IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI

DATED THIS THE 1ST DAY OF SEPTEMBER, 2026

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

Appeal No.568 of 2024
[Along with Misc. Application No.1296 of 2024]

1. Omaxe Limited
   Shop No-19-B, First Floor,
   Omaxe Celebration Mall,
   Sohna Road, Gurgaon,
   Haryana – 122001, India.

2. Rohtas Goel
   Khaitan & Co., One Forbes
   Building, A Wing, 4th Floor,
   Dr. VB Gandhi Marg, Kala Ghoda,
   Fort, Mumbai, Maharashtra 400001.

3. Mohit Goel
   Khaitan & Co., One Forbes
   Building, A Wing, 4th Floor,
   Dr. VB Gandhi Marg, Kala Ghoda,
   Fort, Mumbai, Maharashtra 400001.

4. Arun Kumar Pandey
   Khaitan & Co., One Forbes
   Building, A Wing, 4th Floor,
   Dr. VB Gandhi Marg, Kala Ghoda,
   Fort, Mumbai, Maharashtra 400001.

5. Vimal Gupta
   Khaitan & Co., One Forbes
   Building, A Wing, 4th Floor,
   Dr. VB Gandhi Marg, Kala Ghoda,
   Fort, Mumbai, Maharashtra 400001. …..Appellants

(By Mr. Pradeep Sancheti, Senior Advocate with Mr. Tomu Francis, Ms. Zarnaab Aswad, Mr. Apoorva Upadhyay and Mr. Tarun Toprani, Advocates i/b. Khaitan & Co. for the Appellants.)

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

(By Mr. Suraj Chaudhary, Advocate with Mr. Ratan Sing, Mr. Sagar Dhakane, Advocates i/b Agama Law Associates for the Respondent.)

THIS APPEAL IS FILED UNDER SECTION 15T OF THE SEBI ACT, 1992 TO SET ASIDE THE ORDER DATED JULY 30, 2024 PASSED BY THE AO, SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON JULY 7, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

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

This appeal is directed against order dated 30.07.2024 passed by the CGM[1], SEBI[2] restraining the appellants from accessing the securities market for a period of two years, prohibiting Noticee Nos.2 to 6 from holding any position as a Director or KMP[3] and imposing monetary penalties.

2. The impugned order is against 16 Noticees. This appeal is filed by Noticee Nos.1, 2, 3, 5 and 6.

3. We have heard Mr. Pradeep Sancheti, learned Senior Advocate for the appellants and Mr. Suraj Chaudhary, learned Advocate for the SEBI.

4. Brief facts of the case are, first appellant, Omaxe Limited ('Omaxe/Company' for short) is a listed company. Second appellant, Rohtas Goel ('Rohtas' for short) is its promoter, Chairman and Non-Executive Director. Third appellant, Mohit Goel ('Mohit' for short) is its Managing Director. Fourth appellant, Arun Kumar Pandey ('Arun' for short) and fifth appellant Vimal Gupta ('Vimal' for short) who were Company's CFOs at different times.

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[1] Chief General Manager
[2] Securities and Exchange Board of India
[3] Key Managerial Personnel

5. SEBI received a complaint against the Company with allegations of fraudulent transactions, siphoning funds, misrepresentation in financial statements, inflated turnover etc. SEBI conducted a forensic audit for the period between 01.04.2018 and 31.03.2021. The investigation report revealed that the Company was reporting false and manipulated financial statements. An SCN was issued to 16 Noticees calling upon them to show cause as to why suitable directions should not be issued against them under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2), read with Sections 15A(a), 15HA, 15HB of SEBI Ac[4]t and Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules 1995. In the SCN, following allegations were levelled:

> *i. Misstatement/Misrepresentation in consolidated financial statements of Omaxe with respect to transactions with JBPL, Garv, Pancham*
>
> *ii. Overstatement of sale transactions with Pullback Apparels Pvt. Ltd.,*
>
> *iii. Overstatement of sale transactions between JRS Projects Pvt. Ltd. and Bamdev Builders & Developers Pvt. Ltd.,*
>
> *iv. Fictitious services i.e. Project Management Consultancy (PMC) provided to inflate the revenue,*
>
> *v. Consultancy services related to medical activities provided to inflate the revenue,*
>
> *vi. Overstatement of Sale of Flats vis-à-vis Customer Advance Outstanding,*
>
> *vii. Overstatement of sale of Property, Plant and Equipment (PPE) land,*

[4] Securities and Exchange Board of India Act,1992

viii. Overstatement of Rent Expenses,

ix. Overstatement of Interest Expenses,

x. Overstatement of Debtors/ Trade Receivables,

xi. Overstatement of advances recoverable,

xii. Impairment of Goodwill,

xiii. Overstatement/ understatement of Loans,

xiv. Disclosure related violations,

xv. Wrong classification of loans & advances/bad-debts in Cash Flow Statement

xvi. Non-co-operation with the investigating team xvii. Other accounting irregularities

xviii. Price impact on Omaxe scrip due to misstatements in financial statements.

6. The Company submitted its reply and other appellants adopted the same. Appellant Nos.1 to 3 attended the personal hearing and appellant Nos.4 and 5 did not. The CGM has held that the appellants had violated the securities laws by recording thus:

> *"35. I have carefully considered the facts and evidences available on record against the Noticees, the circumstances surrounding the violations committed by them and the submissions advanced by the Noticees as well as following the principles of preponderance of probabilities, I hold that the charges relating to violation of the provisions of the SEBI Act, PFUTP Regulations and LODR Regulations as brought out in detail in this order are found to have been substantially established."*

7. Mr. Sancheti, learned Senior Advocate for the appellants urged two points.

8. Firstly, the appellants have *suo motu* refrained themselves from accessing the securities market, though the direction in para 41(i) of the impugned order was stayed by this Tribunal *vide* order dated 01.10.2024. The debarment period of two years expires on 30.07.2026. Since the appellants have voluntarily refrained from accessing the securities market, this Tribunal may hold that the appellants have suffered the debarment and the direction in para 41(i) of the impugned order stands complied.

9. Secondly, with regard to the monetary penalties, he submitted that the same are grossly disproportionate and prayed that this Tribunal may suitably modify the quantum of penalty by applying the principle of doctrine of proportionality. He submitted that Company's two fully owned subsidiaries, namely Garv[5] and Pancham[6] have entered into separate valid contracts with the UP Government to acquire large parcels of land and to develop as housing colonies in Lucknow[7] and Allahabad[8]. After acquiring the lands, the said subsidiaries have entered into valid contracts with the Company and agreed to sell the housing plots in bulk. In turn, the Company has entered into various memoranda of

[5] Garv Buildtech Private Limited (presently, Omaxe Garv Buildtech Private Limited)
[6] Pancham Realcon Private Limited
[7] Lucknow Hi-tech City
[8] Allahabad Hi-tech City

understanding with another entity called 'JBPL[9]' agreeing to sell those plots in bulk. The JBPL, has sold its rights back to Garv and Pancham. He submitted that all these transactions are valid in law, however, SEBI has incorrectly held that the revenue earned by JBPL and the Company have not been treated as per the Accounting Standards and mis-construed that the appellants have violated LODR[10] and PFUTP[11] Regulations.

10. He submitted that the allegations listed in (i), (ii), (iv), (viii) and (x) are unfounded *qua* the appellants. The other violations are venial in nature.

11. In reply, Mr. Chaudhary, learned Advocate for the SEBI argued in support of the impugned order contending *inter alia* that the Company, its subsidiaries and JBPL have indulged in illegal transactions and made circular movement of funds to book profits. Amplifying his contention, he submitted that initially funds were provided by the Company to Grav and Pancham to acquire the lands. Grav and Pancham agreed to sell the right, title and interest in the housing plots to the Company in bulk. The Company entered into MoUs with another entity 'JBPL'. JBPL sold its rights to Grav and Pancham. All financial transactions have taken place by round tripping the funds. To substantiate this argument, he adverted to Table No.5 in para 29.1.1.8 in the impugned order and submitted that on 30.03.2017, Company paid ₹23.25 Crore to Garv and Garv paid to JBPL to purchase

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[9] Jeet Builders Private Limited
[10] SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
[11] SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

JBPL's rights. In turn, JBPL paid to the Company as consideration payable under the MoU between the Company and JBPL. He submitted that similar *modus operandi* has been adopted to move funds in a circular manner on 19.05.2017, 22.05.2018 and 13.06.2018 and in all a sum of ₹647.73 Crore has been shown as the consideration received by the Company from JBPL. He argued that the subsidiaries had acquired lands by using Company's funds. The subsidiaries entered into MoUs with the Company itself offering to sell the lands. In turn, Company has sold its rights to JBPL and JBPL sold its rights to the original owners, namely Grav and Pancham. These transactions are wholly unnatural and carried out to mislead the investors of the listed company. He vehemently contended that the violation of securities laws is writ large on the face and prayed that the appeal may be dismissed.

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

13. Undisputed facts of the case are, Omaxe Limited is a listed entity. Garv and Pancham are its wholly owned subsidiaries. They have acquired land from UP Government in Lucknow[12] and Allahabad[13], by using Omaxe's funds. They have entered into MoUs with Omaxe. One of the MoUs between Grav and Omaxe dated 24.10.2013 is produced as Exhibit – C and it reads as follows:

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[12] Lucknow Hi-tech City
[13] Allahabad Hi-tech City

*"**BETWEEN***

***M/s Garv Buildtech Private Limited** a company incorporated under the Companies Act, 1956 having its Registered Office at 10, Local Shopping Centre Kalkaji New Delhi-10019 through its authorized signatory Mr. Pavan Aggarwal (hereinafter referred to as the '**First Party**') which term shall, unless the context requires otherwise, include his legal heirs, permitted assigns, successors.*

AND

***M/s. Omaxe Limited**, a company incorporated under the Companies Act, 1956 having its Registered Office at 7, Local Shopping Centre, Kalkaji, New Delhi - 110 019 through its authorized signatory Mr. Manish Garg (hereinafter referred to as the '**Second Party**') which term shall, unless the context requires otherwise, include its permitted assigns, nominees, successors, administrators, legal representatives.*

Hereinafter First Party & Second Party are collectively referred to as 'Parties' and individually as 'Party' as the context demands."

WHEREAS:

(A) The First Party is contemplating to develop a Hi Tech City in accordance with Hi Tech Policy of the Government of Uttar Pradesh in Lucknow, Uttar Pradesh (hereinafter referred to as the 'Said Colony') after purchase of raw undeveloped land in its own name and/or in the name of its associates/subsidiaries;

(B) The First Party is in the process of acquiring land for the Colony as the Government of Uttar Pradesh has already granted license to it to develop Hi Tech City in Lucknow.

(C) The Second Party which is holding company of the first party has approached the First Party and has expressed its consent to invest funds for the purchase of such raw undeveloped land, which is being purchased by the First Party for development of the proposed residential colony to be executed by the First Party or its subsidiary after obtaining all permissions and approvals from the Concerned Authorities.

(D) The Second Party has also requested the First Party that in lieu of the aforesaid contribution by the Second Party for the

purchase of raw land as aforesaid, developed plot of land in the proposed Colony shall be reserved for allotment to the Second Party after the licenses / LOI / requisite permissions for the said Colony are granted by the authorities.
(E) The First Party has accepted the request of the Second Party and has agreed to accept the contribution of funds by the Second Party for the aforesaid purpose.

(F) In the light of the above representations, the parties hereto have agreed to enter into this arrangement subject to the terms and conditions contained hereafter.

NOW THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

1. The Second Party has agreed to provide funds to the First Party for the purchase / acquisition of undeveloped / raw land for the purpose of development of the said Colony. The First Party shall be entitled to purchase land for colony in its own name or in the name of its associates / nominees, as may be necessary in order to procure permissions and approvals.

2. The Second party has already paid an amount of Rs.8,77,50,000/(Rupees Eight Crore Seventy Seven Lakh Fifty Thousand Only) receipts of which the first Party hereby acknowledges.

3. The first Party, in lieu of the aforesaid contribution of the second party towards purchase of the said Land for the development of Hi Tech City, has agreed to allot 130 plots of approx. 500 sq. yards each. Total area of all the plots to be allotted will be approximately 65,000sq.yds.

4. The First Party shall obtain either itself or through its subsidiary or nominee all sanctions, approval, licenses for developing a Colony on the said land at their own costs and expenses. The First Party shall develop the land at its own costs.

5. The Second Party or his allottee/nominee shall be liable to pay levies and charges like city development charges, external development charges & conversion charges from leasehold to freehold etc, that are imposed in terms of the Hi-Tech townships policy of U.P. Govt. as at present, or in future in terms of the

MOU and Developer Agreements executed; or to be executed between the First Party and U.P Govt. through the controlling authority.

6. It is agreed by and between the Parties that the amount paid by the Second Party shall only comprise the basic cost of the plot and all other charges such as Club Membership, IFMS, ECC and FFC, EDC, PLC, Club Membership fees etc. shall be paid by the Second Party as may be applicable to other buyers of the plot in the Colony.

7. That the Second Party shall be entitled to get the plot of land allotted in its own name or its nominees, in lieu of its contribution towards purchase of raw land after the grant of license for the proposed Colony in the High Tech City. The First Party contemplates that it shall allot the plot of land to the Second Party within a period of 60 months from the date of this Agreement

8. The terms and conditions of the allotment of the plot of land by the First Party to the Second Party except as specifically provided in this agreement will be Identical as applicable to other buyers of the plot of land. The Second Party undertakes to execute the Standard Plot Buyer's Agreement as shall be executed by other allottees in the Colony and such terms as contained in the agreement which shall contain detailed terms and conditions pertaining to the allotment as well as rights and obligations of the allottees. This shall be a condition precedent for allotment of plot in favour of Second Party. It is specifically agreed that the contribution made by the Second Party is equivalent to Basic Sale Price (BSP) of the plots and other charges will be applicable as per plot buyer agreement.

9. The Second Party shall be entitled to have the allotments in respect of the plot agreed to be sold in its favour or its nominee on the payment of entire consideration as per the respective Plot Buyer Agreement. All expenses with regard to Stamp Duty, Registration Charges etc. to cover the cost of Registration of the Sale Deed will be borne by the Second Party. Also, all expenses payable to the local authority or to the First Party at the time of execution of registered deed and taking possession of plot shall be paid by the nominee/allottee or by the Second Party.

10. In case of any dispute between the Parties arising out of or in connection with this Agreement, the same shall be resolved *through arbitration to be held in New Delhi in accordance with the provisions of Arbitration & Conciliation Act, 1996 by a mutually appointed arbitrator. In case of difference in choice of an arbitrator, then each party shall appoint one arbitrator and such appointed two arbitrators shall appoint third arbitrator who will be the Presiding Arbitrator. The cost of the arbitration shall be borne equally by the Parties. The venue of arbitration shall be Delhi and the courts at Delhi/New Delhi shall have exclusive jurisdiction in the matter.*

11. The Parties may revise the terms of this Agreement or agree on fresh terms and conditions, if warranted, by an instrument in writing signed by the authorized representatives of both the Parties.

12. For any item not covered in this Agreement, the same shall be settled mutually after consultation of both the parties; however, the decision of the First Party shall be final and binding.

IN WITNESS WHEREOF, THE PARTIES HAVE SET THEIR RESPECTIVE HANDS ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

M/s Garv Buildtech Private Limited

WITNESSES:

Authorized Signatory
FIRST PARTY

M /s. Omaxe Limited

Authorized Signatory
SECOND PARTY"

14. A careful analysis of the above MoU shows that in consideration of ₹8.77 Crore, Garv agreed to sell 130 plots to Omaxe. Omaxe, in turn, entered into several MoUs with JBPL offering to sell the housing plots to JBPL.

15. What is surprising is, JBPL in turn offered to sell its rights to the original owners, namely the Grav and Pancham with a premium. It was argued by Mr. Sancheti that there is no illegality in such transactions.

16. JBPL was holding an agreement/MoU to purchase plots from Omaxe. If JBPL had sold its rights to any third party, it is a normal transaction. Appellants' argument is, Garv and Pancham had agreed to buy-back their rights from JBPL. This is wholly unnatural.

17. SEBI has alleged in the SCN that JBPL is a related party of Omaxe. However, that charge has been dropped. The resultant position is, JBPL is an independent third party. Garv and Pancham were the owners of the plots and funding was made by the parent company Omaxe. Accounts of Garv and Pancham have been consolidated with Omaxe. Table No.5 in the impugned order relied upon by Mr. Chaudhary, clearly shows that there has been round tripping of money on the very same day between Omaxe to Garv, Garv to JBPL and JBPL to Omaxe and similarly between Omaxe to Pancham, Pancham to JBPL and JBPL to Omaxe. The table 5 is as follows:

Table No. 5 *(Rs. In crore)*

Date	***Omaxe to Garv***	***Omaxe to Pancham***	***Garv to JBPL***	***Pancham to JBPL***	***JBPL to Omaxe***
30/03/2017	*23.25*	-	*23.25*	-	*23.25*
19/05/2017	*200.00*	*150.00*	*200.00*	*148.50*	*331.40*
22/05/2018	*101.25*	*98.50*	*101.25*	*98.50*	*200.87*
13/06/2018	*74.50*	*25.47*	*74.50*	*25.47*	*92.21*
Total	***398.99***	***273.97***	***398.99***	***272.47***	***647.73***

18. On 30.03.2017, Omaxe has transferred ₹23.25 Crore to Garv. Garv has transferred₹23.25 Crore to JBPL. Further, JBPL has transferred ₹23.25 Crore to Omaxe. All transactions have happened on the same day.

19. Similarly, on 19.05.2017, Omaxe has transferred ₹200 Crore to Garv and ₹150 Crore to Pancham. Garv has transferred ₹200 Crore to JBPL and Pancham has transferred ₹148.50 Crore to JBPL. Further, JBPL has transferred ₹331.40 Crore to Omaxe. All transactions have happened on the same day.

20. Similarly, on 22.05.2018, Omaxe has transferred ₹101.25 Crore to Garv and ₹98.50 to Pancham. In turn, Garv and Pancham transferred exactly the same amounts to JBPL and further, JBPL has transferred ₹200.87 Crore to Omaxe. All transactions have happened on the same day.

21. Similarly, on 13.06.2018, Omaxe has transferred ₹74.50 Crore to Garv and ₹25.47 Crore to Pancham. In turn, Garv and Pancham transferred exactly the same amounts to JBPL and further, JBPL has transferred ₹92.21 Crore to Omaxe. All transactions have happened on the same day.

22. A careful analysis of the above transactions shows that Garv and Pancham have paid premium to JBPL to purchase its rights. But interestingly, that money was funded by their parent company Omaxe and JBPL has transferred that money to Omaxe. The first allegation is, misstatement/ misrepresentation in consolidated financial statements of Omaxe with respect to

transactions with JBPL, Garv, Pancham. The round tripping of movement of funds is conspicuous. The ostensible revenue sought to be projected by Omaxe based on the sale of rights to JBPL and JBPL's claim of revenue receipts based on the ostensible sale of rights to Garv and Pancham is nothing but a result of camouflaged sham transactions and hence, the first charge stands established.

23. The second charge is with regard to overstatement of sale transactions with Pullback Apparels Private Limited ('Pullback' for short). Mr. Sancheti for appellants submitted that on 11.01.2021, the Company entered into an agreement to sell, whereby land was purchased by Pullback and on the same day, full consideration amount was paid by Pullback to Omaxe. On 16.01.2021, Omaxe handed over possession of plots to Pullback and executed the sale deed on 25.06.2021 in favour of Pullback. It was argued that the transaction cannot be questioned on the basis of accounting treatment given by the buyer (Pullback). He contended that a deed of conveyance and its registration is only a formality and not a precondition for revenue recognition. With these submissions, Mr. Sancheti contended that CGM's finding on this allegation is untenable.

24. In reply, Mr. Chaudhary submitted that in FY 2020-21, Omaxe has recorded sale of land to Pullback based on an agreement to sell. The payment was received on 11.01.2021 and possession letter was given on 15.01.2021. The sale deed has been executed on 25.06.2021. Pullback's financial statement for that financial year has categorised this transaction as

'advance given for land'. He submitted that para 6 of ICAI guidance note makes it clear that revenue from sale of land should be recognised when all conditions in para 4.2 are fulfilled. Para 4.2 of the note states that completion of revenue recognition is identified when the entity has transferred to the buyer, the significant risk and rewards of ownership. In substance, he contended that sale deed was executed after 31.03.2021 and therefore, the receipt of money could not have been considered as sale consideration.

25. It is settled in law that the rights and obligations in an immovable property are transferred only upon execution of a deed of conveyance which is registered within the prescribed time limit provided in the Indian Registration Act, 1908. Admitted position is, sale deed was executed on 25.06.2021. Further, admitted position is Pullback has recognised the money transferred to Omaxe as 'advance sale consideration'. Thus, it is clear that Pullback treated the money paid as advance sale consideration and sale deed was executed only after 31.03.2021. Hence, Omaxe could not have shown the receipt of money as income in FY 2020-21. Hence, the second charge stands established.

26. With regard to charges at (iv), (vii) and (x), it was urged by Mr. Sancheti that this Tribunal may take a lenient view and reduce the penalty by considering the doctrine of proportionality. We may record that in the written submissions filed on behalf of the appellants, it is stated thus:

"Other allegations in the Impugned Order

The Impugned Order is replete with similar perfunctory allegations, as elaborated in the Memorandum of Appeal. While the Appellants have submissions on merits in respect of the charges(sic) levelled in the Impugned Order, the Appellants would request for a favourable consideration on the aspect of proportionality while computing /adjudicating the quantum of penalty. In this regard, it is worthwhile to note that the penalty in the Impugned Order is computed on a lump-sum basis and not segregated on the basis of charges."

27. Thus, in their written submissions appellants have restricted their prayer only with regard to quantum of penalty.

28. This is one of the classic cases in which gullible investors are induced to invest by misrepresentation of financials. The round tripping of money between Omaxe, its subsidiaries and JBPL recorded hereinabove establishes that the transactions were not genuine and designed to dress up the financial results to give a false impression that the listed company had good financials. It is shocking to note that Omaxe's subsidiary companies which acquired lands from the State Government of Uttar Pradesh sought to sell the lands to their parent company, which in turn sought to sell them to a third party company, JBPL. There are no deeds of conveyances transferring the immovable properties from Garv, Pancham to Omaxe. Hence, Omaxe had no title, yet dealt with the immovable properties by offering to sell the plots to JBPL. It is further shocking to note that JBPL, without having any title offered to sell the properties back to Garv and Pancham, to whom the lands were allotted by the Government. This is nothing but a series of fraudulent 'make believe' financial

transactions. The PFUTP violation is largely writ on the face of each transaction. Hence, the prayer made by Mr. Sancheti to take a lenient view is only noted to be rejected.

29. In the result, the following:

ORDER

i. Appeal is ***dismissed.***

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

iii. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

01.09.2026
RHN

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