

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Date of Hearing : 22.01.2019**  
**Date of Decision : 01.02.2019**

**Appeal No. 313 of 2018**

MLB Financial Services Ltd.  
301, Pratap Chambers, Gurudwara Road,  
Karol Bagh, New Delhi – 110005. ....Appellant

Versus

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

Mr. Neerav Merchant, Advocate with Mr. Bharat Merchant, Advocate i/b  
Thakordas & Madgavkar for the Appellant.

Ms. Vidhi Jhavar, Advocate i/b The Law Point for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer  
Dr. C. K. G. Nair, Member

Per : Justice Tarun Agarwala, Presiding Officer

1. Mr. Manohar Lal Bansal was a member of the Delhi Stock Exchange. He was also a partner in a partnership firm known as M/s. Manoharlal Bansal & Co. This partnership was converted into a corporate entity known as M/s. M L B Financial Services Ltd. (hereinafter referred to as 'the appellant'). This corporate entity was also registered with Securities and Exchange Board of India (SEBI).

2. SEBI floated Securities and Exchange Board of India (Interest Liability Regularisation) Scheme, 2004 wherein stockbrokers having outstanding fee liabilities could pay the entire outstanding amount of principal along with 20% of the outstanding interest in which case they would not be liable for payment of the balance 80% of the outstanding interest. Based on the

scheme, SEBI issued a fee liability statement in October 2004. As per the statement, the appellant was required to pay a sum of Rs. 3,32,016/-. The appellant paid a sum of Rs. 2,12,921/- towards the entire outstanding amount of principal alongwith 20% interest.

3. It transpires that the appellant filed Appeal No. 68 of 2005 before the Tribunal seeking relief for setting aside the impugned fee liability statement issued by SEBI. The Tribunal by an order dated May 9, 2006 disposed of the appeal directing SEBI to take a final decision after taking into account the payment made by the appellant and if adjustment was required then SEBI was required to do so. In the meanwhile, during the pendency of the appeal, the appellant paid an amount of Rs. 3,14,497/- under protest pursuant to the fee liability statement dated March 16, 2005.

4. SEBI by an order dated October 8, 2009 held that the excess amount paid by the appellant was liable to be adjusted with the outstanding principal liability and, accordingly, directed a revised fee liability statement to be computed and issued to the appellant. Since then the appellant had been requesting the respondent to issue a revised fee statement and further refund the excess amount alongwith interest. Eventually, the respondent refunded an amount of Rs. 3,14,497/- on June 29, 2018. The appellant being aggrieved has filed the present appeal praying that the respondent should be directed to pay interest on Rs. 3,14,497/- at the rate of 15% per annum from March 28, 2005 to June 29, 2018 which amounts to Rs. 6,25,062/- and further pay a sum of Rs. 3,32,000/- towards costs incurred in perusing the matter.

5. The contention of the appellant is that the respondent had unlawfully withheld the amount of Rs. 3,14,497/- without any authority of law for a

period of 13 years and, therefore, is entitled to interest as well as costs of litigation which the appellant had incurred.

6. Having heard the learned counsel for the parties at some length, we are of the opinion that before approaching the Tribunal for payment of interest and costs, it would be appropriate for the appellant to approach SEBI for the said relief. We, accordingly, dispose of the appeal with a direction that in the event the appellant make a representation within four weeks from today alongwith the certified copy of this order praying for interest and for reimbursement of the costs incurred in the litigation, SEBI would decide the representation by a reasoned and speaking order after giving an opportunity of hearing to the appellant within four weeks thereafter.

Sd/-  
Justice Tarun Agarwala  
Presiding Officer

Sd/-  
Dr. C. K. G. Nair  
Member

01.02.2019  
Prepared & Compared by  
PTM