

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 03RD DAY OF NOVEMBER, 2025.

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

Appeal No. 486 of 2025

[Along with Misc. Application Nos. 1148 and 1149 of 2025]

BETWEEN:

Sudhir Agarwal HUF
H. No. 5-2-1981, Distillery Road,
Ranigunj, Hyderabad,
Telangana – 500 048.

...Appellant

Ms. Kanksha Vyas, Advocate i/b Juris Link 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

Mr. Manish Chhangani, Advocate with Mr. Sumit Yadav,
Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b The
Law Point for the Respondent–SEBI.

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SEBI
ACT, 1992 TO SET ASIDE THE ORDER DATED 16.02.2022
PASSED BY AO OF SEBI.

THIS APPEAL HAVING BEEN HEARD AND THE TRIBUNAL
MADE THE FOLLOWING:

ORDER

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

This appeal is directed against the order dated February 16, 2022 passed by the AO¹ of SEBI² imposing a penalty of Rs. 5,00,000/- on the appellant for indulging in reversal trades in illiquid stock options.

2. We have heard Ms. Kanksha Vyas, learned advocate for the appellant and Shri Manish Chhangani, learned advocate for the respondent.

3. There is a delay of 1273 days in filing this appeal. Learned advocate for the appellant submitted that appellant had not collected the adjudication order. He learnt about the same only after receipt of the recovery certificate.

4. Shri Manish Chhangani, learned advocate for SEBI pointed out that the appellant had received the adjudication order and the same is enclosed by the appellant himself as Exhibit 'A' along with the memorandum of appeal. He submitted that the address mentioned in the adjudication order as also in recovery certificate are one and the same. Therefore, the delay in filing this appeal on the ground that appellant had 'not received / collected the impugned order does not merit any consideration'.

¹ Adjudicating Officer

² Securities and Exchange Board of India

5. Undisputed facts of the case are, appellant has participated in the proceedings before SEBI. The adjudication order has been sent through registered post acknowledgment due. Appellant has produced the same along with the memorandum of appeal as Exhibit 'A'. The address mentioned in Exhibit 'A' and the recovery certificate is one and the same i.e. "H. No. 5-2-1981, Distillery Road, Ranigunj, Hyderabad, Telangana – 500 048". The appellant has participated in the proceedings. It is stated in the application for condonation of delay that the appellant has inadvertently missed the impugned order as well as the recovery notice.

6. The appellant having participated in the proceedings and having produced the adjudication order and the bank account attachment order along with the memorandum of appeal, cannot be heard to contend that he had inadvertently missed the impugned order. One of the contentions urged before the AO is, that the contract in which the noticee had traded was not banned. The AO has rightly held that the allegations against the appellant is generating artificial volume by executing reversal trades. The other ground urged is that the counter party is not related to the appellant. This ground is also untenable because, the allegation is that the counter party was the same in both legs of the reversal transactions. Appellant's defense is that the counter party is not related. That aspect is immaterial. What is relevant for consideration is whether the parties are same in both 'buy' and 'sell' transactions. The fact that counter party is same in both 'buy' and 'sell'

transactions it establishes that the appellant has indulged in reversal trades.

7. Thus considered the appeal on both delay and merit, we find no ground to interfere. Appeal stands dismissed. 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

03.11.2025

PK