

Business Standard

SAT clearing more cases now than before Covid-19 pandemic, shows data

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The Securities Appellate Tribunal (SAT), which hears appeals against decisions by major financial regulators, had 560 pending appeals as of September end, according to information obtained by *Business Standard* through an application filed under the Right to Information Act.

Additional data shared by the tribunal showed that this is largely because of appeals filed in the past two months. August and September each saw over 80 appeals to the SAT. However, the disposal of cases by the tribunal has also gone up over the past two months, owing to the multiple steps it has taken to ease the caseload amidst the Covid-19 pandemic.

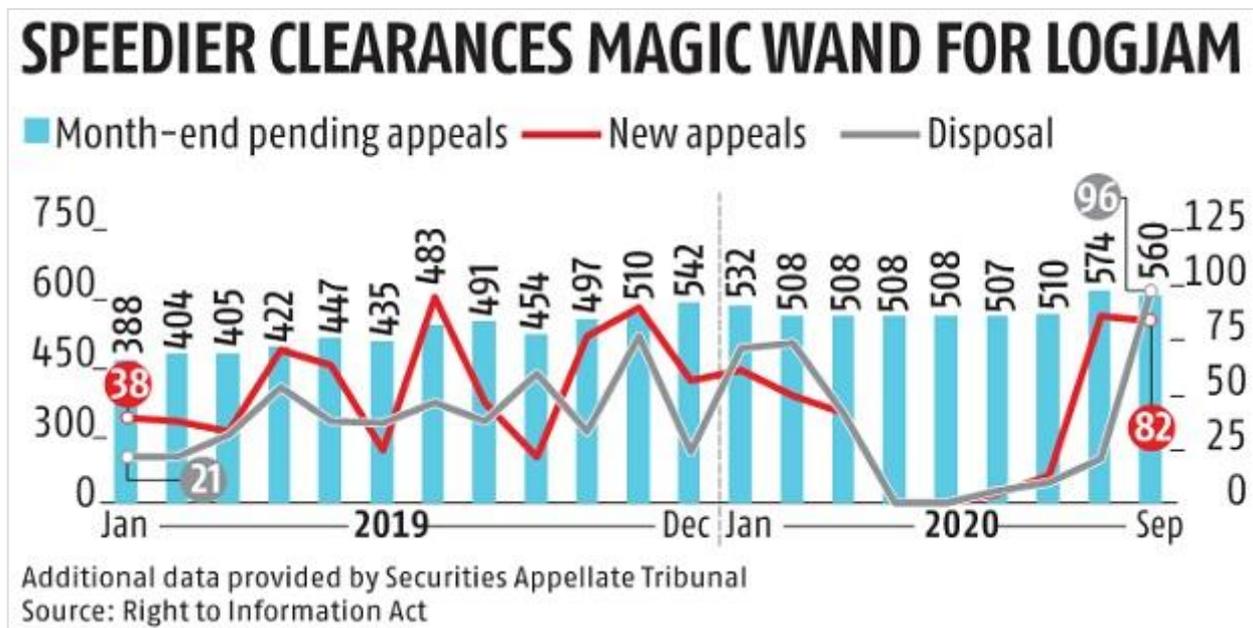
The data from the tribunal also showed that no new appeals were filed or decided upon during April and May during the nationwide lockdown to contain the pandemic. Four appeals were filed in June and 12 in July. The number rose multifold by August (84 appeals) and September (82 appeals).

In response to a query by *Business Standard*, presiding officer Justice Tarun Agarwala said that the tribunal heard only urgent applications in the early stages of the lifting of the lockdown. It also decided to accept scanned documents and directed that physical copies of documents could be furnished later.

Similarly, it was decided that court fees could be paid later after giving an undertaking on the matter. Payments were made through bank drafts earlier. “We moved the ministry and got permission to electronically file the court fee,” said Justice Agarwala.

All these steps helped the SAT clear as many as 96 appeals in September, up from a total of 34 in the previous five months impacted by the pandemic. This is much more than the 71 appeals cleared on average in the pre-lockdown months of January and February this year.

The tribunal hears matters pertaining to the Securities and Exchange Board of India (Sebi), the Pension Fund Regulatory and Development Authority, and the Insurance Regulatory Development Authority of India. Lawyers say that the SAT has done a better job than other tribunals in hearing cases, despite the challenges posed by the pandemic.



“In urgent matters, the SAT has been

accommodative for urgent listing, while in non-urgent matters, the cases are heard if pleadings are complete,” said Sumit Agrawal, founder-partner, Regstreet Law Advisors, and a former Sebi officer.

Any government move to improve the technological infrastructure and add manpower can further help the tribunal, added Agrawal of Regstreet Law. Moreover, cases which involve a large number of affected parties, such as those dealing with illiquid options, long-term capital gains, and the Sebi Complaints Redress System (SCORES), may artificially push up the numbers for what are essentially similar cases, he said.

Apart from pending cases, new cases are also being addressed at the SAT, said Justice Agarwala. “We are now mostly hearing appeals which are...being filed for the first time,” he said.

Still, the SAT does face some challenges.

Moin Ladha, partner at law firm Khaitan & Co, said that given the limited access to electronically stored documents and information, it is difficult for certain parties to be able to present their case through virtual hearings. Hence, while there is clearly a window to hear urgent cases, in others, it is dependent on the ability and preparedness of the parties to be present at such hearings, he said. The risks of functioning during a pandemic also apply.

The registrar, a key official of the SAT, recently died of Covid-19.