

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF

Settlement Applications No.	Applicants	PAN	Settlement Order No.
8315/2025	Mr. Kushal Rajesh Sheth	GYRPS5547F	SO//PSD/2025-26/8315
8298/2025	Mr. Ashwin Somchand Sheth	AROPS0881N	SO//PSD/2025-26/8298
8300/2025	Mr. Ashwin Somchand Sheth HUF	AALHS4434B	SO//PSD/2025-26/8300
8301/2025	Ms. Kalpana Ashwin Sheth	APTPS1738K	SO//PSD/2025-26/8301
8313/2025	Mr. Somchand P Sheth	APTPS2119C	SO//PSD/2025-26/8313
8302/2025	Somchand P Sheth HUF	AALHS4432H	SO//PSD/2025-26/8302
8304/2025	Mr. Rajesh Somchand Sheth	AROPS0895G	SO//PSD/2025-26/8304
8314/2025	Rajesh Somchand Sheth HUF	AALHS4433G	SO//PSD/2025-26/8314
8305/2025	Ms. Dharmishtha Rajesh Sheth	APTPS1998B	SO//PSD/2025-26/8305
8307/2025	Ms. Aarti Rishi Shah	GYDPS6024P	SO//PSD/2025-26/8307
8311/2025	Mr. Pradeep Kantilal Shah	AAEPS6067M	SO//PSD/2025-26/8311
8308/2025	Nikunj Balchand Shah HUF	AAFHN5013H	SO//PSD/2025-26/8308
8310/2025	Chirag Balchand Shah HUF	AADHC1114Q	SO//PSD/2025-26/8310

8312/2025	BW Traders	AAXFB6487H	SO//PSD/2025- 26/8312
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(The aforementioned entities are hereinafter collectively referred to as “the Applicants”)

IN THE MATTER OF FRONT RUNNING OF THE TRADES OF BIG CLIENTS

1. The Applicants filed a *suo-motu* settlement application in terms of the Securities Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against them for the alleged violation of Sections 12A (a), (b), (c) and (e) of Securities Exchange Board of India Act, 1992 (hereinafter referred to as ‘**SEBI Act**’) and Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(q) of the Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices in Securities Market) Regulations, 2003 (hereinafter referred to as ‘**PFUTP Regulations**’) for front running the trades of Marcellus group.
2. Brief facts of the case are as follows:
 - 2.1 The applicants were repeatedly front-running the trades of Marcellus group entities (hereinafter referred to as “**Big Clients**”). Marcellus group entities here includes Marcellus Investment Managers Private Limited (SEBI registered PMS), Marcellus Rising Giants Fund (SEBI registered AIF category 3), along-with Dovetail Global Fund PCC – Marcellus India Fund (FPI) and Emory University – Marcellus Investment Managers Pvt Ltd. (FPI).
 - 2.2 The alleged Front Running scheme was orchestrated by Kushal Rajesh Sheth, who served as a dealer of Big Clients (as an employee of Marcellus Investment Managers Private Limited) and thus possessed non-public information regarding substantial impending orders. The investigation conducted by SEBI identified his immediate family members and relatives and other connected entities as the Front-Runners.

2.3 The orchestration of the front-running scheme is allegedly attributed primarily to Ashwin Somchand Sheth, the uncle of Kushal Rajesh Sheth. It is alleged that Ashwin Somchand Sheth either placed orders or instructed others to place orders in the trading accounts of the family members, relatives or other connected entities while possessing the non-public information. Further, the information was also passed on to Amit Mahida, who was also placing Front Running trades in his wife's account viz, Krishna Amit Mahida. The transfer of this crucial information from Kushal Rajesh Sheth to Ashwin Somchand Sheth was facilitated through multiple channels, including normal phone calls, WhatsApp chat, WhatsApp calls, WhatsApp images, and physical meetings.

3. The applicants have filed the present Settlement Applications for the purpose of settling the enforcement proceedings that may be initiated against it for the alleged violations mentioned at paragraph 1 above.
4. Pursuant to the receipt of the application, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on May 08 and May 16, 2025 wherein the details of the case were deliberated along with the terms of settlement. Thereafter, vide email dated May 23, 2025, the Applicants proposed the following revised settlement terms:

Sr. no.	Applicants	Indicative Amount	Disgorgement Amount at 12% interest	Non-Monetary Terms
1	Mr. Kushal Rajesh Sheth	₹57,00,000/-	-	Voluntary debarment from the securities market for a period of 6 months.
2	Mr. Ashwin Somchand Sheth	₹71,60,163/-	₹75,92,790/-	Voluntary debarment from the securities market for a period of 6 months.

3	Ashwin Somchand Sheth HUF	₹44,00,000/-	₹32,94,010.80/-	Voluntary debarment from the securities market for a period of 6 months.
4	Ms. Kalpana Ashwin Sheth	₹44,00,000/-	₹16,68,719.45/-	Voluntary debarment from the securities market for a period of 6 months.
5	Mr. Somchand P Sheth	₹44,00,000/-	₹23,21,306.03/-	Voluntary debarment from the securities market for a period of 6 months.
6	Somchand P Sheth HUF	₹44,00,000/-	₹23,41,591.79/-	Voluntary debarment from the securities market for a period of 6 months.
7	Mr. Rajesh Somchand Sheth	₹44,00,000/-	₹9,69,643.96/-	Voluntary debarment from the securities market for a period of 6 months.
8	Rajesh Somchand Sheth HUF	₹44,00,000/-	₹11,74,620.46/-	Voluntary debarment from the securities market for a period of 6 months.
9	Ms. Dharmishtha Rajesh Sheth	₹44,00,000/-	₹8,86,399.48/-	Voluntary debarment from the securities market for a period of 6 months.
10	Ms. Aarti Rishi Shah	₹44,00,000/-	₹7,36,801.58/-	Voluntary debarment from the securities market for a period of 6 months.

11	Mr. Pradeep Kantilal Shah	₹44,00,000/-	₹46,99,809.94/-	Voluntary debarment from the securities market for a period of 6 months.
12	Nikunj Balchand Shah HUF	₹44,00,000/-	₹24,19,913.01/-	Voluntary debarment from the securities market for a period of 6 months.
14	Chirag Balchand Shah HUF	₹44,00,000/-	₹11,18,220.64/-	Voluntary debarment from the securities market for a period of 6 months.
15	BW Traders	₹76,14,002/-	₹90,52,981.98/-	Voluntary debarment from the securities market for a period of 6 months.

5. Further, Kushal Rajesh Sheth, Ashwin Somchand Sheth, Amit Mahida and Krishna Amit Mahida were jointly and severally liable for the illegal gain made by one Krishna Amit Mahida amounting to ₹15,55,108/- (Rupees Fifteen Lakhs Fifty-Five Thousand One Hundred and Eight only) inclusive of the principal amount of ₹11,44,130 (Rupees Eleven Lakhs Forty-Four Thousand One Hundred Thirty only) and the interest amount of ₹4,10,978/- (Rupees Four Lakhs Ten Thousand Nine Hundred Seventy-Eight only). Accordingly, Ashwin Somchand Sheth has filed the RST proposing to pay the entire disgorgement amount of ₹15,55,108/- (Rupees Fifteen Lakhs Fifty-Five Thousand One Hundred and Eight only).
6. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on June 05, 2025 considered the revised settlement terms proposed by the Applicants and recommended that the case may be settled as per the settlement terms proposed by the applicants above.

7. The recommendation of the HPAC was approved by the Panel of Whole Time Members of SEBI on August 08, 2025. Subsequently, a Notice of Demand for the said amount was issued to the Applicants on August 22, 2025. The Applicants informed about the remittance of the aforesaid settlement amount on September 21, 2025 and SEBI has confirmed credit of the same.
8. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicants on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
 - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
 - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicants has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
9. This Settlement Order is passed on this 3rd day of October, 2025 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Sd/-

ANANTH NARAYAN G.
WHOLE TIME MEMBER

Sd/-

AMARJEET SINGH
WHOLE TIME MEMBER

