IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI

DATED THIS THE 09TH DAY OF MARCH, 2026

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

Appeal No.543 of 2021
[Along with Misc. Application No.243 of 2023]

1. Riddhi Siddhi Gluco Biols Limited
   10, Abhishree Corporate Park,
   Near Swagat Bungalow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

2. Ganpatraj Lalchand Chowdhary
   Rajul Villa, Nr Swagat Bunglow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

3. Sidhharth G Chowdhary
   Rajul Villa, Nr Swagat Bunglow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058. …Appellants

(By Mr. J. P. Sen, Senior Advocate with Mr. Nirav Shah, Ms. Yugandhara Khanvilkar and Ms. Ashwini Hariharan, Advocates i/b. DSK Legal for the Appellants.)

Securities and Exchange Board of India
Plot No. C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.588 of 2021
[Along with Misc. Application No.257 of 2023]

1. Riddhi Siddhi Gluco Biols Limited
   10, Abhishree Corporate Park,
   Nr Swagat Bungalow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

2. Ganpatraj Lalchand Chowdhary
   Rajul Villa, Nr Swagat Bungalow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

3. Sidhharth G Chowdhary
   Rajul Villa, Nr Swagat Bungalow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

4. Creelotex Engineers Private Limited
   10, Abhishree Corporate Park,
   Opp. Swagat Bunglow BRTS
   Stand Ambli-Bopal Road
   Ahmedabad, Gujarat -380058.

5. Ganpatraj Chowdhary HUF
   Rajul Villa, Nr Swagat Bungalow BRTS
   stand Ambli-Bopal Road
   Ambli-Ahmedabad, Gujarat -380058.

6. Mukeshkumar R. Samdaria
   D-201, Vraj Vihar 8,
   Behind Indraprastha 6,
   Prahaladnagar, Satellite -380015. …Appellants

(By Mr. J.P. Sen, Senior Advocate with Mr. Nirav Shah, Ms. Yugandhara Khanvilkar and Ms. Ashwini Hariharan, Advocates i/b. DSK Legal for the Appellants.)

Securities and Exchange Board of India
Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal, Advocates for the Respondent.)

With
Appeal No.596 of 2021

1. Oswal Shares and Securities Ltd.
   Head office at 605 Sakar 1,
   Opp Nehrubridge, Ashram Road,
   Ahmedabad(GJ) 380009.

2. Javerilal Gopilal Oswal
   126 Prernatirth Bunglows Part 2
   Satelite, Ahmedabad 380015.

3. Kalpesh Javerilal Oswal
   126 Prernatirth Bunglows Part 2
   Satelite, Ahmedabad 380015. …Appellants

(By Mr. Yash Momaya, Advocate with Mr. Munaf Virjee, Mr. Rushabh Parekh and Ms. Mithali Shetty, Advocates i/b. AMR Law for the Appellants.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal, Advocates for the Respondent.)

With
Appeal No.597 of 2021

1. Javerilal Oswal Commodities Pvt Ltd
   Head office at 605 Sakar 1,
   Opp. Nehrubridge, Ashram Road,
   Ahmedabad – 380009.

2. Javerilal Gopilal Jain HUF
   Head office at 605 Sakar 1,
   Opp Nehrubridge, Ashram Road,
   Ahmedabad – 380009.

3. Tankidevi Javerilal Oswal
   126 Prernatirth Bunglows Part 2,
   Satelite, Ahmedabad 380015.

4. Vanita Kalpesh Oswal
   126 Prernatirth Bunglows Part 2,
   Satelite, Ahmedabad 380015.

5. Kalpana Javerilal Oswal
   126 Prernatirth Bunglows Part 2,
   Satelite, Ahmedabad 380015.

6. Kavita Javerilal Oswal
   126 Prernatirth Bunglows Part 2,
   Satelite, Ahmedabad 380015. …Appellants

(By Mr. Yash Momaya, Advocate with Mr. Munaf Virjee, Mr. Rushabh Parekh and Ms. Mithali Shetty, Advocates i/b. AMR Law for the Appellants.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,

Bandra (E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.598 of 2021

1. Rajendrakumar Gopilal Jain
   404, Sahajanand Park, Shahibaug,
   Ahmebdabad – 380004.

2. Akshay Rajendrabhai Oswal
   404, Sahajanand Park, Shahibaug,
   Ahmebdabad – 380004.

3. Akshita Rajendra Shah
   404, Sahajanand Park, Shahibaug,
   Ahmebdabad – 380004. …Appellants

(By Mr. Yash Momaya, Advocate with Mr. Munaf Virjee, Mr. Rushabh Parekh and Ms. Mithali Shetty, Advocates i/b. AMR Law for the Appellants.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.600 of 2021

1. Ravikumar Javerilal Oswal
   126 Prernatirth Bunglows Part 2,

Satelite, Ahmedabad 380015.

2. Monika Dharmendra Abbani
602, Somerset Building Opp.
D Mart,Hiranandani Gardens,
Mumbai- 400076.

3. Sangeeta Dinesh Abbani
Odessey 1 Block, No.403,
4th Floor, Hiranandani Garden,
Powai, Mumbai – 400076 …Appellants

(By Mr. Yash Momaya, Advocate with Mr. Munaf Virjee, Mr. Rushabh Parekh and Ms. Mithali Shetty, Advocates i/b. AMR Law for the Appellants.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.617 of 2021

Metroglobal Limited
101, 1st Floor, "Mangal Disha",
Near Guru Gangeshwar Temple,
6th Road, Khar(West),
Mumbai – 400 052. …Appellant

(By Mrs. Neha Anchlia, Advocate i/b. M/s. Naresh Akshay Legal Services LLP for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, "G" Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal, Advocates for the Respondent.)

With
Appeal No.619 of 2021

1. M/s Vital Connections LLP
   10, Amizara CHS Ltd,
   Rambaug Road, Ramnagar,
   Sabarmati, Ahmedabad 380005.

2. Mr. Mohit Bagmar
   10, Amizara Society,
   Rambaug Road, Ramnagar,
   Sabarmati, Ahmedabad 380005.

3. Mrs. Sayaridevi Bagmar
   10, Amizara Society,
   Rambaug Road, Ramnagar,
   Sabarmati, Ahmedabad 380005. …Appellants

(By Mr. Rushin Kapadia, Advocate with Ms. Kamakshi and Ms. Gayatri Mohite, Advocates i/b. Anchorstone Legal for the Appellant.)

Securities and Exchange Board of India
Plot No. C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai - 400051 …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal, Advocates for the Respondent.)

With
Appeal No.634 of 2021

Lalitkumar Ranmal HUF
1, Ambience Apartments,
Navyug Society, Nr. SBI,
Nehrunagar, Ahmedabad – 380015. …Appellant

(By Mr. Deepak Shah, Advocate for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.635 of 2021

Shobha Lalitkumar Shah
1, Ambience Apartments,
Navyug Society, Nr. SBI,
Nehrunagar, Ahmedabad – 380015. …Appellant

(By Mr. Deepak Shah, Advocate for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai: 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

With
Appeal No.636 of 2021

Sneha Lalitkumar Shah
1, Ambience Apartments,
Navyug Society, Nr. SBI,
Nehrunagar, Ahmedabad – 380015. …Appellant

(By Mr. Deepak Shah, Advocate for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai: 400051. …Respondent

(By Mr. Vyom Shah, Advocate with Ms. Khushbu Chhajed, Mr. Nishit Dhruva, Ms. Rasika Ghate and Ms. Khushbu Trivedi, Advocates i/b. MDP Legal for the Respondent.)

THESE APPEALS ARE FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE THE IMPUGNED ORDER DATED JULY 2, 2021 PASSED BY THE AO, SEBI AND ORDER DATED AUGUST 11, 2021 PASSED BY THE WTM, SEBI

THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON DECEMBER 16, 2025 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

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

These appeals are directed against order dated July 2, 2021, passed by the AO[1], SEBI[2] and order dated August 11, 2021, passed by the WTM[3], SEBI for violation of the SEBI Act[4], SEBI (LODR) Regulations[5], SEBI (SAST) Regulations[6], SCR Act[7] and SEBI (PFUTP) Regulations[8].

2. The AO has imposed a penalty of ₹5 Lakhs on each appellant in Appeal No.543 of 2021. The WTM has directed the appellants in appeals other than Appeal No.543 of 2021 to comply with MPS requirements and debarred them from accessing the securities market for the period mentioned in paragraph 131.2. of that order.

3. The list of Appeals are as follows:

Sr. No.	Appeal No.	Filed by
1.	543 of 2021	1. Riddhi Siddhi Gluco Biols Limited 2. Ganpatraj Lalchand Chowdhary (Director) 3. Siddharth G Chowdhary (Director)

[1] Adjudicating Officer
[2] Securities and Exchange Board of India.
[3] Whole Time Member
[4] Securities and Exchange Board of India Act, 1992
[5] SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015
[6] SEBI (Substantial Acquisition of Shares and Takeover)Regulations, 2011
[7] Securities Contract(Regulations) Act, 1956
[8] SEBI (Prohibition of fraudulent and unfair Trade Practices Relating to Securities Market) Regulations,2003

2.	588 of 2021	1. Riddhi Siddhi Gluco Biols Limited, 2. Ganpatraj Lalchand Chowdhary, 3. Siddharth G Chowdhary, 4. Creelotex Engineers Private Limited 5. Ganpatraj Chowdhary HUF and 6. Mukeshkumar R Samdaria
3.	596 of 2021	1. Oswal Shares and Securities Limited, 2. Javerilal Gopilal Oswal 3. Kalpesh Javerilal Oswal
4.	597 of 2021	1. Javerilal Oswal Commodities Pvt. Ltd., 2. Javerilal Gopilal Jain HUF, 3. Tankidevi Javerilal Oswal, 4. Vanita Kalpesh Oswal, 5. Kalpana Javerilal Oswal 6. Kavita Javerilal Oswal
5.	598 of 2021	1. Rajendrakumar Gopilal Jain, 2. Akshay Rajendrabhai Oswal 3. Akshita Rajendra Shah
6.	600 of 2021	1. Ravikumar Javerilal Oswal, 2. Monika Dharmendra Abbani 3. Sangeeta Dinesh Abbani
7.	617 of 2021	Metroglobal Limited
8.	619 of 2021	1. M/s. Vital Connections LLP(earlier Vital Connections Private Limited), 2. Mr. Mohit Bagmar 3. Sayaridevi Bagmar
9.	634 of 2021	Lalitkumar Ranmal HUF
10.	635 of 2021	Shobha Lalitkumar Shah
11.	636 of 2021	Sneha Lalitkumar Shah

These appeals are heard simultaneously and disposed of by this common order.

4. We have heard Mr. J.P. Sen, learned Senior Advocate for the appellants in Appeal No.543 of 2021 and Appeal No. 588 of 2021; Mr. Yash Momaya, learned Advocate for the appellants in Appeal Nos.596, 597, 598 and 600 of 2021 ; Mrs. Neha Anchlia, learned Advocate for the appellants in Appeal No.617 of 2021; Mr. Rushin Kapadia, learned Advocate for the appellants in Appeal No.619 of 2021; Mr. Deepak Shah, learned Advocate for the appellants in Appeal No. 634, 635 and 636 of 2021 and Mr. Vyom Shah, learned Advocate for the SEBI.

5. Brief facts of the case are, one Mr. Ganpatraj Chowdhary[9] was the CMD[10] of a listed company called Riddhi Siddhi[11] ('Company' for short). He submitted a proposal for delisting Company's scrip from the BSE. BSE granted in-principle approval for delisting. The delisting offer was opened on March 6, 2018 and closed on March 12, 2018. The price discovered in the reverse book building (RBB) was ₹630 per share. SEBI received complaints from investors and directed BSE to keep the delisting on hold and finally, on December 26, 2018 the in-principle approval was withdrawn.

6. SEBI conducted an investigation into Company's scrip for the period between December 1, 2016 and March 12, 2018 and it was observed that Riddhi Siddhi had not disclosed Stuti[12],

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[9] Appellant No.2 in Appeal Nos.543 and 588 of 2021 and 'Ganpatraj' for short
[10] Chairman and Managing Director
[11] Riddhi Siddhi Gluco Biols Limited
[12] Stuti Trademart Private Limited

Siwana[13] and Vital[14] as promoter group entities, thereby failed to disclose promoters' shareholding.

7. It was also observed that the appellants had (i) participated in fraudulent schemes and traded in the shares of Riddhi Siddhi; (ii) tendered the shares at fraudulently arrived price; and (iii) Riddhi Siddhi did not comply with the minimum public shareholding (MPS) norms. Accordingly, SEBI issued two show cause notices. The first SCN[15] by the WTM to show cause as to why directions under Section 11(1), 11(4) and 11B of the SEBI Act should not be issued against the noticees. The second SCN[16] by the AO calling upon the noticees to show cause as to why proceedings should not be initiated and penalty be not imposed for violation of securities laws. Noticees filed their replies and submissions. After granting personal hearing, the impugned orders have been passed.

Appeal No.543 of 2021, Appeal No.588 of 2021 And Appeal No. 619 of 2021

8. Mr. Sen, learned Senior Advocate submitted that in 1992-93, there was a family arrangement in Chowdhary family and it was segregated into two groups viz. Group A and Group B.

Group-A

- Mr. Ganpatraj Chowdhary,
- Mr. Shankarlal Chowdhary; and

[13] Siwana Agri Marketing Limited
[14] Vital Connections Private Limited
[15] Show cause notice dated December 20,2019
[16] Show cause notice dated October 8,2020

- Mr. Sampatraj Chowdhary (along with their spouses and children and entities controlled by them); and

Group-B

- Mr. Babulal Chowdhary; and
- the sisters (i.e. Mrs. Sayaridevi Bagmar and Mrs. Mosami Tater);
- Stuti and Siwana controlled by them.

9. The allegation levelled by the SEBI with regard to Stuti is, immediate relatives of Ganpatraj and promoter group of Riddhi Siddhi collectively held 86.75% (in FY 2014-15), 97.09% (in FY 2015-16) and 100% (in FY 2016-17) shares in Stuti. In substance, Stuti was not declared as a promoter group entity.

10. The allegation levelled with regard to Siwana is, immediate relatives of Ganpatraj and promoter group of Riddhi Siddhi collectively held 32.41% (in FY 2014-15 and 2015-16), 96.29% (in FY 2016-17) shares in Siwana and it was not declared as a promoter group entity.

11. With regard to shareholding pattern in Stuti, Mr. Sen submitted that for FY ending March 31, 2015 Ganpatraj, Vicas[17] and Creelotex[18] together held 20.58%. Creelotex and Vicas sold their shares in Stuti on March 29, 2016. Ganpatraj continued to hold 7.77% shares, which was also subsequently sold on March 30, 2017.

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[17] Vicas Vehicles Private Limited
[18] Creelotex Engineers Private Limited

12. With regards to Siwana, he submitted that Ganpatraj and five others collectively held more than 20% shares till March 31, 2016. Shareholding of Ganpatraj and Creelotex increased in Siwana on account of separation of business post sale of starch business and therefore, it cannot be considered as a violation.

13. Mr. Sen submitted that Stuti and Siwana formed part of Group-B and hence, neither they are 'promoters' nor 'promoter entities'. In support of this contention, he relied upon the decisions of this tribunal in *Shree Kumar Bangur v. Securities and Exchange Board of India*[19], *Mr. Veerendra Kumar Singh & Anr. v. Securities and Exchange Board of India*[20] and the judgment of the Hon'ble Supreme Court of India *in Agrotech Ltd. v. State of U.P.*[21]

14. Mr. Sen further submitted that, shareholding of Ganpatraj, Vicas and Creelotex in Stuti could not have had any effect on Stuti's amalgamation with Vital or the delisting price because the reverse book building process had commenced much later. Further, shareholding of Ganpatraj's sister in Stuti does not mean that Stuti is part of promoter group of Riddhi Siddhi, because, as per the family agreement, she was in Group-B and therefore, Stuti was never treated as a promoter group entity.

15. He further submitted that Riddhi Siddhi was in compliance with MPS requirements from FY 2010-11 to FY 2014-15, even after considering the shareholdings of Stuti and Siwana as promoter group. In September 2014, pursuant to buyback, there

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[19] Appeal No.358 of 2019, order dated 9.11.2021
[20] Appeal No.524 of 2022, order dated 19.01.2023
[21] (2006) 9 SCC 203

was increase in shareholding of the promoter group of Riddhi Siddhi from FY ending March 31, 2014 to FY ending March 31, 2015. Excluding Stuti and Siwana, the promoter holding increased from 50.53% to 71.32%. Including Stuti and Siwana, the promoter holding increased from 65.32% to 82.61%.

16. Mr. Sen submitted that Stuti and Siwana merged with Vital. Consequently, Vital was considered as promoter shareholder from March 6, 2018 holding 11.99% in Riddhi Siddhi. However, SEBI has incorrectly held that Ganpatraj's nephew, Mohit Bagmar was only a name lender and Vital was in fact controlled by Ganpatraj. SEBI has arrived at this incorrect conclusion on the premise that Ganpatraj had transferred ₹31.25 Lakhs to his sister Sayaridevi on June 20, 2017, which she had further transferred to her son, Mohit Bagmar on the next day. Thereafter, on June 29, 2017, Mohit acquired 50% shares of Vital. Mr. Sen argued that Ganpatraj giving money to his sister out of love and affection cannot be construed as having controlling rights over Vital.

17. Mr. Sen further submitted that the WTM's order treats Vital group as promoter shareholders based on the following:

- Family relationship of Ganpatraj (Appellant No.2), his sister Sayaridevi and Mohit Bagmar.
- Funds were transferred from Ganpatraj to Sayaridevi.
- Mohit acquired Vital.
- Stuti, Siwana and Kauvery[22] amalgamated with 'Vital' in December 2017.

[22] Kauvery Trexim Private Limited

- Acquisition of shares of Riddhi Siddhi by Vital through the said amalgamation on March 7, 2018.
- Consequently, Vital became a shareholder in Riddhi Siddhi.
- Delisting offer of Riddhi Siddhi opened on March 6, 2018.
- Tendering shares of Riddhi Siddhi in Reverse book building (RBB) by Vital was immediately thereafter on March 8, 2018.

18. He submitted that Stuti, Siwana and Vital were not part of promoter group entities because they were not part of Group-A and therefore, they were correctly categorized as public shareholders while considering MPS requirements as per SCR Rules, 1957.[23]

19. Mr. Rushin Kapadia, learned Advocate for the appellants in Appeal No.619 of 2021 (Vital) adopted the main arguments of Mr. Sen. In addition, he submitted that the bid price by Vital was lower than the book value of Riddhi Siddhi cannot lead to an automatic inference of fraud, particularly in the light of Riddhi Siddhi's declining net worth. He submitted that SEBI has taken the scrip price as per the book value at ₹1,600/-, whereas for the period between 1996 and 2016, the maximum traded price of the scrip was ₹518 per share. Therefore, SEBI's assessment of share price at ₹1,600 is wholly incorrect.

20. Mr. Vyom Shah, learned Advocate for the SEBI submitted that the family arrangement cannot disregard or override the definition of 'promoter group' in ICDR Regulations[24]. According to

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[23] Securities Contract (Regulation) Rules, 1957
[24] SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

him, following circumstances suggest that the family arrangement was not acted upon:

- Shankarlal Chowdhary was a director of Siwana between 2011 and 2013.
- In June 2017, Ganpatraj transferred money to his sister and in turn, she gave it to her son Mohit Bagmar to acquire shares of Vital.
- Stuti and Siwana hold shares of Riddhi Siddhi.
- Ganpatraj, his wife, his brother Siddharth and 4 companies (Vicas, Creelotex, Safari and Telecon) hold more than 20% shares of Stuti and Siwana.

21. He further submitted that the appellants have made inconsistent submissions with regard to the family arrangement. Their submission that, Ganpatraj's sister (Mosami) was not involved in family business is irrelevant, because as per ICDR Regulations, she is an immediate relative and had continued to be shareholder of Stuti till FY 2016-2017. He submitted that Ganpatraj collectively held more than 20% in Riddhi Siddhi, Stuti and Siwana. Hence, Stuti and Siwana fall within the definition of 'promoter group'.

22. In case of Vital, he submitted that neither Sayaridevi nor Mohit Bagmar had enough funds. The shares were purchased by Mohit Bagmar from out of Ganpatraj's money.

23. He submitted that Vital became a shareholder of Riddhi Siddhi only in December 2017. Delisting of Riddhi Siddhi was also proposed in December 2017 itself, when the book value of Riddhi Siddhi's share price was ₹1,600/-.

Common submissions made on behalf of the appellants in Appeal Nos.596, 597, 598 and 600 of 2021

24. The appellants in these appeals[25] submitted that they are neither promoters of Riddhi Siddhi nor related to its promoters. They were trading in shares of Riddhi Siddhi for several years prior to the investigation period and also during the investigation period. Hence, their trades cannot be treated as abnormal. They argued that debarment imposed against them is disproportionate and prayed for suitable modification on the ground of proportionality by placing reliance on *Dilip S. Pendse v. SEBI*[26] *and Balram Garg v. SEBI*[27].

25. In reply, Mr. Vyom Shah submitted that there was sudden increase in the trading of shares of Riddhi Siddhi by those appellants during the frequently traded period (FTP). During the FTP, more than 80% shares were traded *inter se* between Noticee Nos.1, 2, 3 and Noticee Nos.14 to 33. The sudden increase in trades during that period is not similar to the investment made in similar scrips by these appellants. The alleged loans transactions between the parties are not *bona fide* transactions but created for the purpose of fraudulent transactions.

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[25] Oswal Shares and Ors; Javerilal Oswal and Ors; Rajendrakumar Gopilal Jain and Ors; and Ravikumar Javerilal Oswal and Ors.
[26] Order dated 19.11.2009 in Appeal No.80 of 2009 by this tribunal
[27] (2022) 9 SCC 425

Common submissions made on behalf of the appellants in Appeal Nos.634, 635 and 636 of 2021

26. Mr. Deepak Shah, learned Advocate for the appellants submitted that appellants are not connected to other entities falling within the definition of 'immediate relative'. He submitted that these appellants have been wrongly charged under Delisting Regulations and PFUTP Regulations.

27. In reply, Mr. Vyom Shah submitted that, appellant in Appeal No.634 of 2021 is Mr. Lalit Shah. Appellant in Appeal No.636 of 2021 is his daughter (Sneha Lalit Shah). Appellant in Appeal No. 635 of 2021 (Shobha Lalit Shah) is Lalit's wife. She is also daughter of Shankarlal Chowdhary. Mr. Lalit Shah is connected to appellant in Appeal No.617 of 2021 (Metroglobal Limited) by common email id. He has admitted this connection with promoters of Metroglobal Limited. He submitted that the appellants have been charged with PFUTP and Delisting Regulations because they have violated relevant provisions and assisted the promoters of Riddhi Siddhi in fraudulently increasing volume of trade in Riddhi Siddhi's shares during FTP and those trades cannot be viewed independently or in isolation.

Appeal No.617 of 2021

28. Mrs. Neha Anchlia, learned Advocate for the appellant[28] submitted that the alleged connection with Lalit Shah or Kalpesh Oswal does not substantiate collusion with promoters of Riddhi Siddhi. Appellant has traded in the shares of Riddhi Siddhi since

[28] Metroglobal Limited

2013-14. SEBI has considered only the trading volume without establishing a link with the promoters of Riddhi Siddhi.

29. Mr. Vyom Shah replied stating that appellant has admitted being connected to Oswal and Lalit Shah family. He had financial relation with Kalpesh Oswal. He shared a common email id with Lalit Shah.

30. We have carefully considered the rival contentions and perused the records.

31. In the light of facts recorded hereinabove, following points arise for our consideration:

i) ***Whether MPS norms/requirements have been complied by Riddhi Siddhi?***

ii) ***Whether appellants had traded fraudulently in the scrip of Riddhi Siddhi for the purpose reverse book building?***

32. ***Re*: (i) Whether MPS norms/requirements have been complied by Riddhi Siddhi?**

In order to decide this question, it is necessary to examine the definition of 'promoters' and 'promoter group' as defined in Regulation 2(1) of ICDR Regulations, which reads thus:

> *"2(1) ....*
> *(za) "**promoter**" includes:*
>
> *(i) the person or persons who are in control of the issuer;*

(ii) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public;

(iii) the person or persons named in the offer document as promoters:

Provided that a director or officer of the issuer or a person, if acting as such merely in his professional capacity, shall not be deemed as a promoter:

Provided further that a financial institution, scheduled bank, foreign portfolio investor other than Category III foreign portfolio investor and mutual fund shall not be deemed to be a promoter merely by virtue of the fact that ten per cent or more of the equity share capital of the issuer is held by such person;

Provided further that such financial institution, scheduled bank and foreign portfolio investor other than Category III foreign portfolio investor shall be treated as promoter for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them;

*(zb) "**promoter group**" includes:*

(i) the promoter;

*(ii) **an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and***

(iii) in case promoter is a body corporate:

(A) a subsidiary or holding company of such body corporate;

(B) any body corporate in which the promoter holds ten per cent or more of the equity share capital or which holds ten per cent or more of the equity share capital of the promoter;

*(C) any body corporate in which a group of individuals or companies or combinations thereof which hold twenty per cent or more of the equity share capital in that body corporate also **holds twenty per cent** or more of the equity share capital of the issuer; and*

(iv) xxx ……"

33. According to the SEBI, the promoter shareholders having more than 20% in Riddhi Siddhi also held more than 20% in Stuti and Siwana as described in Table Nos.4 and 6 in the impugned order, which read as follows.

Table No.4

Common Group of Individuals or Company holdings in Riddhi Siddhi(RSGBL) and Stuti FY 2014-15					
		RSGBL		***Stuti***	
Sr. No.	***Name of Individual/ Company***	***No. of shares***	***%***	***No. of shares***	***%***
1	*Ganatraj Chowdhary*	*5,20,010*	*7.29*	*400*	*5.88*
2	*Vicas Vehicles Pvt. Ltd.*	*10,21,943*	*14.3*	*400*	*5.88*
3	*Creelotex Engineers Pvt. Ltd.*	*11,05,748*	*15.5*	*600*	*8.82*
	Total	***26,47,701***	***37.1***	***1,400***	***20.58***

Table No.6

Common Group of Individuals or Company holdings in Riddhi Siddhi(RSGBL) and Siwana as on March 31,2015					
		RSGBL		***Siwana***	
Sr. No.	***Name of Individual/ Company***	***No. of shares***	***%***	***No. of shares***	***%***
1	*Rajuldevi Ganpatraj Choudhary*	*3,98,620*	*5.59*	*350*	*2.56*
2	*Safari Biotech Pvt. Ltd.*	*2,00,000*	*2.8*	*150*	*1.10*
3	*Telecon Infotech Pvt. Ltd.*	*2,00,000*	*2.8*	*50*	*0.37*
4	*Ganatraj Chowdhary*	*5,20,010*	*7.29*	*400*	*2.93*
5	*Vicas Vehicles Pvt. Ltd.*	*10,21,943*	*14.32*	*625*	*4.58*
6	*Creelotex Engineers P Ltd.*	*11,05,748*	*15.49*	*200*	*1.46*
7	*Siddharth Chowdhary*	*20,000*	*0.28*	*1,300*	*9.52*
	Total	***34,66,321***	***48.57***	***3,075***	***22.52***

34. As described in Table No.4 above, Ganpatraj, Vicas and Creelotex held 20.58%. Appellants' specific case is, there was a family arrangement in 1992-93 between Ganpatraj, his brothers and sisters. The family members were divided into two groups, Group-A and Group-B. Shankarlal, Sampatraj and Ganpatraj belonged to Group-A and their brother Babulal Chowdhary and sisters, Saiyaridevi and Mosami belonged to Group-B. As per the family arrangement, the members belonging to Group-A were

permitted to invest in Group-B entities, whereas members of Group-B were not permitted to invest in Group-A, except to hold the investments already in place.

35. As per Table No.4, for FY 2014-15 Ganpatraj, Creelotex and Vicas held 20.58% in Stuti and 37.1% in Riddhi Siddhi. Similarly in Siwana shareholding pattern is as per Table No.6 above. It was argued by the appellants that Stuti and Siwana are entities belonging to Group-B and as per the family arrangement, Group-B was not permitted to invest in Group-A. It was further contended that the family arrangement argument has not been rejected by the learned WTM by recording a categorical finding. According to the appellants, Ganpatraj and his two brothers could invest in Group-B companies and members of Group-B were not permitted to invest in Group-A. A careful perusal of Table No.4 clearly shows that three promoters (Ganpatraj, Vicas and Creelotex) collectively held 37.1% in Riddhi Siddhi and 20.58% in Stuti. Table No.6 shows that the promoter group mentioned therein held 48.57% in Riddhi Siddhi and the same group held 22.52% in Siwana. These figures are not in dispute. But, the argument canvassed is, there was a family arrangement by which the members were divided into two groups and further, Stuti and Siwana belonged to Group-B. With regard to Ganpatraj Chowdhary's investment in those two Companies, it was sought to be justified that he belonged to Group-A and Group-A members were permitted to invest in Group-B. In substance, the argument was Stuti and Siwana belonged to a separate group, Group-B in the family and therefore, Ganpatraj, his wife, Rajuldevi and brother, Siddharth,

who belonged to Group-A could not be considered as the 'promoter group' of Stuti and Siwana.

36. We are dealing with the shareholding in listed Companies. Listing and delisting of companies takes place strictly in accordance with the relevant applicable provisions of law. As per Regulation 2(1)(zb)(ii) of ICDR Regulations, brother and sister belonged to 'promoter group'. Appellants' case is, Stuti and Siwana belonged to Group-B. Group-B consists of Ganpatraj's brother Babulal and his both sisters, Mosami and Sayaridevi. As per Regulation 2(1)(zb)(iii)(C) of ICDR Regulations, a body corporate which holds 20% or more of equity share in that body and also holds 20% or more of equity share of the issuer then, such body corporate shall fall within the definition of a 'promoter group'. In the instant case, Ganpatraj, Vicas and Creelotex collectively hold 20.58% in Stuti and 37.1% in Riddhi Siddhi. Similarly, promoter group entities hold 22.52% in Siwana and 48.57% in Riddhi Siddhi. As noted hereinabove, for the FY ending March 31, 2015, the promoter holding in Riddhi Siddhi including Stuti and Siwana was 82.61%. This is certainly more than the prescribed 75%. Rule 19A(2) of Securities Contracts (Regulations) Rules, 1957, prescribes that where a public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall in the manner specified by the SEBI. In view of the public shareholding having fallen below 75%, we hold that Riddhi Siddhi did not comply with the MPS norms during the period of FY 2014-15 and 2015-16.

37. Admittedly, Stuti, Siwana along with Kauvery amalgamated with Vital. It is relevant to note that the delisting offer opened on March 6, 2018. The shares of Riddhi Siddhi were acquired by Vital on March 7, 2018 and they were tendered on the very next day i.e. March 8, 2018. After amalgamation, Vital held 11.99% shares in Riddhi Siddhi and the other promoters held 74.82% shares as on March 31, 2018. According to SEBI, Vital also falls within the promoter group. On the other hand, appellants' contention is that Vital is controlled by Mohit Bagmar, son of Sayaridevi. He does not fall within the definition of 'promoter group' under Regulation 2(1)(zb)(ii) of ICDR Regulations. It was argued on behalf of SEBI that Mohit Bagmar controlled Vital only on paper. To substantiate this contention, Mr. Vyom Shah urged that Ganpatraj had transferred ₹31.25 Lakhs to his sister on June 20, 2017 and she in turn transferred it to her son, Mohit Bagmar, on the next day. Mohit Bagmar acquired Vital on June 29, 2017. According to him, this exercise was undertaken to exclude Vital from the promoter group of Riddhi Siddhi. On the other hand, appellants contended that Ganpatraj had gifted the said amount to his sister and there was nothing unnatural about it. While rejecting their contention, the WTM has recorded thus:

> "50.1. *Large amount of fund is transferred in Sister's account by Ganpatraj, which is subsequent transferred to Mohit's account.*
>
> *50.2. No other such gifts amount from Ganpatraj were observed before or after the above transferred amount.*

> *50.3. The amount transferred by Ganpatraj in Sister's account matches almost exactly to amount for payment of acquisition of Vital.*
>
> *50.4. Timing of amount transferred to Sister's account almost matches with timing of acquisition of Vital.*
>
> *50.5. Mohit further submitted that he was not aware of the source of money which was gifted by Sayaridevi to him. In this regard, considering the son-mother relationship of Mohit and Sayaridevi and frequent bank transactions among themselves, it is highly improbable to believe that Mohit was not aware of source of Rs. 31,25,000/- received by Sayaridevi, which was transferred to him for the acquisition of Vital, when balance in Sayaridevi account were otherwise less."*

38. Applying the principles of preponderance of probability, we are of the view that Vital was controlled by Ganpatraj through his sister's son, Mohit Bagmar. Therefore, Vital falls within the 'promoter group' entity. The promoter shareholding for FY ending March 31, 2018, in Riddhi Siddhi was 74.82%. If 11.99% shareholding of Vital is considered, the public shareholding falls below 25%, which violates MPS norms. Accordingly, we hold that MPS norms were not complied with by Riddhi Siddhi and answer the first point for consideration in the ***negative***.

39. ***Re*: (ii) Whether appellants had traded fraudulently in the scrip of Riddhi Siddhi for the purpose of reverse book building?**

SEBI's case is, Riddhi siddhi was an 'illiquid scrip'. The book value of its share was ₹1,600/-. In order to project the scrip as 'liquid scrip', the promoters and connected entities traded into the scrip, which had reached a floor price of ₹510/- and this trading was fraudulent.

40. The WTM has recorded that the liquidity of Riddhi Siddhi's scrip during the period one-year prior to delisting offer was low. Noticee Nos.1 to 3 and 14 to 33 had traded as connected group. Approximately 83% of their trading in Riddhi Siddhi during that period were amongst themselves. Table No.16 of the impugned order shows that Creelotex (Noticee No.3) had traded 5,90,808 shares with Ganpatraj (Noticee No.1) and Ganpatraj HUF (Noticee No.2). The traded quantity of Noticee Nos.14 to 33 was 1,15,627 shares. These figures are not in dispute.

41. The total number of equity shares of Riddhi Siddhi was 71,36,386. In order to qualify the shares as frequently traded, the trading turnover should be 10% of the total shares and in this case 7,13,639. The WTM has also recorded that the total gross 'buy' shares was 8,50,669 and total 'sell' shares was 8,59,545. It is further recorded that the total quantity traded amongst Noticee Nos.1 to 3 and 14 to 33 was 7,06,435. As noted hereinabove, Creelotex alone accounts for trading of 5,90,808 shares. Even if the trades of alleged connected parties are excluded, considering the *inter se* transaction between Creelotex and Ganpatraj of 5,90,808 shares, the minimum requirement of trade turnover of 10% of total number of shares is not satisfied.

42. So far as *inter se* connections are concerned, the WTM has prepared a detailed chart with the mode of connections. The following are the connections pertaining to the appellants:

Sr. No.	Appeal No.	Filed by	Connection:
1.	588 of 2021	1) Riddhi Siddhi Gluco Biols Limited, 2) Ganpatraj Lalchand Chowdhary, 3) Siddharth G Chowdhary, 4) Creelotex Engineers Private Limited 5) Ganpatraj Chowdhary HUF and 6) Mukeshkumar R Samdaria	<u>Mukeshkumar R Samdaria:</u> • He was CFO of Riddhi Siddhi for FY 2016 - 17 and 2017 - 18. • Analysed account number 4311450288 with Kotak Mahindra Bank for 01/01/16 to 30/09/18. • Received Rs.1,79,61,200 from Creelotex Engineers Private Limited (Creelotex) a promoter of RSGBL, on 29/03/17. Of which Rs.1,00,00,000 were transferred to Ravi J Oswal on 03/04/17. Further, on 30/03/17 Rs.65,25,000 were transferred to Narendra Gatmal Jain who in FY 2016 - 17 has bought 1150 shares of Stuti Trademart Private Limited.
2.	596 of 2021	1) Oswal Shares and Securities Limited, 2) Javerilal Gopilal Oswal 3) Kalpesh Javerilal Oswal	<u>Oswal Shares and Securities Limited</u> : • Kalpesh Oswal, Vanita Kalpesh Oswal, Tankidevi Javerilal Oswal, Javerilal Gopilal Oswal and Ravi Oswal were its directors during Investigation Period. • Address same as that of Javerilal Gopilal Jain HUF • On 22/03/17 Ravikumar Javerilal Oswal received Rs. 25 lacs from Riddhi Siddhi through Kauvery Trexim Private Limited. Which was transferred to Oswal Shares and Securities Limited. • On 03/04/17 Ravikumar Javerilal Oswal received Rs.100 lacs from Mukesh R Samdaria and transferred same to Oswal Shares and Securities Limited • On 07/04/2017 Akshita Rajendra Shah received Rs.50 lacs from Kavery Trexim Private Limited and transferred the same to Oswal Share and Securities Limited on 10/04/17. <u>Javerilal Gopilal Oswal:</u> • Father of Ravi Oswal and Kalpesh Oswal. • Received Rs.14 lacs in HDFC Bank account number 50200017489104 from Kauvery Trexim Private Limited through Ravi Oswal. <u>Kalpesh Javerilal Oswal :</u> Following fund transaction were observed from HDFC Bank account number 50200017105833 of Kalpesh Oswal: • on 14/09/17, transferred Rs.50 lacs to Metroglobal Limited • on 21/09/17, transferred Rs.50 lacs to Metroglobal Limited • on 06/10/17, transferred, Rs.50 lacs to

			Metroglobal Limited • on 23/03/17 received Rs. 10 lacs from Ravi Oswal
3.	597 of 2021	1) Javerilal Oswal Commodities Pvt. Ltd., 2) Javerilal Gopilal Jain HUF, 3) Tankidevi Javerilal Oswal, 4) Vanita Kalpesh Oswal, 5) Kalpana Javerilal Oswal 6) Kavita Javerilal Oswal	<u>Javerilal Oswal Commodities Pvt. Ltd.:</u> • Kalpesh Oswal, Vanita Kalpesh Oswal, Tankidevi Javerilal Oswal, Javerilal Gopilal Oswal and Ravi Oswal were its directors during Investigation Period <u>Javerilal Gopilal Jain HUF:</u> • Address same as that of Oswal Shares and Securities Limited. HUF of Mr. Javerilal Gopilal Jain/Oswal. <u>Tankidevi Javerilal Oswal</u>: • Wife of Javerilal Oswal and mother of Ravi Oswal and Kalpesh Oswal <u>Vanita Kalpesh Oswal:</u> • Wife of Kalpesh Oswal <u>Kalpana Javerilal Oswal:</u> • Daughter of Mr. Javerilal Oswal and sister of Ravi and Kalpesh Oswal <u>Kavita Javerilal Oswal:</u> • Daughter of Mr. Javerilal Oswal and sister of Ravi and Kalpesh Oswal
4.	598 of 2021	1) Rajendrakumar Gopilal Jain, 2) Akshay Rajendrabhai Oswal 3) Akshita Rajendra Shah	<u>Ravikumar Javerilal Oswal:</u> Analyzed account number 0061330018544 with HDFC Bank, and follows observed. • On 22/03/17 received Rs.25 lacs from Riddhi Siddhi through Kauvery Trexim Private Limited, which was transferred to Oswal Shares and Securities Limited. • On 23/03/17 received Rs.25 lacs from Kauvery Trexim Private Limited of which Rs.14 lacs and Rs.10 lacs were transferred to Javerilal Oswal and Kalpesh Oswal. •On 03/04/17 received Rs.100 lacs from Mukesh R Samdaria and transferred same to Oswal Shares and Securities Limited. <u>Akshay Rajendrabhai Oswal:</u> • On 28/02/2017 received Rs.25 lacs Kauvery Trexim Private Limited • On 16/03/2017 received Rs.25 lacs from Kauvery Trexim Private Limited • On 17/05/2017 received Rs.30 lacs from Kauvery Trexim Private Limited <u>Akshita Rajendra Shah:</u> • Analyzed account number 002405020678

			with ICICI Bank for the period 01/01/16 to 30/09/18 • On 07/04/2017 received Rs.50 lacs from Kavery Trexim Private Limited and transferred the same to Oswal Share and Securities Limited on 10/04/17.
5.	600 of 2021	1) Ravikumar Javerilal Oswal, 2) Monika Dharmendra Abbani 3) Sangeeta Dinesh Abbani	<u>Ravikumar Javerilal Oswal:</u> Analyzed account number 00061330018544 with HDFC Bank, and follows observed: • On 22/03/17 received Rs.25 lacs from RSGBL through Kauvery Trexim Private Limited which was transferred to Oswal Shares and Securities Limited. • On 23/03/17 received Rs.25 lacs from Kauvery Trexim Private Limited of which Rs.14 lacs and Rs.10 lacs were transferred to Javerilal Oswal and Kalpesh Oswal. • On 03/04/17 received Rs. 100 lacs from Mukesh R Samdaria and transferred same to Oswal Shares and Securities Limited. <u>Monika Dharmendra Abbani:</u> • Wife of Ravi Oswal <u>Sangeeta Dinesh Abbani:</u> • Has common address with Monika Abbani w/o Ravi Oswal. • Has common phone numbers 22423410, 9820231018 and • 9898142340 with Monika abbani w/o Ravi Oswal • Has common email id newbombaypearlbeads@yahoo.com with Monika Abbani w/o Ravi Oswal
6.	617 of 2021	Metroglobal Limited	• Kalpesh Oswal had paid Rs. 150 lacs (3 installments of Rs.50 lacs each) in September and October 2017. • Has common email id : lalitrshah25@gmail.com with Lalitkumar R Shah
7.	619 of 2021	1) M/s. Vital Connections LLP(earlier Vital Connections Private Limited), 2) Mr. Mohit Bagmar 3) Sayaridevi Bagmar	• Mohit bagmar is Ganpatraj's nephew • Saiyaridevi is Ganpatraj's sister • Vital is owned by Mohit Bagmar.
8.	634 of 2021	Lalitkumar Ranmal HUF	• Mr. Lalitkumar Ranmal Shah is connected to Metroglobal Limited through email id: lalitrshah25@gmail.com (HDFC account number 00608420023362).

			• Have admitted connection with promoters of Metroglobal Limited in statement recording dated February 05, 2019. • Son-in- law of Mr. Shankarlal L Chowdhary (brother of Mr. Ganpatraj Chowdhary
9.	635 of 2021	Shobha Lalitkumar Shah	• Daughter of Mr. Shankarlal L Chowdhary (brother of Mr. Ganpatraj Chowdhary). • Wife of Lalitkumar Ranmal Shah • Has common email id : lalitrshah25@gmail.com (HDFC account number 08881000000213)
10.	636 of 2021	Sneha Lalitkumar Shah	• Daughter of Shobha L Shah and Lalitkumar R Shah

43. Appellants' case is, the connections shown in the above chart are not relevant and do not conclusively prove that the appellants had traded in order to project the scrip as 'liquid' scrip. A careful analysis of the above chart shows that the respective parties were connected. The trades in Table No.15 of the impugned order concerning Noticee Nos.14 to 33 and Table No.16 concerning Creelotex and Ganpatraj have not been disputed. Once the connections are admitted, in a case of this nature, by applying the principle of preponderance of probability, it is reasonable to infer that a genuine investor is normally not interested in trading in illiquid scrips. The fact that these connected persons have traded in the illiquid scrip coupled with the fact that they are connected, fortifies SEBI's theory that there was an attempt to project the scrip as a 'liquid scrip' to avoid violation at ₹1600/- per share. Therefore, we find no error in the findings recorded by the WTM with regard to the factual matrix of the case and hold that the Noticee Nos.1 to 3 and 14 to 33 indulged in illegal trades in order to project Riddhi Siddhi's

share as a 'liquid' scrip. Accordingly, we answer the second point for consideration in the ***affirmative.***

44. As an alternative prayer, appellants have urged to consider the proportionality aspect and to reduce a quantum of penalty and the period of debarment. Keeping in view the fact that Table No.16, which record trading of 5,90,808 shares between Creelotex and Ganpatraj, we find no merit in the alternative submission. So far as the remaining Noticee Nos.14-33 are concerned, the noticee wise trading was minimum 50 shares and maximum is 16,990. Keeping the quantity of traded shares in mind and also the fact that the delisting has not taken place, concession can be shown to the appellants who fall within Noticee Nos.14 to 33.

45. In the result, the following:

ORDER

i) Appeal No.543 of 2021 is ***dismissed***.

ii) Appeal No.588 of 2021 is ***allowed in part.*** The direction contained in para 131.1.3 of the impugned order is modified and the period of debarment is reduced to six months *qua* the appellants.

iii) Appeal Nos.596, 597, 598, 600, 617, 619 634, 635 and 636 of 2021 are ***allowed in part.*** The direction contained in para 131.2 of the impugned order is modified to the extent of period of debarment *qua* the appellants as under:

Sr. No.	Appeal No.	Name of Entities	Period of debarment
1.	588 of 2021	Riddhi Siddhi Gluco Biols Limited	6 months from the date of compliance of MPS norms.
2.	588 of 2021	Ganpatraj Lalchand Chowdhary	6 months from the date of compliance of MPS norms.
3.	588 of 2021	Siddharth G Chowdhary	6 months from the date of compliance of MPS norms.
4.	588 of 2021	Creelotex Engineers Private Limited	6 months from the date of this order.
5.	588 of 2021	Ganpatraj Chowdhary HUF	6 months from the date of this order.
6.	588 of 2021	Mukeshkumar R Samdaria	6 months from the date of this order.
7.	619 of 2021	Vital Connections Private Limited	6 months from the date of this order.
8.	619 of 2021	Mohit Bagmar	6 months from the date of this order.
9.	619 of 2021	Sayaridevi Bagmar	6 months from the date of this order.
10.	596 of 2021	Oswal Shares and Securities Limited	3 months from the date of this order.
11.	596 of 2021	Javerilal Gopilal Oswal	3 months from the date of this order.
12.	596 of 2021	Kalpesh Javerilal Oswal	3 months from the date of this order.
13.	597 of 2021	Javerilal Oswal Commodities Pvt Ltd	3 months from the date of this order.

14.	597 of 2021	Javerilal Gopilal Jain HUF	3 months from the date of this order.
15.	597 of 2021	Tankidevi Javerilal Oswal	3 months from the date of this order.
16.	597 of 2021	Vanita Kalpesh Oswal	3 months from the date of this order.
17.	597 of 2021	Kalpana Javerilal Oswal	3 months from the date of this order.
18.	597 of 2021	Kavita Javerilal Oswal	3 months from the date of this order.
19.	598 of 2021	Rajendrakumar Gopilal Jain	3 months from the date of this order.
20.	598 of 2021	Akshay Rajendrabhai Oswal	3 months from the date of this order.
21.	598 of 2021	Akshita Rajendra Shah	3 months from the date of this order.
22.	600 of 2021	Ravikumar Javerilal Oswal	3 months from the date of this order.
23.	600 of 2021	Monika Dharmendra Abbani	3 months from the date of this order.
24.	600 of 2021	Sangeeta Dinesh Abbani	3 months from the date of this order.
25.	617 of 2021	Metroglobal Limited	3 months from the date of this order.
26.	634 of 2021	Lalitkumar Ranmal HUF	3 months from the date of this order.
27.	635 of 2021	Shobha Lalitkumar Shah	3 months from the date of this order.
28.	636 of 2021	Sneha Lalitkumar Shah	3 months from the date of this order.

iv) Remaining portion of WTM's order dated August 11, 2021 is undisturbed.

v) Pending interlocutory application(s), if any, stand disposed of.

vi) No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

09.03.2026
RHN

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