

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 8TH DAY OF MAY, 2026

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.711 of 2022

1. Mahesh Somabhai Desai
B17, Chaapra, Nr. Chhaya Flat,
Somabhai Rabari Vasahat,
Ghatlodia, Ahmedabad-380061.
2. Dhiren Dharamdas Agrawal HUF
13, Sharda Nagar Society,
Opp. Bhimnath Mahadev,
Paldi, Ahmedabad-380007.
3. Janakray Vithaldas Soni
36, Anurag Bungalow,
SVM School Lane,
Science City, Sola,
Ahmedabad-380060. ...Appellants

(By Mr. Kunal Katariya, Advocate with Ms. Jyoti Pandey, Advocate
i/b. Lexkare Legal for Appellants.)

Securities and Exchange Board of India
Plot No.C4-A, G-Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051. ...Respondent

(By Mr. Suraj Chaudhary, Advocate with Ms. Khushbu Chhajer, Ms. Khushbu Trivedi and Mr. Pulkit Awasthi, Advocates i/b. MDP Legal, Advocates for the Respondent.)

**With
Appeal No.712 of 2022**

1. Vipul Jigisha Bundela
9, Bansi Park Society,
Patel Vas, Kochrab,
Ellisbridge, Ahmedabad-380006.
2. Khyati Vipulkumar Bundela
9, Bansi Park Society,
Patel Vas, Kochrab,
Ellisbridge, Ahmedabad-380006.
3. Jigisha Bundela
9, Bansi Park Society,
Patel Vas, Kochrab,
Ellisbridge, Ahmedabad-380006.
4. Jitendra Hasmukhlal Vyas
M-23-272, Darshan Apartment,
Block No.1 to 30,
Naranpura, Ahmedabad-380063. ...Appellants

(By Mr. Kunal Katariya, Advocate with Ms. Jyoti Pandey, Advocate i/b. Lexkare Legal for Appellants.)

Securities and Exchange Board of India
Plot No.C4-A, 'G' Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051. ...Respondent

(By Mr. Suraj Chaudhary, Advocate with Ms. Khushbu Chhajer, Ms. Khushbu Trivedi and Mr. Pulkit Awasthi, Advocates i/b MDP Legal, Advocates for the Respondent.)

THESE APPEALS ARE FILED UNDER SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO SET ASIDE THE ORDER DATED MAY 31, 2022 PASSED BY THE AO, SEBI

THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON APRIL 17, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P. S. Dinesh Kumar, Presiding Officer

These two appeals are directed against order dated 31.05.2022 passed by the AO¹, SEBI² imposing penalties on the appellants mentioned in para 32 of the impugned order for violation of the Securities laws.

2. Brief facts of the case are:

a) Based on SCORES³ complaints, SEBI conducted an investigation into the scrip of Shree Global Tradefin Limited ('SGTL/Company' for Short) for the period between 29.08.2011 and March 30.03.2012.

b) SEBI issued three SCNs⁴. The first SCN was issued on 20.04.2012 for the investigation period between 01.03.2009 and 30.11.2009. After adjudication, AO passed

¹ Adjudicating Officer

² Securities and Exchange Board of India

³ SEBI Complaints Redress System

⁴ Show Cause Notice

order dated 14.09.2012, imposing a penalty of ₹30 Lakh each on one Sanjay Soni and his wife, Krupa Soni. The said order⁵ was challenged in this Tribunal and this Tribunal *vide* order dated 24.01.2014⁶ reduced the penalty from ₹30 Lakh to ₹10 Lakh each.

- c) SEBI issued second SCN on 20.07.2017 for the investigation period between 01.04.2010 and 10.01.2011. After adjudication, AO passed order dated 25.10.2018 imposing penalties on Sanjay Soni and others, the said order was set aside by this Tribunal⁷.
- d) The present appeal is filed against the impugned order arising out of the third SCN dated 12.02.2021 for the investigation period between 29.08.2011 and 30.03.2012 issued by SEBI.
- e) Noticee Nos.1 to 6 were buyers who repeatedly placed 'buy' orders at prices higher than the Last Traded Price ('LTP' in short), which resulted in increase in price. Noticee Nos.7 and 8 were the sellers and the 'sell' orders placed by them were frequently matched with the 'buy' orders placed by Noticee Nos.1 to 6. Noticee No.9 was the authorised person, who placed the orders on behalf of Noticee No.2.
- f) SEBI found that the price of the scrip significantly increased by 66% from ₹232.70⁸ to ₹387.30⁹ within a

⁵ order dated 14.09.2012

⁶ in Appeal No.32 of 2013

⁷ in Appeal No.102 of 2019, decided on 14.11.2019

⁸ on 29.8.2011

short span of 17 trading days and thereafter, declined sharply to ₹105.90¹⁰. Thus, SEBI concluded that the Noticees had manipulated the price of the scrip and violated Securities laws. After adjudication of SCN, AO has imposed penalties on nine Noticees. Seven out of the nine Noticees have challenged the impugned order in these two appeals. Appeal No.711 of 2022 is filed by Noticee Nos.2, 4 and 5, Appeal No.712 of 2022 by Noticee Nos.6 to 9.

3. We have heard Mr. Kunal Katariya, learned Advocate for the appellants and Mr. Suraj Chaudhary, learned Advocate for the SEBI.

4. Mr. Katariya submitted that in this case, the investigation period is between 29.08.2011 and 30.03.2012. SEBI appointed an AO in 2015 and he did not initiate any proceedings. After his superannuation, another AO was appointed and he issued an SCN on 12.02.2021. Thus, there is a delay of 10 years in issuing the SCN. He relied upon *SEBI v. Sunil Krishna Khaitan & Ors*¹¹ and *Ashlesh Gunvantbhai Shah v. SEBI*¹² and prayed for setting aside the impugned order.

5. In reply, Mr. Suraj Chaudhary for SEBI submitted that appellants have failed to demonstrate prejudice, if any, caused due to delay in the proceedings. He submitted that violation of

⁹ on 23.9.2011

¹⁰ on 30.3.2012

¹¹ Civil Appeal No.8249 of 2013, decided by the Hon'ble Supreme Court of India on 11.07.2022

¹² Appeal No.169 of 2019, decided on 31.01.2020 by the Securities Appellate Tribunal, Mumbai

Securities laws affects innocent investors and therefore, some latitude must be given to the Regulator. He relied upon *SEBI v. Bhavesh Pabari*¹³, *Hindustan Times Limited v. Union of India & Ors*¹⁴ and *Pratik Minerals Pvt Ltd. v. SEBI*¹⁵.

6. We have carefully considered the rival contentions and perused the records.

7. Admitted position is, the scrip involved is SGT. SEBI conducted investigation for the period 01.03.2009 and 30.11.2009 and held Sanjay Soni and others guilty of violation of Securities laws. Upon challenge, this Tribunal reduced the penalty in that case.

8. The second investigation period is between 01.04.2010 and 10.01.2011. For that period, SEBI issued SCN after seven years and adjudicated the matter and imposed penalties¹⁶ on the Noticees. Upon challenge, this Tribunal¹⁷ set aside SEBI's order holding that there was an inordinate delay in initiating proceedings.

9. The instant case is even worse. The investigation period is between 29.08.2011 and 30.03.2012. The first AO was appointed 21.10.2015 and he slept over the matter till his retirement. SEBI appointed another officer, who has passed the impugned order on 31.05.2022.

¹³ (2019) 5 SCC 90

¹⁴ (1998) 2 SCC 242

¹⁵ 2018 SCC Online SAT 274

¹⁶ AO Order dated 25.10.2018

¹⁷ in Appeal No.102 of 2019, decided on 14.11.2019

10. The chronology of events clearly shows that SEBI has conducted three different investigations in a piece-meal manner in respect of very same scrip for the period between March, 2009 and March, 2012. The second adjudication order passed in 2018 has been set aside by this Tribunal in 2019 on the ground of inordinate delay. Yet, SEBI issued the third SCN in flagrant disrespect to the view expressed by this Tribunal in *Sanjay Jethalal Soni and Ors. v. SEBI*¹⁸ in respect of the second SCN. This conduct of SEBI is deprecated.

11. In the facts recorded hereinabove, this appeal deserves to be allowed only on the ground of delay and it is accordingly **allowed**.

12. Pending interlocutory application(s), if any, stand disposed of. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

08.05.2026

RHN

¹⁸ Appeal No.102 of 2019