

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

DATE : 08.08.2017

Appeal No. 168 of 2017

Paras Ajmera
501, 5th Floor, Sanskruti,
North South Road No. 9, Hatkesh CHSL,
JVPD Scheme, Vile Parle (West),
Mumbai 400 056.

..... Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, C-4A, G-Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

... Respondent

Mr. Janak Dwarkadas, Senior Advocate with Mr. Joby Mathew, Mr. Deepak Dhane, Ms. Harshada Nagare, Advocates i/b Joby Mathew & Associates for the Appellant.

Mr. Darius Khambatta, Senior Advocate with Mr. Mihir Mody, Mr. Nishant Upadhyay, Advocates i/b K. Ashar & Co. for the Respondent.

CORAM : Justice J. P. Devadhar, Presiding Officer
Jog Singh, Member

Per : Justice J. P. Devadhar (Oral)

1. The appellant is aggrieved by the ad-interim ex-parte order passed by the Whole Time Member ('WTM' for short) of Securities and Exchange Board of India ('SEBI' for short) on August 2, 2017. By the said order it is, *inter alia*, held that the appellant was an insider under the SEBI (Prohibition of Insider Trading) Regulations, 1992 ('PIT Regulations' for short) and while in possession of UPSI the appellant had sold the shares of Multi-Commodity of Exchange India Ltd. ('MCX' for short) and averted loss to the tune of ₹ 48.62 crore and with a view to impound the loss averted, the WTM has directed the appellant not to dispose of or alienate any of his assets/properties/securities till the amount of loss averted is credited to an escrow account. By the said order the WTM of SEBI has directed the banks not to debit any amount from bank

accounts of the appellant except for the purpose of transfer of funds to the escrow account.

2. Although the *prima-facie* view of the WTM of SEBI that the appellant was an insider and had traded in the securities while in possession of UPSI is seriously disputed by the appellant, basic grievance of the appellant is that the WTM of SEBI is not justified in freezing the personal bank account of the appellant without giving any opportunity of personal hearing to the appellant.

3. Counsel for SEBI on instruction states that SEBI would immediately defreeze the salary account No. 05431610049712 of the appellant with HDFC Bank having balance amount of ₹ 1.5 lac (approximately). Statement made by counsel for SEBI is accepted.

4. Counsel for the appellant further states that objection to the ex-parte order would be filed by the appellant within a period of one week from today and the appellant would also furnish to SEBI list of his assets/securities as per the impugned order within a period of one week from today.

5. If appellant files objection to the ex-parte order, then SEBI shall pass an order after considering the objections, if any, as expeditiously as possible and preferably within a period of three months from the date of receiving the objections from the appellant.

6. All contentions of both parties are kept open.

7. Appeal is disposed of in the aforesaid terms with no order as to costs.

Sd/-
Justice J. P. Devadhar
Presiding Officer

Sd/-
Jog Singh
Member

08.08.2017
Prepared & Compared by
PTM