

IN THE SECURITIES APPELLATE TRIBUNAL AT  
MUMBAI

DATED THIS THE 4<sup>TH</sup> DAY OF DECEMBER, 2024

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

**Appeal No. 679 of 2024**

**And**

**Misc. Application No. 1200 of 2024**

**And**

**Misc. Application No. 1201 of 2024**

Rakesh Shah  
503-504, Himalaya Calista-1, Jain Nagar,  
New Sharda Mandir Road, Paldi,  
Gujarat – 380007.

.... Appellant

Mr. Gaurav Joshi, Senior Advocate with Mr. Aditya Bhansali, Ms. Nirali Mehta, Mr. Keshav Taori, Ms. Naina Das, Advocates i/b Mindspright Legal for the Appellant.

**And**

Securities & Exchange Board of India  
SEBI Bhavan, Plot No. C-4A, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051.

.... Respondent

Mr. Chetan Kapadia, Senior Advocate with Mr. Nidhi Singh, Ms. Komal Shah, Mr. Harish Ballani, Mr. Nishin Shrikhande, Ms. Pooja Gera, Advocates i/b Vidhii Partners for the Respondent.

**THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE ORDER DATED SEPTEMBER 30, 2024 (EX-A) PASSED BY WTM, SEBI.**

**THIS APPEAL COMING ON FOR HEARING THIS 4<sup>TH</sup> DAY OF DECEMBER 2024, THIS TRIBUNAL PASSED THE FOLLOWING:**

**O R D E R**

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

We have heard Shri Gaurav Joshi, learned senior advocate for the appellant and Shri Chetan Kapadia, learned senior advocate for the respondent SEBI.

2. It was urged by Shri Joshi that no finding is recorded against the appellant (noticee no. 4) in the impugned order. Therefore, the interim directions in paragraph No. 157 of the impugned order qua the appellant are unsustainable.

3. In reply, Shri Kapadia submitted that though there is no specific finding, it is not in dispute that preferential shares were allotted by

noticee No. 1 company to appellant's associates for a consideration of about Rs. 6 Crore. The same was siphoned off by making a payment of Rs. 7 Crore to the associates of the noticee No. 4 as advance sale consideration to purchase a piece of land. It was a fictitious land deal. Though the said amount has been returned in installments, there is *prima-facie*, evidence with regard to the circular flow of funds.

4. Shri Joshi does not press for stay of directions at paragraph No. 157(a) and 157(c).

5. Regarding direction at para No. 157(b), it was submitted that the appellant may be permitted to deal in the shares other than the shares of noticee No. 1 company.

6. With regard to the directions at para No. 157(d), (e) and (g) to (j), Shri Joshi submitted that no finding was recorded against the appellant. Therefore, the present order, which is an interim order akin to an Order 38 Rule 5 of CPC, cannot be upheld without justifying the purpose of protective attachment.

7. Shri Kapadia submitted that subject to cooperation of the noticees, final order shall be passed by the SEBI within six months from today.

8. Mr. Joshi has not pressed for stay of directions at 157(a) and 157(c). Having noted that final order will be passed by the SEBI within six months from today, we do not find it necessary to stay the direction at para No. 157(b).

9. Admittedly, no finding is recorded against noticee No. 4 to sustain the directions contained in paragraph No. 157. Keeping in view the same, the directions at paragraph Nos. 157(d), (e) and (g) to (j) shall remain stayed.

10. As prayed for by Shri Joshi, liberty is reserved to the appellant to move this Tribunal for revival of this appeal, in the event SEBI does not pass the final order within the stipulated time.

11. In the light of the above, nothing further survives in the appeal and it stands disposed of. No costs

Justice P. S. Dinesh Kumar  
Presiding Officer

Ms. Meera Swarup  
Technical Member

Dr. Dheeraj Bhatnagar  
Technical Member

04.12.2024  
PTM