

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION (L) NO. 3477 OF 2022

Ashok Gupta	...	Petitioner
<i>Versus</i>		
The Securities and Exchange Board of India	...	Respondent

Mr. Chetan Kapadia i/by Rahul Arote for the Petitioner.
Mr. Shiraz Rustomjee, Senior Counsel a/w Mihir Mody, Dhaval Patil
and Arnav Misra i/by K. Ashar & Co. for the Respondent.

**CORAM: S. V. GANGAPURWALA &
R. N. LADDHA, JJ.**

DATE : 6th OCTOBER, 2022

P.C. :-

1. We have heard the learned counsel for the petitioner and the learned senior counsel for the respondent. The grievance of the petitioner it appears is that though the FIRs are filed against 302 brokers who had traded in the Nation Spot Exchange for large scale malpractice committed by them, however, no action is taken by SEBI against them.

2. The learned senior counsel for the respondent submits that out of 302 cases, license of 17 brokers have been cancelled. The 129 cases are disposed of without order as *prima-facie*, no irregularity was found and enquiry of 156 cases are pending.

3. According to the learned counsel for the petitioner, once the FIR has been filed, it is incumbent upon the SEBI to take stern action against these persons. Many persons including the petitioner have lost

wealth because of illegal acts of such brokers.

4. The SEBI is a Regulatory Authority. The SEBI has carried out an investigation. This Court in writ jurisdiction under Article 226 of the Constitution of India would not sit as an appellate authority over the investigation carried out by SEBI. Upon investigation, 17 licenses are cancelled by SEBI. It is said that many of them have filed an appeal against the action of SEBI and the matters are remitted by the Appellate Authority. Be that as it may, the action has been initiated by SEBI. In 129 cases, SEBI did not find any *prima-facie* material to proceed against them and take action of cancellation of license and as far as 156 cases are concerned, are pending. The learned senior counsel for the respondent submits that it would take sometime to complete the adjudication in respect of these 156 licenses. However, on instructions, it is assured that the adjudication shall be concluded against them by end of December 2023. Statement is accepted as an undertaking to the Court.

5. Naturally, when the investigation is carried out, the SEBI would certainly consider the provisions of the statute, rules and regulations.

6. In light of above, at present we are not inclined to pass any further orders.

7. Writ Petition as such is disposed of. No costs.

[R. N. LADDHA, J.]

[S. V. GANGAPURWALA, J.]

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