

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 11TH DAY OF JUNE, 2026

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

Appeal No.121 of 2024

Prince Securities
Through its Proprietor Pradeep Babel
C-503, Royal Classic CHSL,
New Link Road, Andheri (W),
Mumbai – 400053.Appellant

(By Mr. Himanshu Agarwal, Advocate i/b. Bellator Legal Services
for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, C-4A, G-Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051.Respondent

(By Vyom Shah, Advocate with Ms. Khushbu Chhadjed, Ms.
Khushbu Trivedi and Mr. Pulkit Awasthi, Advocates i/b. MDP
Legal for the Respondent.)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE
SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO
SET ASIDE THE ORDER DATED JUNE 16, 2010 PASSED BY THE
AO, SEBI.

THIS APPEAL COMING ON FOR HEARING THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P.S. Dinesh Kumar, Presiding Officer (Oral)

This appeal is directed against order dated June 16, 2010 passed by the AO¹, SEBI² imposing penalty of Rs.6 Lakhs on the appellant for violation of the securities laws.

2. We have heard Mr. Himanshu Agarwal, learned Advocate for the appellant and Mr. Vyom Shah, learned Advocate for the respondent.

3. Brief facts of the case are, SEBI conducted an investigation into the trading of the scrip of Silicon Valley Infotech Pvt. Ltd. ('Silicon' for short) between November 1, 2002 and April 23, 2003. The total quantity of shares traded was 70,15,661 and it was found that majority of the trades were cross deals. There were no details with regard to settlement-wise pay in/pay out of funds. The promoter related entities were major sellers through all the stock brokers.

4. An SCN³ dated May 7, 2009 was issued to the appellant stating *inter alia* that the noticee along with the buyer by name

¹ Adjudicating Officer

² Securities and Exchange Board of India

³ Show Cause Notice

Rocky Marketing Pvt. Ltd. had colluded with a stock broker, Bubna Stock Broking Services Ltd. ('Bubna' for short) and other promoter related entities and purchased 8.75 Lakh shares of Silicon from Bubna to create artificial volume and manipulate the scrip price. The SCN was undelivered with the postal remark as 'address not known'. A copy of the SCN was sent through the stock broker Bubna and the stock broker replied stating that the SCN could not be served as the office of noticee was not available at the given address. Efforts to affix the SCN also failed for want of full address. SEBI tried to find out address from NSDL⁴ and CDSL⁵ but appellant could not be served with the SCN. The hearing notice also came back undelivered with a remark 'no such company at the given address'. A copy of the hearing notice sent to the address taken from the RoC⁶ was delivered. However, a letter dated February 16, 2010 was received from Prince Securities Services Pvt. Ltd. stating that no concern by name 'Prince Securities' had ever existed in that address and that Prince Securities Services Pvt. Ltd. did not have share trading investment activities.

5. Thus, all attempts to serve the SCN and hearing notice failed and the notice was published in Hindustan Times on April 9 and 10 of 2010. Thereafter, the Adjudicating Officer has passed the impugned order *ex-parte*.

⁴ National Securities Depository Limited

⁵ Central Depository Services Limited.

⁶ Registrar of Companies

6. Learned Advocate for the appellant submitted that appellant was neither served with the SCN, nor the hearing notice nor the final order. Adverting to para 12 of SEBI's limited affidavit-in-reply, he submitted that SEBI has admitted that inadvertently incorrect address was mentioned to serve the impugned order. Appellant is not involved in any illegal transaction. The alleged transactions are of the year 2002-03. The copy of the impugned order was served through a stock broker 'Zerodha Broking Ltd.' at his present address and also on appellant's email id in 2023. He argued that an adjudication order passed in the year 2010, in respect of transactions for the year 2002-03, was served on appellant's email id in 2023 and any further continuance of the proceedings amounts to abuse of process of law and causes serious prejudice to the appellant.

7. In reply, Mr. Vyom Shah, learned Counsel for the SEBI submitted that SEBI made all efforts in accordance with law to serve the appellant. Appellant did not appear in the adjudication proceedings. Therefore, the AO had to pass an *ex-parte* order. Appellant is involved in manipulative trading and there is no error in the impugned order.

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

9. Undisputed facts of the case are, the alleged manipulative trades have taken place in Calcutta Stock Exchange during 2002-03. The AO has given a detailed account with regard to

efforts made for service of SCN and hearing notice in para Nos.15 to 19. The impugned order is dated June 16, 2010. Appellant has pleaded in para 5(A)(vi) of the memorandum of appeal that on November 02, 2023, a copy of the impugned order was sent on his email and hand delivered to him through his broker Zerodha Broking Ltd., at his present address. In para 5(A)(xv) the appellant has pleaded thus:

“It is submitted that Respondent always had email-id of the Appellant and for the first time has emailed the impugned order only on 2nd November 2023 on Appellant’s id.”

10. In its affidavit-in-reply, though SEBI has dealt with other paragraphs specifically, there is no specific reply to para 5(A)(vi) and 5(A)(xv) of the memorandum of appeal. Thus, no explanation is forthcoming as to why the impugned order was not served for a period of 13 years. The alleged transactions are quarter century old. The Calcutta Stock Exchange has also been closed.

11. In the light of the facts recorded hereinabove, in our considered opinion, any further continuance of proceedings pursuant to the impugned order is abuse of process of law.

12. Hence, the following:

ORDER

1. Appeal No.121 of 2024 is **allowed**.

2. Order dated June 16, 2010 passed by the AO, SEBI is set aside.
3. Pending interlocutory application(s), if any, stand disposed of.
4. SEBI shall refund the deposit made by the appellant as a condition to grant interim order by this Tribunal.
5. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

11.06.2026
RHN