ltd.[3] through issuance of non-convertible debentures and redeemable preferential shares to the investors with interest at 15% p.a.

[1] WTM – Whole Time Member
[2] SEBI - Securities & Exchange Board of India
[3] Noticee No. 1

2. We have heard Mr. Kunal Kataria, learned advocate with Mr. Karan Ratti Kapoor, learned advocate for the appellants and Mr. Vishal Kanade, learned advocate for the respondent.

3. Undisputed facts of the case are, the SEBI had passed an *ex-parte* interim order dated March 17, 2015 against the noticees. Appellants had challenged the same before this Tribunal and their appeal was dismissed for want of prosecution on December 15, 2015. Thereafter, the impugned order has been passed. Pursuant thereto, a recovery certificate dated August 25, 2020 was issued and the same was also challenged before this Tribunal in Appeal No. 327 of 2021. The said appeal was dismissed on May 13, 2021 holding that the recovery certificate was a consequential action and the appellants had not challenged the impugned order. Appellants have now filed this appeal on February 24, 2025. In the application for condonation of delay, no sufficient ground is forthcoming at least for the delay between the date of dismissal of the previous appeal No. 327 of 2021 and filing of this appeal.

4. Shri Kunal Kataria, learned advocate for the appellants firstly contended that appellants had no knowledge that they were made the directors of the company. The company had misused their KYC

credentials and appointed them as directors. Appellants have lodged police complaint in this regard. Appellants were allegedly directors for the period between November 22, 2010 and October 10, 2011, whereas the direction has been issued by the WTM to refund the money collected not only during the period when appellants were shown as directors but also for the period when the appellants were not directors. He submitted that it has caused great hardship and prayed that delay may be condoned.

5. Shri Vishal Kanade, learned advocate for the SEBI strongly urged that if it is be construed that the appellants had no knowledge about the proceedings, it is relevant to note that appellants had challenged the recovery certificate in the Appeal No. 327 of 2021 which was dismissed on May 13, 2021. Considering this date too, there is a delay of four years from May 13, 2021 till the filing of this appeal and no explanation is forthcoming.

6. Having considered the submissions made on behalf of the appellant and respondent, we are of the opinion that the application for condonation of delay does not merit consideration because admittedly appellant had challenged the recovery certificate in Appeal No. 327 of 2021. Therefore, appellant had knowledge about

the proceedings in 2021. Shri Kanade is right in his submission that reckoned from 2021, there is a delay of four years. No explanation is forthcoming with regard to the same.

7. Resultantly, application for condonation of delay is dismissed. Consequently, the appeal is also dismissed. Interlocutory application(s), if any, stand disposed of.

No costs.

Justice P. S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

02.04.2025 MRS PRAMILA Digitally signed by MRS PRAMILA Date: 2025.04.08 10:46:24 +05'30'
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