

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 28TH DAY OF APRIL, 2026

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

**Misc. Application No.282 of 2026
In
Appeal No.86 of 2026
[Along with Misc. Application Nos.281
and 393 of 2026]**

1. Tirth Uttamchand Mehta
Bungalow No.3,
Chandramoleshwar Farm,
Opposite Ashok Vatika,
Near Ekta Farm, Bopal Ambli Road,
Ahmedabad, Gujarat-380058.
2. Uttamchand Chandanlal Mehta
Bungalow No.3,
Chandramoleshwar Farm,
Opposite Ashok Vatika,
Near Ekta Farm, Bopal Ambli Road,
Ahmedabad, Gujarat-380058.
3. Sharad Ramkrishana Gattani
C-04, North Park Villas,
Behind Belvedere Club, Adani Shantigram,
Near Vaishnodevi Circle, S.G. Highway,
Ahmedabad, Gujarat-382421. ...Appellant

(By Mr. Pesi Modi, Senior Advocate with Mr. Neville Lashkari, Ms. Nirali Mehta and Ms. Naina Das, Advocates i/b. Mindspright Legal for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051.

...Respondent

(By Mr. Shiraz Rustomjee, Senior Advocate with Ms. Shreya Parikh, Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b. The Law Point for the Respondent.)

THIS MISC. APPLICATION IS FILED IN APPEAL NO.86 OF 2026 TO STAY THE OPERATION OF THE ORDER DATED FEBRUARY 05, 2026 PASSED BY THE WTM, SEBI.

THIS MISC. APPLICATION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON APRIL 21, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

INTERIM ORDER

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

This appeal is directed against order dated February 05, 2026 passed by the WTM¹, SEBI² debarring the appellants from accessing the securities market for a period of one year and imposing a penalty of ₹10 Lakhs each on them.

¹ Whole Time Member

² Securities and Exchange Board of India

2. We have heard Mr. Pesi Modi, learned Senior Advocate for the appellants and Mr. Shiraz Rustomjee, learned Senior Advocate for the SEBI.

3. Brief facts of the case are, SEBI issued an *ex parte* interim order cum SCN³ dated July 31, 2024 alleging that Noticee Nos.1 to 10 had made profit based on a scheme devised to manipulate the volume and price of shares of Unison Metals Limited ('Unison Metals/Company' for short). Pursuant to said order, 9 noticees deposited a sum of ₹4.23 Crores in escrow account with lien marked in favour of SEBI. After adjudication, the WTM has passed the impugned order imposing penalties and debarment on 16 out of 17 noticees. Noticee No.16 has been exonerated.

4. Appellants herein are Noticee Nos.14, 15 and 17. Tirth Mehta, the Noticee No.14 is the Managing Director of Unison Metals Ltd. Noticee No.15 is his father and a promoter. He was also a Director till February 2021. Currently, he is the Chairman of Mangalam Alloys Ltd., which is also a listed Company and a group Company of Unison Metals Ltd. Noticee No.17 is Tirth Mehta's father-in-law.

5. Mr. Pesi Modi, learned Senior Advocate for the appellants submitted that it is alleged against the appellants that they had aided and abetted an alleged scheme to manipulate the stock price of Unison Metals during December, 2021. They were in

³ Show Cause Notice

communication with Shailesh S Patel, Noticee No.11. He was in communication with Jalaj Agrawal (Noticee No.12) and Arvind Shukla (Noticee No.13), who had disseminated stock recommendation on Telegram channels, which had resulted in artificially inflating trading volumes and prices. Noticee Nos.1 to 10 sold the shares at inflated prices and made a profit of ₹3.87 Crores. He submitted that the purported recommendations were simply to 'buy' the scrip with no reasons specified. The Company was performing very well. It issued 4:1 bonus shares on October 8, 2021 and later the Rights issue in May 2025, which was fully subscribed. The Company has commenced a new business and set up a plant in 2021 and it has now further expanded the set up with another chemical plant. There was also a share split of 1:10 on November 28, 2025, which would attract more investors and increase the shareholders.

6. He further submitted that appellants have not gained any benefit from the alleged fraud. None of them have sold any shares. Appellants are alleged to have shared the BENPOS⁴ with Shailesh, which was used to calculate the commission payable by the sellers. He submitted that the Company was in need of funds for its new expansion project of a chemical plant. The capital expenditure for setting up the plant was partly funded by SIDBI⁵ and additional funds were required for working capital. Tirth's father-in-law, Gattani knew Shailesh, who claimed that he knew

⁴ Beneficial Ownership Position statement

⁵ Small Industries Development Bank of India

certain HNI⁶ interested to invest in companies with good future prospects and wanted proof of promoters' shareholding and their trade details. Therefore, BENPOS was shared with Gattani, who in turn shared it with Shailesh. He submitted that Shailesh has admitted this fact before the SEBI in his statement.

7. Mr. Modi submitted that without any contrary evidence, the WTM rejected appellants' explanation and held that BENPOS must have been used to calculate the commission payable to Jalaj and Arvind. He submitted that there was no finding as to who had paid the commission. On the other hand, it is held in the impugned order that the payment of commission 'is not clearly ascertainable'.

8. Mr. Modi further submitted that BENPOS can never be used to calculate the alleged commission. BENPOS is only a list of shareholders and the number of shares held at the end of each week. It does not disclose any sale price or the daily sales. It is not a secret or unpublished price sensitive document and can be obtained by 'any person'. Therefore, the main allegation of providing BENPOS to Gattani, who in turn shared it with Shailesh is wholly untenable. He submitted that ICDR⁷ Regulations provide that if any promoter or director is debarred from accessing the capital market, the company shall not be eligible for making any public offer. Since the impugned order

⁶ High Net Worth Investors

⁷ SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

debars the Managing Director, the Company cannot make any further public offer, which adversely affects Company's progress.

9. He submitted that since appellants have not traded in any shares, there is no justification to debar them from the market. They have a clean track record and the impugned order is causing serious damage to their reputation and standing and in turn damaging the prospects of the Company and its public shareholders.

10. In reply, Mr. Rustomjee submitted that appellants had multiple connections with (i) scrip in question, (ii) the net sellers, who had received an exit in the 'pump and dump' scheme and (iii) the operator (Shailesh), who was giving instructions about fake recommendations. Appellants were periodically sharing the BENPOS with operators, which enabled the operators in ascertaining the commission on the basis of number of shares offloaded during the 'dump' phase.

11. He sought to explain the multiple connections between the parties. He submitted that Tirth, the Managing Director (appellant No.1) is son of the second appellant and third appellant is his father-in-law. He and his wife, Rashi Mehta are friends with Yayaati Nada and his wife (Noticee Nos. 1 and 2); and Hardik Patel (Noticee No.10). He submitted that there were 49 calls between Tirth and Yayaati during the investigation period. Yayaati was the central figure and principal beneficiary of fraud. He has sold the largest quantity of shares. He had taken trading decisions on behalf of Noticee Nos.2, 6, 7 and 9, who

belong to Nada's family. Gattani in his statement has admitted that he knew Yayaatis through his son and daughter-in-law.

12. He further submitted that Shailesh has admitted in his statement that he had known Gattani and interacted with him at least once a week. Shailesh had received BENPOS from Gattani on 22 different occasions. There are email trails showing that Shailesh had forwarded BENPOS data to Jalaj. Shailesh has admitted that he had met Tirth and his father in October/November 2021 and also exchanged several phone calls and messages. He has also admitted to have availed services of Jalaj and paid ₹18 Lakhs in cash to Jalaj. During the investigation period, appellants and Shailesh's son, Malay had exchanged phone calls.

13. Mr. Rustomjee argued that Shailesh was debarred in the past in 2010 in the matter of Shree Yaax Pharma and Cosmetics Limited and SEBI's findings have been upheld by this Tribunal. Both Jalaj and Arvind are serial offenders having carried out 'pump and dump' operations employing similar *modus operandi*. This Tribunal has upheld the findings in 'Superior Finlease', while challenge in 'Swarnim Trade Udyog' is pending. He also provided trading data and contended that the scrip had thin liquidity.

14. With regard to BENPOS, he submitted that quantity of shares off-loaded by net sellers could be ascertained by regular sharing of BENPOS data by Gattani with Shailesh and this formed an integral part of commission calculation. BENPOS contains list of shareholders and their holding. It is provided weekly or upon

request by Depositories. It tracks the ownership changes and differences in shareholding. He submitted that WhatsApp chats between Shailesh and Jalaj shows that Jalaj was receiving commission on the basis of number of shares sold on a particular day. On December 15, 2021, commission was calculated on the total sale of 4,10,000 shares, while Yayaatis (Noticee Nos.1 and 2) had contributed 3,05,000 shares out of the total market volume making their trades indispensable to computation. The figures used by operators (Shailesh, Jalaj and Arvind) could not have been arrived at without factoring in the sell quantity of Yayaatis.

15. Having heard learned Senior Advocates on both sides at length, we called upon Mr. Rustomjee to state specific allegation against the appellants. His answer was 'sharing the BENPOS' on several occasions and submitted he could not pitch SEBI's case any higher.

16. Thus, in substance, the solitary allegation against the appellants is that they have shared the BENPOS. The investigation period is December, 2021. SEBI passed the *ex parte* interim order cum SCN on July 31, 2024. Admittedly, there was no direction against the appellants in that interim order cum SCN, whereas the other Noticees have deposited ₹4.23 Crores in escrow account.

17. The relevant provision with regard to BENPOS reads thus:

“Section 94 of the Companies Act, 2013

Place of keeping and inspection of registers, returns, etc.

1. xxxxxxxxxxxxxxxxxxxx

2. xxxxxxxxxxxxxxxxxxxx

3 Any such member, debenture-holder, other security holder or beneficial owner or **any other person** may—

(a) take extracts from any register, or index or return without payment of any fee; or

(b) require a copy of any such register or entries therein or return on payment of such fees as may be prescribed.

Provided that such particulars of the register or index or return as may be prescribed shall not be available for inspection under sub-section (2) or for taking extracts or copies under this sub-section.

(4) If any inspection or the making of any extract or copy required under this section is refused, the company and every officer of the company who is in default shall be liable, for each such default, to a penalty of one thousand rupees for every day subject to a maximum of one lakh rupees during which the refusal or default continues.”

(Emphasis supplied)

18. The above provision clearly shows that ‘any person’ can obtain BENPOS. SEBI’s contention is that BENPOS has been used to calculate the commission. Admitted position is, appellants have not traded. There is no other allegation against them other than sharing the BENPOS. Therefore, in our view, debarring a person from accessing the securities market, pending consideration of the main appeal, on the sole allegation of sharing the BENPOS, which can be obtained by ‘any person’

would be harsh. In addition, the ICDR Regulations disentitles an entity from making any further public offer, if the promoter or director of the entity is debarred from accessing the capital market by SEBI. In this case, the Managing Director himself has been debarred. It was contended by Mr. Modi that the Company was doing very well. It gave bonus shares and the rights issue was fully subscribed. The said submissions were refuted by Mr. Rustomjee on the ground that those grounds are now urged and SEBI did not have an opportunity to verify. It is relevant that the said submissions are part of 'notes' filed by the appellants' learned Advocate under his signature and it is on record. It shall have consequences if found to be incorrect at the time of final hearing.

19. Mr. Modi also adverted to an email sent by one Mr. Debanshu Muukherji of Tata nexarc to Tirth. The email reads thus:

*"Subject: Withdrawal of credit limit-ABCL/TCL
Date: Monday, 20 April 2026 at 6:35:22 PM India Standard Time
From: Debanshu Mukherji
To: Accounts Head, Tirth Mehta
CC: Ashish Gupta, Ratneshwar Chakraborty, Arvind lyer*

Dear Sir,

The lending partner has decided to withdraw the existing credit limit extended to your organisation.

*As communicated to us by the lender, this decision has been taken pursuant to their internal credit review process, on account of adverse information concerning your entity, promoter and the parent entity. **The lender has specifically referred to***

recent regulatory and media reports, including enforcement action and penalties imposed by SEBI in relation to promoter-linked entities, which have resulted in a reassessment of credit exposure.

Accordingly, the lending partner has decided to exit the exposure, and no further disbursement or transactions are permitted under the said limit until further notice.

We would like to clearly reiterate that we act solely as a facilitator and intermediary between customers and lending institutions. We are not a financier or lender, and credit-related decisions, including sanction, withdrawal, suspension, or reinstatement of limits, are taken independently and solely at the discretion of the lending partner, in line with their internal policies and regulatory obligations.

This communication is shared to keep you informed of the lender's decision as received by us.

Please let us know if we can be of any further assistance.

*Regards
Debanshu Muukherji
7874535855”*

(Emphasis supplied)

20. Mr. Modi also submitted that the above email was received yesterday, therefore, could not be brought on record earlier. It is stated in the email that the lender has referred to the penalties imposed by the SEBI and decided to withdraw the existing credit limit to the Company. Mr. Modi argued that this shall have serious consequences on the Company. We may record that if the Company's financials are adversely affected, it shall have a toll on the investors. SEBI, as the Regulator, is duty bound to protect investors interest. We are the stage of considering interim prayer, pending final hearing.

21. In the light of above discussion, in our view, the balance of convenience lies in favour of the appellants for grant of interim protection. Based on material on record, we are of the *prima facie* opinion that in the interest of investors, the consequences of the impugned order can be deferred pending final hearing.

22. Hence, the following:

ORDER

- i. M.A.No.282 of 2026 in Appeal No.86 of 2026 ***is allowed***. The order dated February 05, 2026 passed by the WTM, SEBI shall remain stayed *qua* the appellants, pending consideration of the appeal, subject to deposit of 50% of penalty within two weeks from today.
- ii. Liberty is reserved to the respondent to move for early hearing after completion of pleadings.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

28.04.2026
RHN