REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 5173 OF 2006

NATIONAL SECURITIES DEPOSITORY LTD. … Appellant

VERSUS

SECURITIES AND EXCHANGE BOARD OF INDIA … Respondent

WITH

CIVIL APPEAL NO. 186 OF 2007

SECURITIES AND EXCHANGE BOARD OF INDIA … Appellant

VERSUS

NATIONAL SECURITIES DEPOSITORY LTD. … Respondent

J U D G M E N T

R.F. Nariman, J.

1. The present appeal raises an interesting question as to whether an administrative circular that is issued by SEBI under Section 11(1) of the Securities Exchange Board of India Act, 1992, can be the subject matter of appeal under Section 15T of the said Act.

2. By an administrative circular dated 9th November, 2005, SEBI under the caption "review of dematerialization charges" issued an

administrative circular under Section 11(1) of the SEBI Act to protect the interests of investors in securities and to promote the development of, and to regulate the securities market. Depositories were advised by the said circular to amend all relevant bye-laws, rules and regulations in order to see that with effect from 9th January, 2006, no charges shall be levied by a depository on DPs and consequently by a DP on a beneficiary owner when a beneficiary owner transfers all securities lying in his account to another branch of the same DP or to another DP of the same depository or another depository, provided the BO account at transferee DP and that transferor DP are identical in all respects.

3. A preliminary objection was raised in the appeal filed by the respondent before the Securities Appellate Tribunal. It was urged that under the SEBI Act, SEBI has administrative, legislative and quasi-judicial functions. Appeals preferred to the Securities Appellate Tribunal can only be from quasi-judicial orders and not administrative and legislative orders. This preliminary objection was turned down by the impugned judgment dated 29th September, 2006, by the Securities Appellate Tribunal. According to the Tribunal, the expression "order" is extremely wide, and there being nothing in the Act to restrict an appeal only against quasi-judicial orders, appeals would lie against all

three types of orders under the Act i.e. administrative orders, legislative orders as well as quasi-judicial orders. This was held purportedly following the decision in **Clariant International Ltd. & Anr. vs. Securities & Exchange Board of India** [(2004) 8 SCC 524]. The Tribunal, therefore, rejected the preliminary objection and went into the merits of the arguments against the impugned circular, and dismissed the same.

4. Cross appeals have been filed before us. Civil Appeal No.5173 of 2006 has been filed by the National Securities Depositories Ltd. Vs. SEBI on the merits of the dismissal, whereas Civil Appeal No.186 of 2007 has been filed by the SEBI against the rejection of the preliminary objection raised before the Securities Appellate Tribunal. We will take up the second appeal first inasmuch as if the preliminary objection were to succeed, it is clear that the merits would not have to be gone into.

5. It was urged on behalf of the appellant in the second civil appeal that the appeal filed under Section 15T of the SEBI Act is only restricted to quasi-judicial orders and not administrative or legislative orders or directions passed by SEBI under the 1992 Act. According to the learned counsel on behalf of the appellant, the Appellate Tribunal judgment is wrong and needs to be reversed inasmuch as it

has clearly stated that even against legislative regulations, the Appellate Tribunal would have jurisdiction, which is contrary to two direct judgments under allied Acts namely, **PTC India Ltd. vs. Central Electricity Regulatory Commission** [(2010) 4 SCC 603] under pari materia provisions under the Electricity Act, 2003, and **Bharat Sanchar Nigam Ltd. vs. Telecom Regulatory Authority of India & Ors.** [(2014) 3 SCC 222] under the Telecom Regulatory Authority of India Act, 1997. He stated that the same fate would await administrative orders as well and that the reasoning of these two judgments would lead us necessarily to this conclusion.

6. On the other hand, learned counsel for the respondent urged before us that the word "order" not having been defined is extremely wide and would, therefore, include all orders of the Board which, as has been pointed out, would be administrative and legislative orders as well. The controversy being in a narrow compass, it is necessary for us to lay down the law with some clarity.

7. Section 15T of the Act reads as follows :

> **"15T. Appeal to the Securities Appellate Tribunal.**
>
> (1) Save as provided in sub-section (2), any person aggrieved,—
>
> (a) by an order of the Board made, on and after the commencement of the Securities Laws (Second

Amendment) Act, 1999, under this Act, or the rules or regulations made thereunder; or

(b) by an order made by an adjudicating officer under this Act, may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter.

(2) ********

(3) Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Board or the Adjudicating Officer, as the case may be, is received by him and it shall be in such form and be accompanied by such fee as may be prescribed :

Provided that the Securities Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(4) On receipt of an appeal under sub-section (1), the Securities Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(5) The Securities Appellate Tribunal shall send a copy of every order made by it to the Board, the parties to the appeal and to the concerned Adjudicating Officer.

(6) The appeal filed before the Securities Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal."

This Section appears in Chapter VIB inserted by an amendment Act of 1995. It is interesting to note that under Section 15M, a person shall not be qualified for appointment as the Presiding Officer of the

three member Appellate Tribunal unless he is a sitting or retired Judge of the Supreme Court, or a sitting or retired Chief Justice of a High Court, or is a sitting or retired Judge of a High Court who has completed not less than 7 years of service as a Judge in a High Court. This is one indicia of the fact that the Appellate Tribunal, being manned by a member of the higher judiciary, is intended to hear appeals only against quasi-judicial orders.

8. Also, appeals are to be filed by persons aggrieved not only by an order of the Board made under the SEBI Act, Rules or Regulations, but by orders made by an adjudicating officer under the Act. Under Section 15-I, the Board can appoint an officer not below the rank of a Division Chief to be an adjudicating officer to hold an inquiry, give a hearing to the person concerned and thereafter impose a penalty, all of which points to only quasi-judicial functions being exercised by such officers. Under sub-section (3) of Section 15T, every appeal is to be filed within a period of 45 days from the date on which a copy of the order made by the Board or the adjudicating officer, as the case may be, is received by him. Generally administrative orders and legislative regulations made by the Board are never received personally by "the person aggrieved". This is another pointer to the fact that the order spoken of in sub-section (1) of Section 15T is only a quasi-judicial

order. Also, it is important to note under sub-section (4) that the Appellate Tribunal may ultimately pass orders confirming, modifying or setting aside the order appealed against. In the **Clariant** judgment referred to hereinabove, paragraph 74 clearly states that "the jurisdiction of the appellate authority under the Act is not in any way fettered by the statute and thus it exercises all the jurisdiction as that of the Board". This being the case, it is clear that the appeal being a continuation of the proceeding before the Board, the proceeding can only be quasi-judicial in nature.

9. Yet another indicator can be found under sub-section (5) of Section 15T by which a copy of every order made by the Appellate Tribunal is to be sent to the Board, the parties to the appeal and to the concerned adjudicating officer. The concerned adjudicating officer and the parties to the appeal obviously refer only to persons involved in a quasi-judicial proceeding.

10. Under Section 15Z of the Act, an appeal lies from any "decision or order" of the Securities Appellate Tribunal to the Supreme Court on questions of law arising out of such orders. Obviously, these orders are also quasi-judicial in nature. All this leads to distinctions between quasi judicial and administrative orders that have to be made on first principles.

11. For this we have to hearken back to the classic case of **The King vs. Electricity Commissioners** [(1924) 1 KB 171]. In a celebrated judgment given by Lord Justice Atkin, the definition of a quasi-judicial order is

> "Whenever any body of persons having legal authority to determine questions affecting rights of subjects, and having the duty to act judicially, act in excess of their legal authority, they are subject to the controlling jurisdiction of the King's Bench Division exercised in these writs."

12. This celebrated passage has been referred to time and again in the Supreme Court's judgments. Thus in **Province of Bombay vs. Kushaldas S. Advani** [(1950) SCR 621], it was held

> "(*i*) That, if a statute empowers an authority, not being a Court in the ordinary sense, to decide disputes arising out of a claim made by any party under the statute which claim is opposed by another party and to determine the respective rights of the contesting parties who are opposed to each other, there is a lis and prima facie, and in the absence of anything in the statute to the contrary it is the duty of the authority to act judicially and the decision of the authority is a quasi-judicial act; and
>
> (*ii*) that if a statutory authority has power to do any act which will prejudicially affect the subject, then, although there are not two parties apart from the authority and the contest is between the authority proposing to do the act and the subject opposing it, the final determination of the authority will yet be a quasi-judicial act provided the authority is required by the statute to act judicially."

13. This statement of the law has been followed in **Shivji Nathubhai**

vs. Union of India & Ors. [(1960) 2 SCR 775], where the question which faced the Supreme Court was whether the Central Government's power under Rule 54 of the Mineral Concession Rules, 1949, to review administrative orders could be stated to be in a quasi-judicial capacity. After setting out Lord Justice Atkin's passage in **Advani's case** (supra), this Court held that three requisites were necessary in order that the act of an administrative body be characterized as quasi-judicial :

(i) There must be legal authority;

(ii) This authority must be to determine questions affecting the rights of subjects; and

(iii) There must be a duty to act judicially.

Applying the aforesaid tests, it was held that the Central Government's power of review under Rule 54 was quasi-judicial in that there is legal authority to determine questions affecting the rights of subjects and the duty to act judicially which involves a hearing and a decision on the merits of the case.

14. Similarly, in **Indian National Congress (I) vs. Institute of Social Welfare & Ors.** [(2002) 5 SCC 685]**,** this Court held that the exercise of powers under Section 29A of the Representation of the People Act, 1951 by the Election Commission is a quasi-judicial

power. After referring to **R. vs. Electricity Commissioner** (supra) and **Province of Bombay vs. Kushaldas S. Advani** (supra), this Court laid down :

> "The legal principles laying down when an act of a statutory authority would be a quasi-judicial act, which emerge from the aforestated decisions are these:
>
> Where (*a*) a statutory authority empowered under a statute to do any act (*b*) which would prejudicially affect the subject (*c*) although there is no *lis* or two contending parties and the contest is between the authority and the subject and (*d*) the statutory authority is required to act judicially under the statute, the decision of the said authority is quasi-judicial.
>
> Applying the aforesaid principle, we are of the view that the presence of a *lis* or contest between the contending parties before a statutory authority, in the absence of any other attributes of a quasi-judicial authority is sufficient to hold that such a statutory authority is quasi-judicial authority. However, in the absence of a *lis* before a statutory authority, the authority would be quasi-judicial authority if it is required to act judicially." [paras 24 and 25]

It can be seen from the aforesaid decision that in addition to the tests already laid down, the absence of a lis between the parties would not necessarily lead to the conclusion that the power conferred on an administrative body would not be quasi-judicial – so long as the aforesaid three tests are followed, the power is quasi-judicial.

15. In **Shankarlal Aggarwala vs. Shankarlal Poddar** [(1964) 1 SCR 717], the question posed before this Court was whether an order

of a Company Judge which confirms a sale is administrative or judicial. This Court held -

> "It is perhaps not possible to formulate a definition which would satisfactorily distinguish, in this context, between an administrative and a judicial order. That the power is entrusted to or wielded by a person who functions as a Court is not decisive of the question whether the act or decision is administrative or judicial. But we conceive that an administrative order would be one which is directed to the regulation or supervision of matters as distinguished from an order which decides the rights of parties or confers or refuses to confer rights to property which are the subject of adjudication before the Court. One of the tests would be whether a matter which involves the exercise of discretion is left for the decision of the authority, particularly if that authority were a Court, and if the discretion has to be exercised on objective, as distinguished from a purely subjective, consideration, it would be a judicial decision. It has sometimes been said that the essence of a judicial proceeding or of a judicial order is that there should be two parties and a *lis* between them which is the subject of adjudication, as a result of that order or a decision on an issue between a proposal and an opposition. No doubt, it would not be possible to describe an order passed deciding a *lis* before the authority, that it is not a judicial order but it does not follow that the absence of a *lis* necessarily negatives the order being judicial." [at pages 728- 729]

16. Two other decisions give us an interesting insight into the difference between administrative and quasi-judicial orders. In **Jayantilal Amrit Lal Shodhan vs. F.N. Rana & Ors.** [(1964) 5 SCR 294], this Court held that the report of a Collector made under Section 5A of the Land Acquisition Act is an administrative decision despite the fact that the Collector has to give the objector an opportunity of being

heard. This was held because the Collector is not required to arrive at any decision on the lis presented to him. He has to submit the case for the decision of the appropriate Government together with a report containing recommendations on objections. It is thus clear that the Collector's report would not determine any question that affects rights even though there may be a duty to act judicially in the sense that the Collector has to hear objectors before him before making his report. Similar is the case in **Govindbhai Gordhanbhai Patel & Ors. vs. Gulam Abbas Mulla Allibhai & Ors.**[(1977) 2 SCR 511]. This judgment decided that the function of a Collector under Section 63(1) proviso of the Bombay Tenancy and Agricultural Lands Act is administrative and not quasi-judicial. In arriving at this conclusion this Court referred to various earlier decisions of this Court, which had held that an Advocate General granting or refusing sanction under Section 92 of the Civil Procedure Code was an administrative decision, just as granting or withholding sanction to file a suit under Section 55(2) of the Muslim Wakfs Act, 1954, is also an administrative decision. An order made in a reference under Section 10 of the Industrial Disputes Act is similarly an administrative order. In each of these three cases no lis is decided on merits affecting the rights of the subject, and this is the reason why these decisions have been held to be administrative and not quasi-judicial in nature. One other judgment

may be referred to. In **N. Misra vs. Dr. H.K. Paintal** [(1990) 2 SCR 84] this Court held following a passage in Wade's Administrative Law that a judicial decision is made according to law, whereas an administrative decision is made according to administrative policy. A quasi-judicial function lying somewhere in between is an administrative function which the law requires to be exercised in some respects as if it were judicial. A quasi-judicial decision is, therefore, a decision which is subject to a certain measure of judicial procedure.

17. We now come to two judgments of this Court under Acts which deal with expert bodies like SEBI. In **PTC India Ltd. vs. Central Electricity Regulatory Commission** [(2010) 4 SCC 603], this Court had to construe various sections of the Electricity Act, 2003, and ultimately came to the conclusion that the Appellate Tribunal for Electricity has no jurisdiction to decide the validity of Regulations framed under the Central Electricity Regulatory Commission under Section 178 of the Electricity Act, 2003. The validity of the Regulations may, however, be challenged by seeking judicial review under Article 226 of the Constitution of India.

18. In so stating, a summary of findings is given in paragraph 92 of the said judgment. Sub-paras (iii), (iv), and (v) are important from our point of view, and it is stated as follows :

> "(*iii*) A regulation under Section 178 is made under the authority of delegated legislation and consequently its validity can be tested only in judicial review proceedings before the courts and not by way of appeal before the Appellate Tribunal for Electricity under Section 111 of the said Act.
>
> (*iv*) Section 121 of the 2003 Act does not confer power of judicial review on the Appellate Tribunal. The words "orders", "instructions" or "directions" in Section 121 do not confer power of judicial review in the Appellate Tribunal for Electricity. In this judgment, we do not wish to analyse the English authorities as we find from those authorities that in certain cases in England the power of judicial review is expressly conferred on the tribunals constituted under the Act. In the present 2003 Act, the power of judicial review of the validity of the regulations made under Section 178 is not conferred on the Appellate Tribunal for Electricity.
>
> (*v*) If a dispute arises in adjudication on interpretation of a regulation made under Section 178, an appeal would certainly lie before the Appellate Tribunal under Section 111, however, no appeal to the Appellate Tribunal shall lie on the validity of a regulation made under Section 178." [para 92]

19. This judgment was followed in **Bharat Sanchar Nigam Ltd. vs. Telecom Regulatory Authority of India & Ors.** [(2014) 3 SCC 222]. The Telecom Authority of India Act, 1997 had been amended in the year 2000 to take away from the expert body under the Act, viz. TRAI, all quasi-judicial functions. Post amendment, the question posed before this Court was whether TDSAT, viz. the Appellate Tribunal had in exercise of powers under Section 14(b) of the TRAI Act, the jurisdiction to entertain a challenge to regulations framed by TRAI

under Section 36 of the TRAI Act. This Court referred in detail to the **PTC India** judgment (supra) and ultimately held that TDSAT does not have such jurisdiction, regulations being framed by TRAI under Section 36 of the TRAI Act being legislative in nature.

20. A judgment of this Court dealing with the very Act we are dealing with is reported as **Clariant International Ltd. & Anr. vs. Securities & Exchange Board of India** [(2004) 8 SCC 524]. In our view certain observations made in this judgment almost conclude the matters raised in this appeal. While discussing the effect of the Board being an expert body, this Court in paragraph 71 stated -

> "The Board is indisputably an expert body. But when it exercises its quasi-judicial functions, its decisions are subject to appeal. The Appellate Tribunal is also an expert Tribunal."

In paragraph 77 this Court further went on to state -

> "The Board exercises its legislative power by making regulations, executive power by administering the regulations framed by it and taking action against any entity violating these regulations and judicial power by adjudicating disputes in the implementation thereof. The only check upon exercise of such wide-ranging powers is that it must comply with the Constitution and the Act. In that view of the matter, where an expert Tribunal has been constituted, the scrutiny at its end must be held to be of wide import. The Tribunal, another expert body, must, thus, be allowed to exercise its own jurisdiction conferred on it by the statute without any limitation."

21. We have now to determine on a conspectus of the authorities as

to whether Section 15T refers only to quasi-judicial orders, quite apart from the construction placed upon the Section earlier in this judgment. SEBI is an expert body created by the Act which, as has been stated earlier, has administrative, legislative and quasi-judicial functions. Some of the Sections which deal with the Board's quasi-judicial functions are set out hereinbelow:-

> **"11. Functions of Board.**
>
> (4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely:—
>
> (a) suspend the trading of any security in a recognised stock exchange;
>
> (b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;
>
> (c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;
>
> (d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;
>
> (e) attach, after passing of an order on an application made for approval by the Judicial Magistrate of the first class having jurisdiction, for a period not exceeding one month, one or more bank account or accounts of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this

Act, or the rules or the regulations made thereunder :

Provided that only the bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached;

(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation :
Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in Section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market :

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.

11B. Power to issue directions. Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —

(i) in the interest of investors, or orderly development of securities market; or

(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or

(iii) to secure the proper management of any such intermediary or person, it may issue such directions,—

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation.—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

11D. Cease and desist proceedings. If the Board finds, after causing an inquiry to be made, that any person has violated, or is likely to violate, any provisions of this Act, or any rules or regulations made thereunder, it may pass an order requiring such person to cease and desist from committing or causing such violation: Provided that the Board shall not pass such order in respect of any listed public company or a public company (other than the intermediaries specified under section 12) which intends to get its securities listed on any recognised stock exchange unless the Board has reasonable grounds to believe that such company has indulged in insider trading or market manipulation.

12. Registration of stock brokers, sub-brokers, share transfer agents, etc.

(3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:
Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard.

15-I. Power to adjudicate. (1) For the purpose of adjudging under sections 15A, 15B, 15C, 15D, 15E, 15F, 15G 87[,15H, 15HA and 15HB, the Board shall appoint any

officer not below the rank of a Division Chief to be an adjudicating officer for holding an inquiry in the prescribed manner after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty.

(2) While holding an inquiry the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the adjudicating officer, may be useful for or relevant to the subject-matter of the inquiry and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of any of the sections specified in subsection (1), he may impose such penalty as he thinks fit in accordance with the provisions of any of those sections.

(3) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 15T, whichever is earlier."

22. Administrative functions of the Board are broadly referable to Section 11(1) of the Act, which states as follows :

"11. Functions of Board. (1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by

such measures as it thinks fit."

23. Legislative functions, namely that of making of Regulations is referable to Section 30 of the Act which reads as follows :

> **"30. Power to make regulations.** (1) The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.
>
> (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely :—
>
> (a) the times and places of meetings of the Board and the procedure to be followed at such meetings under sub-section (1) of section 7 including quorum necessary for the transaction of business;
>
> (b) the terms and other conditions of service of officers and employees of the Board under sub-section (2) of section 9;
>
> (c) the matters relating to issue of capital, transfer of securities and other matters incidental thereto and the manner in which such matters shall be disclosed by the companies under section 11A;
>
> (ca) the utilisation of the amount credited under sub-section (5) of section 11;
>
> (cb) the fulfilment of other conditions relating to collective investment scheme under subsection (2A) of section 11AA;
>
> (d) the conditions subject to which certificate of registration is to be issued, the amount of fee to be paid for certificate of registration and the manner of suspension or cancellation of certificate of registration under section 12;
>
> (da) the terms determined by the Board for settlement of proceedings under sub-section (2) and the procedure for conducting of settlement proceedings under sub-section (3)

of section 15JB;

(db) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations."

24. It may be stated that both Rules made under Section 29 as well as Regulations made under Section 30 have to be placed before Parliament under Section 31 of the Act. It is clear on a conspectus of the authorities that it is orders referable to Sections 11(4), 11(b), 11(d), 12(3) and 15-I of the Act, being quasi-judicial orders, and quasi judicial orders made under the Rules and Regulations that are the subject matter of appeal under Section 15T. Administrative orders such as circulars issued under the present case referable to Section 11(1) of the Act are obviously outside the appellate jurisdiction of the Tribunal for the reasons given by us above. Civil Appeal No.186 of 2007 is, therefore, allowed and the preliminary objection taken before the Securities Appellate Tribunal is sustained. The judgment of the Securities Appellate Tribunal is, accordingly, set aside.

25. In this view of the matter, Civil Appeal No.5173 of 2006 being a challenge to the merits of the impugned circular, has necessarily to be dismissed. We make it clear that liberty is granted to take appropriate steps in judicial review proceedings to challenge the aforesaid circular

in accordance with law. Civil Appeal No.5173 of 2006 is disposed of accordingly.

..... J.
(PINAKI CHANDRA GHOSE)

..... J.
(R. F. NARIMAN)

New Delhi;
March 7, 2017.

SUPREME COURT OF INDIA
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JUDGMENT