IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

DATED THIS THE 4TH DAY OF NOVEMBER, 2026

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

Appeal No. 389 of 2026
And
Misc. Application No. 1148 of 2026

Between

1. S R Traders
   (Proprietor – Mahesh Bhai Jayantilal Chauhan)
   879-A, Marwadi Street, Hajam Gali,
   Ajad Galli, Gheekanta,
   Ahmedabad – 380 001.

2. Mr. Fulabhai Bhithor
   146, Nehrunagar, Kubernagar,
   Ahmedabad – 382 340. …. Appellants

By Ms. Sneha Pandey, Advocate i/b Mr. Jitendra Sharda, Advocate for the Appellants.

And

Securities and Exchange Board of India
SEBI Bhavan-2, C-7, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051. …. Respondent

By Mr. Manish Chhangani, Advocate with Mr. Karthik K.P., Ms. Sanskrity Purohit, Mr. Devya Shah, Advocates i/b. The Law Point for the Respondent.

THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE ORDER DATED FEBRUARY 12, 2026 (EX-A) PASSED BY AO, SEBI.

THIS APPEAL COMING ON FOR HEARING THIS 4TH DAY OF NOVEMBER, 2026, THIS TRIBUNAL PASSED THE FOLLOWING:

O R D E R

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

This appeal is directed against order dated February 12, 2026 passed by AO[1], SEBI[2], imposing penalty on the appellants for violation of Securities laws.

2. We have heard Ms. Sneha Pandey, learned advocate for the appellants and Mr. Manish Chhangani, learned advocate for the respondent.

3. For the reasons stated therein, Misc. Application No. 1148 of 2026 for condonation of delay of 188 days in filing this appeal is allowed and disposed of.

4. Admitted position is that the AO, SEBI has initiated certain proceedings against the appellants and it has culminated in an *ex parte* order, impugned in this appeal.

5. Mr. Katariya submitted that though the show cause notice was served upon the appellants, the hearing notice was not served and it is contrary to the authority in ***Bajranglal B. Maloo HUF vs. SEBI[3]***.

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[1] Adjudicating Officer
[2] Securities & Exchange Board of India
[3] Appeal No. 564 of 2021 decided on August 31, 2021

6. Mr. Katariya's contention that hearing notice was not served and the position of law as held in ***Bajranglal B. Maloo (supra)*** is not disputed by the learned advocate for the respondent.

7. We have perused *Bajranglal B. Maloo* and note that this Tribunal has ruled in that case that an opportunity of hearing before passing the impugned order is mandatory under Rule 4(3) of the Rules[4].

8. In the circumstances, the order dated February 12, 2026 is unsustainable and accordingly set aside. Matter is remitted to the AO for fresh consideration in accordance with law.

9. Appellants are granted four weeks from today to file their reply. They shall appear before the AO on **December 10, 2026** without waiting for any notice from the SEBI.

10. Appeal stands disposed of in above terms. 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

04.11.2026
PTM

MRS PRAMILA
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[4] SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995