

LEGAL UPDATES

SAT: SEBI OPINED TO CONDUCT INQUIRY, SAT RULED THE ORDER IS 'NOT APPELLABLE'

SAT bench rejected an application against the SEBI's decision wherein it was stated that SEBI is of the opinion that the enquiry should be undertaken and an opportunity should be granted of personal hearing to the Appellants so that they can appear and submit their contentions, the bench upheld that the appeal does not sustain u/s 15T of SEBI Act ('the Act'). The Appellants submitted under the appeal that they were not afforded any opportunity of hearing by SEBI and no reason for conducting the enquiry was also provided in the impugned order by SEBI, citing sec.15T of the Act which pertains to appeals against the SEBI order, the bench noted that the order of SEBI under rule 4(3) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, cannot be termed as an order u/s 15T as the opinion of SEBI is subject to their satisfaction of facts and evidence that an enquiry should be carried in order to decide on the alleged infringements as per the notice. Citing the apex court judgment in [Natwar Singh](#). wherein it was ruled that at the stage where the authority has to make a decision, an opportunity of hearing on whether the enquiry should be undertaken or not is not required. The tribunal dismissed the submissions of the Appellant. In conclusion, the bench held that a detailed reason is not necessary to be provided and the application of mind by the authority in forming an opinion on if an inquiry should be undertaken or not after considering the cause by the concerned person is sufficient. Thereby, ruling that the appeal is not maintainable.