IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

Dated this the 26th day of NOVEMBER, 2025

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

Appeal No. 249 of 2025
[Along with Misc. Application Nos. 568 & 569 of 2025]

BETWEEN:

Aushim Khetarpal
5/4, 1st Floor, Sarvpriya Vihar,
Hauz Khas,
New Delhi – 110 016. ….. Appellant

(By Mr. Prakash Shah, Senior Advocate with Ms. Rinku Valanju and Mr. Amit Kumar, Advocates 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. Sumit Rai with Mr. Prateek Pai, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b The Law Point for the Respondent – SEBI)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AGAINST THE RESPONDNET FOR NOT TAKING ACTION ON THE LETTER DATED DECEMBER 11, 2024 BY THE APPELLANT; REQUESTING SEBI TO SELL THE SHARES LYING IN THE ESCROW ACCOUNT, WHICH WAS ATTACHED BY SEBI WITH IMMEDIATE EFFECT PURSUANT TO IMPUGEND ORDER DATED JANUARY 23, 2020 PASSED BY WHOLE TIME MEMBER, 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)

This appeal is preferred against the Respondent for not taking action on the letter dated December 11, 2024 by the Appellant; requesting SEBI to sell the shares lying in the Escrow Account, which was attached by SEBI with immediate effect pursuant to order dated January 23, 2020 passed by the WTM, SEBI[1].

2. There is a delay of 94 days in filing this appeal. We have considered both delay and merits.

3. We have heard Shri Prakash Shah, learned Senior Advocate for the appellant and Shri Sumit Rai, learned Advocate for the Respondent.

4. In 2008 SEBI had issued a Show Cause Notice to the appellant for the violation of Regulations 10 and 12 of the Takeover Regulations 1997[2] and Regulations 13(4) and 13(5) of the Insider Trading Regulations 1992[3] in the matter of Orient Tradelink for allegedly (a) failing to comply with the mandatory requirement of making a public announcement in accordance with the Takeover Regulations 1997 and (b) failing to file mandatory disclosures / declaration with the Stock Exchanges. After adjudication, the learned WTM, SEBI had passed an order dated January 23, 2020. The appellant had challenged the said order before this Tribunal in Appeal Nos. 888 and 889 of 2023.

[1] Whole Time Member, Securities and Exchange Board of India

[2] SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

[3] SEBI (Prohibition of Insider Trading) Regulations, 1992

This Tribunal vide order dated November 30, 2023 disposed of those appeals with the following observations: -

> *"7. In our opinion, such plea cannot be considered by this Tribunal. In the first instance, we find that there is an undue delay of more than three years in approaching the Tribunal against the order dated January 23, 2020. No plausible explanation has been filed as to why the said order could not be challenged earlier. In the absence of any plausible explanation, we are of the opinion that there is an undue delay in the filing of the appeal and the same is liable to be dismissed on the ground of laches.*
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> *8. In addition to the aforesaid, we find that enough latitude was given to the appellant to comply with the open offer. As per the Consent Order of 2013, more than 10 years have elapsed and the open offer has not been complied with till date. The intention of the appellant is very clear that he does not wish to comply with the open offer and want to delay the proceedings as long as possible. Consequently, the appellant is not entitled for any discretionary relief from this Tribunal."*

5. In substance, though the appellant had acquired shares in 2008, till 2023 he did not deposit the amount towards the open offer obligation. Thereafter, he addressed a letter in 2024 to SEBI with a request to square-off his liability for disgorgement by selling the shares of the investors who had deposited their shares. SEBI has not responded to the said request and hence this appeal.

6. Shri Prakash Shah, learned Senior Advocate for the appellant submitted that the share price of the scrip is falling down and it would result in loss of money to the shareholders. Therefore, it is desirable for SEBI to sell the shares and appropriate towards the disgorgement amount payable by the appellant.

7. Shri Sumit Rai, learned Advocate for the SEBI, rightly contended that the shares belong to the individual

shareholders and the law requires that the appellant should deposit the money equivalent to the open offer and thereafter acquire the shares. The present request made by the appellant is to sell the shares belonging to third party and same cannot be permitted. We are in complete agreement with the learned Advocate for the SEBI on the point of law. The undisputed facts of the case are, the acquisition having been initiated in 2008, as on date appellant has not deposited the amount. Hence, we find no merit in this appeal.

8. Keeping in view the submission of the learned Senior Advocate for the appellant that the share price of the scrip is falling, in our view, it is appropriate for the SEBI to take suitable action open to them under law to ensure that the shareholders' interest are protected including by selling their shares after obtaining respective shareholders' consent.

9. In the result, this appeal is dismissed with a direction in paragraph 8 above.

10. 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

26.11.2025
msb

MADHUKAR BHALBAR

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