BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 10.04.2023

CORAM :

THE HON`BLE MR.JUSTICE B.PUGALENDHI

W.P(MD) No.20180 of 2014

R.Rajaraman ... Petitioner

Vs.

1.The Reserve Bank of India,
Rep by its Executive Director,
Central Office Building,
Mumbai – 400 001.

2.Securities and Exchange Board f India (SEBI),
Plot No.C4A G Block Bandra Kurla Complex,
Bandra East,
Mumbai,
Maharashtra – 400 051.

3.The National Stock Exchange of India,
8th Floor Arihant Nitco Park,
No.90, Dr.Radhakrishnan Salai,
Mylapore,
Chennai.

4.The Ventura Securities Ltd.,
Rep by the Branch Manager/Chief Executive,
Door No.17, JC Towers 3rd Floor,
Karur Bye-pass Road,
Trichy – 18. ... Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Mandamus, directing the respondents 1 & 2 to give adequate direction to the third respondent to conduct fact and free enquiry against the fourth respondent on the basis of the petitioner's complaint dated 24.12.2013 and to award fair compensation to the petitioner within the time frame fixed by this Court.

For Petitioner	:Mr.T.Vadivelan
For R1	:Mr.K.R.Laxman
For R2	:Mr.S.Shivakumar
For R3	:Mr.K.K.Senthil
For R4	:No appearance

O R D E R

This writ petition is filed for a Mandamus, directing the respondents 1 & 2 to give adequate direction to the third respondent to conduct an enquiry against the fourth respondent, on the basis of the petitioner's complaint dated 24.12.2013 and to award fair compensation to the petitioner within the time frame fixed by this Court.

2.The case of the petitioner is that he is the customer of the fourth respondent herein, namely, Ventura Securities Ltd, a Stock

Broking Company. The grievance of the petitioner is that since the fourth respondent has failed to send the statement details for the financial year 2012-2013 even after the petitioner's complaints, dated 04.09.2013, 10.10.2013, 17.10.2013 and 23.10.2013, due to which, the petitioner was unable to submit the Income Tax Return for the year 2012-2013 to the Auditor. The petitioner has also made a complaint with the second respondent on 24.12.2013, through online, claiming compensation for a sum of Rs.2,00,000/-. On 29.01.2014, the third respondent has conducted an enquiry. According to the petitioner, the enquiry has not been conducted in a proper manner. Therefore, the petitioner has approached this Court seeking a direction to the respondents 1 & 2 to give suitable directions to the third respondent to conduct a fair and proper enquiry, based on the complaint given by the petitioner, dated 24.12.2013.

3.The learned counsel appearing for the petitioner submits that the fourth respondent is having bounden duty to furnish the details, which are essential for the investors to file their Income Tax Return. The learned counsel further submits that the petitioner is giving 0.2% commission to the fourth respondent for buying and selling shares and after deducting the above commission, the fourth respondent is giving shares to the buyers and sellers. Based on the statement given by the fourth respondent alone, the petitioner can file his Income Tax returns. However, in view of the negligent act of the fourth respondent, the petitioner was unable to file his returns for the year 2012-2013. In this regard, the petitioner has sent a complaint and the same was forwarded to the third respondent for necessary action. However, the third respondent has not conducted the enquiry in a proper manner. Hence, this petition.

4.The learned counsel appearing for the second respondent by relying upon the counter affidavit submits that the complaint of this petitioner, dated 24.12.2013 was forwarded to the third respondent for necessary action and the third respondent has also conducted an enquiry and submitted a report to the second

Respondent that the third respondent has closed the petitioner's complaint. He further submits that if the petitioner is still having any grievance, the petitioner has to work out his remedy before the appropriate legal Forum, by initiating Arbitration proceedings, as per the byelaws of the concerned Stock Exchange.

5.The learned counsel appearing for the third respondent by referring the proceedings of the third respondent, dated 29.01.2014 submits that both the parties were heard and the trading member has issued a holdings statement with value and Form 10DB to the petitioner, as a measure of value addition. The petitioner has accepted the above document and is fully satisfied that his claim has been redressed. Hence, the complaint is treated as resolved.

6.This Court considered the rival submissions made and also perused the materials placed on record.

7.The petitioner is having a grievance as against the fourth respondent that the fourth respondent has failed to furnish the statement details for the financial year 2012-2013 and hence the petitioner was unable to submit the Income Tax Return for the year 2012-2013 to the Auditor. Hence, the petitioner has made his complaint before the second respondent and the second respondent has forwarded the same to the third respondent for necessary action. The third respondent appears to have conducted the enquiry on 29.01.2014 and closed the complaint as the petitioner was provided with the holdings statement and he has satisfied with that. The petitioner himself has enclosed the proceedings of the third respondent, dated 29.01.2014 in the typed set of papers. It is to be noted that the proceedings of the third respondent dated 29.01.2014 was not challenged by the petitioner. However, the petitioner claims that the third respondent has not conducted the enquiry in a fair and proper manner. The second respondent claims that if the petitioner is still having any grievance, he has to work out his remedy before the appropriate legal Forum, by initiating Arbitration proceedings, as per the byelaws of the concerned Stock Exchange.

8.In view of the above, this writ petition is dismissed with a liberty to the petitioner to work out his remedy before the appropriate legal Forum, by initiating Arbitration proceedings, as per the byelaws of the concerned Stock Exchange. No costs.

10.04.2023

NCC : Yes / No.
Index : Yes / No.
Internet : Yes / No.
vrn

To

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B.PUGALENDHI, J

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Order made in
W.P(MD) No.20180 of 2014

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