

SUPREME COURT OF INDIA

Securities and Exchange Board of India

Vs.

IL&Fs Securities Services Ltd.

C.A.No.5395-5398/2019

(Sanjeev Khanna and Mohan M.Shantanagoudar,JJ.,)

27.08.2019

ORDER

Permission to file appeal is granted.

We have heard learned counsel for the parties and in view of the urgency and consequences explained, we are inclined to pass the following interim directions the parties and subject to the final outcome and directions that this Court would pass.

2. Option is given to Novjoy Emporium Private Limited, OCL India

1. The National Security Clearing Corporation Limited will honour F & O Segment contract which had matured on 27th June, 2019 and has not been paid in view of the interim order passed by this Court on 26th June, 2019 in I.A. No. 91268/2019 in Civil Appeal No. 5104-5105/2019. The interim order is vacated, clarifying that the payments would be without prejudice to the rights and contentions Limited and Dalmia Cement East Limited to ask for conversion/sale/ encashment of the mutual funds which were purportedly furnished as a security by Allied Financial Services Private Limited. Similar option is also given to 44 parties who had preferred Appeal No. 257/2019 before the Securities Appellate Tribunal, Mumbai.

3. On the option being exercised, IL & FS Securities Services Limited shall convert/encash the mutual funds, and the amount realised would be deposited in a fixed deposit in a Nationalised Bank for a period of six months to earn maximum interest. The deposit would be in the name of IL & FS Securities Services Limited and abide by further orders/directions of this Court.

4. The question of jurisdiction of Securities and Exchange Board of India, Securities Appellate Tribunal and the plea of IL & FS Securities Services Limited relying upon clause(5) of Chapter VII of the Bye-Laws framed by the National Security Clearing Corporation Limited are left open and would be decided at the time of final hearing.

List the matters after four weeks.

