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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 1534/2020**

BANASHREE MOHANTY & ORS

..... Petitioners

Through: Mr. Shivanath Mahanta, Advocate.

versus

**RECOVERY OFFICER, SECURITIES & EXCHANGE BOARD
OF INDIA (SEBI) & ORS**

..... Respondents

Through: Mr. Sanjay Mann, Advocate for
respondent no. 1 & 2.

CORAM:

HON'BLE MR. JUSTICE RAJIV SHAKDHER

ORDER

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10.02.2020

CM APPL. 5359/2020 (Exemption)

1. Allowed, subject to just exceptions.

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2. Issue notice to the respondents.
3. Mr. Sanjay Mann accepts notice on behalf of respondent no. 1 & 2.
4. In view of the prayers made in the writ petition, for the moment, no notice needs to be issued to respondent no. 3.
5. The prayers made in the petition are directed against respondent no. 1 & 2, though they emanate on account of the infractions committed by respondent no. 3 company.

6. The record shows that the Securities and Exchange Board of India (in short “SEBI”) vide order dated 24.07.2015 had directed respondent no. 3 company and its Directors and Promoters to refund the money illegally mobilised by them via Non- Convertible Redeemable Debentures (in short “NCDs”) which were issued contrary to public norms stipulated under the Companies Act 1956.
7. The direction to refund the money entailed that the money refunded would include repayment to the investors.
8. Since this order of SEBI was not complied with, recovery proceedings were commenced by SEBI’s Recovery Officer.
9. Vide order dated 21.07.2017, the Recovery officer issued a slew of directions which are contained in paragraph 9 of his order.
10. The petitioners claim that there has been no movement in the matter since then.
11. The petitioners also claim that they are small investors and therefore SEBI should ensure that the money recovered through sale of assets or otherwise should be distributed amongst them.
12. Mr. Sanjay Mann, who, appears on advance notice on behalf of respondent no. 1 & 2 i.e. Recovery Officer and, in effect, the SEBI says that only Rs. 5,60,000/- has been recovered.
13. Learned counsel says that steps are being taken to recover the further sums in terms of the orders passed by the SEBI and its Recovery Officer.
14. I may indicate that petitioners claim that they had made a representation to the SEBI on 10.07.2018 for disbursal of funds has which not been disposed of.

15. Given the aforesaid circumstances, the writ petition is disposed of with a direction to respondent no. 1 & 2 to consider the request of the petitioners for disbursal of amounts out of the recoveries made, *albeit*, as per law and keeping in mind its own orders.

16. Furthermore, SEBI is directed to hasten the process of recovery so that the difficulties faced by the petitioners and similarly circumstanced investors are redressed.

RAJIV SHAKDHER, J

FEBRUARY 10, 2020

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