



INVENTURE

GROWTH & SECURITIES LTD.

Enhancing Fortunes. Enriching Lives.



BSE • NSE • EQUITY & DERIVATIVES

CURRENCY DERIVATIVES • DP-CDSL

Date: 04.07.2020

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Scrip Name: Inventure

BSE Ltd.

Department of Corporate
Services, P. J. Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 533506

MSEI Exchange Ltd.

4th Floor, Vibgyor Towers,
Plot No C- 62, G Block,
Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 051

Scrip Name: Inventure

Ref: - Inventure Growth & Securities Limited

Sub: Disclosure under "Regulation 30 Schedule 3 of the SEBI (Listing Obligations and Disclosure Requirements), 2015"

Pursuant to the requirements of "Regulation 30 Schedule 3 of the SEBI (Listing Obligations and Disclosure Requirements), 2015" we hereby submit the following:

- Disclosure under Regulation 30 Schedule III of SEBI (Listing Obligations and Disclosure Requirements) regulation 2015 regarding Hon'ble SAT order Dated 03.07.2020, in the matter of Pyramid Saimira Theater Limited, wherein Company is restrained from accessing security market and vide SEBI email dtd 01.07.2020 as an Intermediary as well, for the period of Two Years effective from the Order date and issued Directions to immediately Square off the F & O Position of Clients vide email dtd 02.07.2020.
- On receipt of email dtd 01.07.2020 and 02.07.2020, We Inventure Growth & Securities Limited had filed an Appeal at Securities Appellate Tribunal (SAT) against the order and filed Miscellaneous Application for Stay on Order as well as against the Directions issued by Assistant Manager of SEBI vide his email dated 01.07.2020 and 02.07.2020.
- The Hon'ble SAT has passed the Order and issued Directions as follows:
 1. The Hon'ble SAT had find that the appellant i.e. (Inventure Growth & Securities Limited) has been debarred from accessing the securities market for a period of two years for the trades done in the year 2008, further Hon'ble SAT also found that prima-facie the impugned order only relates to the trading account of the proprietary trading of the appellant and does not relate to the appellant's trading of its client as a registered trading member. At this stage, restraining the appellants in the intermediary trading in the stock market would not be in the interest of the investors nor in the interest of the 2500 shareholders of the appellant company"



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2. Hon'ble SAT has granted six weeks time to the respondent SEBI to file a reply. Three weeks thereafter to the appellant to file a rejoinder. List this matter for final disposal on September 21, 2020.
3. In the meanwhile, Hon'ble SAT direct that directions issued by the Assistant Manager of SEBI vide his e-mail dated July 1, 2020 and July 2, 2020 will not be acted upon and further make it clear that the restraint order passed by the WTM restraining the appellant from accessing the securities market for two years shall be confined only to the proprietary trading account.

We are attaching herewith the SAT Order dated 03.07.2020 for your kind perusal, Kindly take the same on your record & oblige.

For Inventure Growth & Securities

Bhavi R. Gandhi
(Company Secretary & Compliance Officer)



BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 03.07.2020

**Misc. Application No. 170 of 2020
(Urgency Application)**

And

**Misc. Application No. 171 of 2020
(Stay Application)**

And

Appeal (L) No. 190 of 2020

Inventure Growth and Securities Limited ...Appellant

Versus

Securities and Exchange Board of India ...Respondent

Mr. P.N. Modi, Senior Advocate with Mr. Kunal Katariya, Advocate, Mr. Ravi Vijay Ramaiya, Mr. Shardul Shah, Chartered Accountants i/b Shah & Ramaiya Chartered Accountants and Mr. Kanji Rita, MD of Inventure Growth & Securities for the Appellant.

Mr. Rafique Dada, Senior Advocate with Mr. Abhiraj Arora and Mr. Vivek Shah, Advocates i/b ELP for the Respondent.

ORDER:

1. The appellant is a public listed company and has 110 employees and approximately 400 sub-brokers and 2500 public shareholders constituting 72% of the entire shareholding. The appellant is engaged in the business of proprietary trading and also intermediary client broking tradings. A show cause notice dated April 30, 2015 was issued after a lapse of 7 years for the alleged trading during the investigation period of June 1, 2008

to December 20, 2008. A reply was filed immediately thereafter. The first hearing was fixed in 2016 but was cancelled by the Whole Time Member ('WTM' for short) of the Securities and Exchange Board of India ('SEBI' for short) and thereafter the hearing took place on August 7, 2019 wherein it was pointed out by the appellant that certain documents which were part of the show cause notice and which apparently were being relied upon was not supplied. It transpires that SEBI vide their letter dated September 19, 2019 acknowledged this fact and supplied the documents but did not provide any further opportunity of hearing and, eventually the impugned order was passed on June 23, 2020 restraining the appellant from accessing the securities market for a period of two years. The WTM also directed the appellant to square off the open positions. Thereafter, one Assistant Manager of SEBI by e-mail dated July 1, 2020 and July 2, 2020 intimated the National Stock Exchange of India Limited ('NSE' for short) that the restraint order will also apply to the intermediary trading account of the appellant and that appellant is required to square off the open interest position immediately.

2. The appellant being aggrieved by the order of the WTM of SEBI and the communication vide e-mail dated July 1, 2020 and July 2, 2020 issued by the Assistant Manager of SEBI has filed

the present appeal along with an Urgency Application and Interim Application and also filed an urgent praecipe for taking up the matter today.

3. We have accepted the urgency in the matter. The Urgency Application, and the praecipe are accordingly disposed of. We have heard the learned senior counsel for the parties at some length through video conference. The submission of Mr. P.N. Modi, the learned senior counsel along with Mr. Kunal Katariya, the learned counsel for the appellant is, that the impugned order is violative of the principles of natural justice. No opportunity of hearing was provided after supplying the documents in September 2019. There is an undue delay in the issuance of the show cause notice on account of which the entire proceedings are liable to be quashed. The Assistant Manager of SEBI had no authority to issue directions to the Stock Exchange vide his e-mail dated July 1, 2020 and July 2, 2020 nor could he clarify or modify the order passed by the WTM. The Assistant Manager has no authority in law to issue such directions through its e-mail.

4. It was also urged that the show cause notice and the entire order relates to the proprietary trading of the appellant and has nothing to do with the intermediary trading of appellant's client

and therefore the debarment of the appellant as an intermediary of the clients was wholly illegal.

5. In response Mr. Rafique Dada, the learned senior counsel along with Mr. Abhiraj Arora, the learned counsel for SEBI submitted that the restraint order passed by the WTM should not be disturbed nor any stay should be granted on the appellant acting as an intermediary in the stock market but fairly conceded that the e-mail dated 2.7.2020 issued by the Assistant Manager of SEBI appears to be without any authority of law which may be stayed during the pendency of the appeal. The learned senior counsel for SEBI further submitted that the respondent will sufficiently explain in their reply and justify that the show cause notice issued after 7 years was valid and that there was no violations of the principles of natural justice.

6. In the light of the aforesaid, we find that the appellant has been debarred from accessing the securities market for a period of two years for the trades done in the year 2008. We also find that prima-facie the impugned order only relates to the trading account of the proprietary trading of the appellant and does not relate to the appellant's trading of its client as a registered trading member. At this stage, restraining the appellants in the intermediary trading in the stock market would not be in the

interest of the investors nor in the interest of the 2500 share holders of the appellant company.

7. Considering the aforesaid, we grant six weeks time to the respondent SEBI to file a reply. Three weeks thereafter to the appellant to file a rejoinder. List this matter for final disposal on September 21, 2020.

8. In the meanwhile, we direct that directions issued by the Assistant Manager of SEBI vide his e-mail dated July 1, 2020 and July 2, 2020 will not be acted upon. We further make it clear that the restraint order passed by the WTM restraining the appellant from accessing the securities market for two years shall be confined only to the proprietary trading account. The interim application is accordingly disposed of.

9. Parties are directed to contact the Registrar 48 hours before the date fixed to find out as to whether the hearing would take place through video conference or through physical hearing.

10. The present matter was heard through video conference due to Covid-19 pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be digitally signed by the Presiding Officer on behalf of the bench

and all concerned parties are directed to act on the digitally signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

Sd/-
Justice Tarun Agarwala
Presiding Officer

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

Sd/-
Justice M.T. Joshi
Judicial Member

03.07.2020
msb