IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

Dated this the 10th day of August, 2026

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

Appeal No. 007 of 2026

[Along with Misc. Application No. 474 of 2026]

BETWEEN:

1. Dipesh Mehta HUF
2. Piyush Mehta HUF

Kingston Tower, 3005, 30th Floor,
G D Ambekar Marg, Parel,
Mumbai – 400 033. ….. Appellants

(Mr. Kunal Katariya and Ms. Ashmita Goradia, Advocates i/b SD & Associates for the Appellant)

AND:

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

(By Mr. Vishal Kanade and Ms. Prapti Kedia, Advocates i/b Agama Law Associates for the Respondent)

AND

Appeal No. 008 of 2026

[Along with Misc. Application No. 475 of 2026]

BETWEEN:

1. Hansraj Randhir Shah HUF
2. Randhir Virji Shah HUF
3. Pinakin Hansraj Shah HUF
4. Punaiben Hansraj Shah
5. Raahul Hansraj Shah HUF

1 Veer Building, Ground Floor,
16 D Tagore Road,
Santacruz (West),
Mumbai – 400 054. ….. Appellants

(Mr. Kunal Katariya and Ms. Ashmita Goradia, Advocates i/b SD & Associates for the Appellant)

AND:

Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

(By Mr. Vishal Kanade and Ms. Prapti Kedia, Advocates i/b Agama Law Associates for the Respondent)

THESE APPEALS ARE FILED UNDER SECTION 15T OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO QUASH AND SET ASIDE THE IMPUGNED ORDER DATED OCTOBER 23, 2025 PASSED BY THE QUASI JUDICIAL AUTHORITY OF SEBI.

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

O R D E R

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

These two appeals are directed against order dated October 23, 2025 passed by the QJA[1], SEBI[2].

2. Appeal No.7 of 2026 is filed by Noticee Nos.12 and 14 (Dipesh Mehta HUF[3] and Piyush Mehta HUF respectively). Appeal No.8 of 2026 is filed by Noticee Nos.15,16, 19 to 21 (Hansraj Randhir Shah HUF, Hansraj Randhir Shah, Pinakin

[1] Quasi Judicial Authority
[2] Securities and Exchange Board of India
[3] Hindu Undivided Family

Hansraj Shah HUF, Pinakin Hansraj Shah and Raahul Hansraj Shah respectively).

3. We have heard Mr. Kunal Katariya, learned Advocate for appellant and Mr. Vishal Kanade, learned Advocate for SEBI.

4. At the outset, Mr. Kunal Katariya, learned Advocate for the appellants submitted that appellants do not challenge the findings recorded against them by the QJA in the impugned order. They restrict their prayer only on the aspect of proportionality inasmuch as the QJA has not properly considered Section 15J of the SEBI Act, 1992[4]; and prayed that this Tribunal may suitably reduce the quantum of penalty and debarment imposed against the appellants.

5. Mr. Vishal Kanade, learned Advocate for SEBI submitted that there is no error or legal infirmity in the impugned order. Appellants have accepted the findings. The QJA has properly considered the factors to be taken in account while adjudging the quantum of penalty under Section 15J of the SEBI Act, 1992 in paras 130 to 132 of the impugned order. Hence, no interference is called for.

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

7. Brief admitted facts of the case are, one Jitendra Kewalramani ('Ramani' for short), an authorised person had used appellants' demat accounts in front running the trades of three big clients, namely Bharat Kanaiyalal Sheth Family Trust, Ravi Kanaiyalal Sheth Family Trust and Arjun Discretionary Trust.

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[4] Securities and Exchange Board of India Act, 1992

8. Ramani was Noticee No.2 in the SCN. Noticee Nos.1 to 5 and 25 *vide* order dated 19.12.2024 got their matters settled with the SEBI under SEBI (Settlement Proceedings) Regulations, 2018.

9. Mr. Katariya has submitted that the demat accounts of the appellants herein were used as 'mule' accounts. Ramani has paid the entire disgorgement amount in terms of settlement. He relied upon the order dated 24.07.2026 passed by the SEBI in the case of Madhav Stock Vision Private Limited ('Madhav Stocks' for short) and others and submitted that the disgorgement ordered in that case was ₹2.51 Crore and the penalty imposed under Section 15HA of the SEBI Act was only ₹5 Lakh each on all noticees therein. He argued that SEBI as a Regulator cannot be permitted to treat the noticees in different cases in an arbitrary manner.

10. The appellants have accepted the findings. Therefore, the question that remains for consideration is, the quantum of debarment and penalty ordered against the appellants.

11. We have perused the order dated 24.07.2026 in Madhav Stocks. That was also a case of front running. Para 33.3 of that order reads thus:

> *"The Noticees shall jointly and severally disgorge the unlawful gains amounting to ₹ 2,51,15,698.30 made by them on account of front running trades along with simple interest at the rate of 12% per annum, calculated from the end of the investigation period (i.e., December 01, 2023) till the date of deposit of the unlawful gains by the Noticees in compliance with the Interim Order (i.e., April 24,2025). This amount shall be remitted to the Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of SEBI Act, within forty-five (45) days from the date of receipt of this Order, and the payment can be made through the designated payment link provided on the SEBI homepage (www.sebi.gov.in) under "Click here to make payment to SEBI IPEF". The Noticees are allowed to utilize the amounts already deposited by them, towards compliance of this direction of disgorgement. Further, the*

Bank(s) maintaining the account(s) opened by the respective Noticees are directed to refund the excess amounts, if any, remaining in such account(s) after payment of the disgorgement amount by the Noticees."

12. Table 7 in para 33.4 of that order reads thus:

Table No. 7.

Noticee No.	*Name of the Noticee*	*Penalty Amount (in ₹) u/s 15HA of SEBI Act*
1.	*Madhav Stock Vision Pvt. Ltd.*	*5,00,000*
2.	*Jyotiswaroop Nandkishore Purohit*	*5,00,000*
3.	*Pankit Bhagwati Jhaveri*	*5,00,000*
4.	*Rajesh Bhagwati Jhaveri*	*5,00,000*
5.	*Ajay Sampatraj Jain*	*5,00,000*
6.	*Rajkumar Prabhu Damani*	*5,00,000*

13. A careful perusal of the above shows that in a case where disgorgement of ₹2.51 Crore was imposed, the penalty of only ₹5 Lakhs has been imposed against each noticee therein. Further, para No.11 in the Madhav Stocks shows that noticees therein were actively involved in the front running. In the instant case, appellants' defence is that their accounts were used as 'mule' accounts. In the written submissions, SEBI has urged that in view of the decision of this Tribunal in *Rahul H Shah v. SEBI*[5], name lending is a fraudulent activity. We may record that the ground urged by the appellants is, arbitrary imposition of penalties. Admitted position is in the case of Madhav Stocks, the penalty imposed on all noticees is ₹5 Lakhs each. In the case on hand, the maximum alleged illegal gain is ₹11.05 Lakhs by Noticee No.14, whereas the quantum of illegal gain, the penalty and period of debarment in this case is as follows:

[5] Appeal No. 83 of 2012, order dated 11.05.2012

TABLE OF PENALTIES

Noticee No.	***Name of Noticee***	***Illegal Gains (In Lakhs)***	***Penalty Amount***	***Debarment Period***
12.	*Dipesh Mehta HUF (Appellant No. 1 in Appeal No. 7 of 2026)*	*10.76*	*10,00,000*	*2 Years*
14.	*Piyush Mehta HUF (Appellant No. 2 in Appeal No. 7 of 2026)*	*11.05*	*12,00,000*	*2 Years*
15.	*Hansraj Randhir Shah HUF (Appellant No. 1 in Appeal No. 8 of 2026)*	*10.7*	*10,00,000*	*2 Years*
17.	*Randhir Virji Shah HUF (Appellant No. 2 in Appeal No. 8 of 2026)*	*3.87*	*5,00,000 Penalty paid*	*1 Year*
19.	*Pinakin Hansraj Shah HUF (Appellant No. 3 in Appeal No. 8 of 2026)*	*8.78*	*8,00,000*	*1 Year*
20.	*Punaiben Hansraj Shah (Appellant No. 4 in Appeal No. 8 of 2026)*	*4.62*	*5,00,000 Penalty paid*	*1 Year*
21.	*Raahul Hansraj Shah HUF (Appellant No. 5 in Appeal No. 8 of 2026)*	*6.33*	*6,00,000*	*2 Years*

14. SEBI is a market Regulator vested with the powers to impose penalty, order debarment and disgorgement. Its officers exercise quasi-judicial powers. In this case, it was argued by the appellants that the entire disgorgement amount has been paid under the settlement. In our view, imposing penalty must be uniform. When compared with Madhav Stocks, the penalty imposed on the appellants is grossly disproportionate. In our considered view, uniform minimum penalty of ₹5 Lakhs each against all the appellants and debarment of one year shall meet ends of justice.

15. Hence, the following:

ORDER

i. Appeal Nos.7 and 8 of 2026 are ***allowed in part***.
ii. The impugned order is modified *qua* the appellants herein and the penalty is reduced to ₹5 Lakhs on each appellant and debarment to one year.
iii. Remaining portion of the order is undisturbed.
iv. Pending interlocutory application(s), if any, stand disposed of.
v. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

10.08.2026
msb