

IN THE SECURITIES APPELLATE TRIBUNAL AT MUMBAI

Order reserved for stay on: 02.09.2025
Order Delivered on: 09.09.2025

Misc. Application No. 937 of 2025

In

[Appeal No. 381 of 2025]

Rahul Rao Padamati ...Applicant

Versus

Securities and Exchange Board of India ...Respondent

Mr. Kunal Katariya, Advocate with Ms. Akansha Jain, PCS and Mr. Vikas Bengani, Advocate i/b Ms. Akansha Jain, PCS- for the Applicant / Appellant.

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

Order on Misc. Application No. 937 of 2025 for stay.

Shri Kunal Katariya learned advocate for the appellant submitted that the learned WTM has erred in law in directing the appellant to jointly and severally refund a sum of Rs. 16,89,35,792/-. He submitted that appellant is a drop out from engineering college. He was running a small restaurant but he had to close it down during the Covid lockdown period. Later, he met Noticee No. 1, Mohammad Nasiruddin Ansari and joined him as an employee. He further submitted that all the money received in appellant's account was either spent or transferred to the Company. He is not the beneficiary of the monies received by Noticee No. 1 or the

Company. With these submissions he prayed that the recovery proceedings initiated by the SEBI may be stayed.

2. In reply Shri Sumit Rai, for SEBI submitted that appellant has admitted in his reply to the show cause notice that Noticee No. 3 Tabraiz had guided them to open a private limited company which would have good growth and fortune. He has also admitted that he has received huge amount in his account and the entire amount was used for Company's purposes like conducting workshops and marketing as per directions of Noticee No. 1. Shri Rai, advertent to Table No. 2 in the impugned order pointed out that appellant holds 24% stake in Golden Syndicate Ventures Private Limited and he is a Director of that Company. Appellant has not challenged the *ex-parte* order passed by the SEBI. He has filed the instant appeal with a delay of 195 days, after initiation of recovery proceedings. Shri Rai submitted that appellant is one of the beneficiaries and urged that interim protection may not be granted without imposing any conditions.

3. We have considered rival contentions and perused the records.

4. Shri Rai is right in his submission that appellant has admitted in his reply to the show cause notice that he is one of the Directors of Golden Syndicate Ventures Private Limited and he held 24% stake in the said Company. He has also admitted that huge amount was received in his account and it was used for conducting workshops, marketing etc. as per instructions of Noticee No. 1. It is recorded in Table No.

11 in the impugned order that appellant has received a sum of Rs. 2,42,15,164.97/- through payment gateway for all the courses availed by the students.

5. In view of appellant's specific admission that he is the Director of Golden Syndicate Ventures Private Limited with 24% stake, we are unable to persuade ourselves to accept appellant's contention that he was working as an employee. As recorded hereinabove it is mentioned in Table No. 11 in the impugned order that appellant has received a sum of Rs. 2.42 Crores.

6. In our opinion, it would be just and appropriate to stay the recovery proceedings subject to deposit of 50% of the amount received by the appellant i.e. Rs. 1.20 Crores within four weeks from today. Ordered accordingly. SEBI shall keep the said amount in an interest bearing account.

7. The Misc. Application No. 937 of 2025 stands disposed of.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

09.09.2025
PK