

**BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI**

Order Reserved : 18.12.2019

Date of Decision : 06.02.2020

**Review Application No. 17 of 2019
In
Appeal No. 361 of 2018**

1. Inventure Growth and Securities Ltd.
201, Viraj Tower, 2nd Floor,
Western Express Highway,
Andheri (East), Mumbai – 400069.

2. Nagji K. Rita
Flat No.11, Anand Kunj,
Daftary Road, Malad (East),
Mumbai – 400097.

3. Virendra D. Singh
1605, Grandeur Vasant,
Marbour Complex, Nr.
Magathane Tele Exchange,
W.E. Highway, Borivali (East),
Mumbai - 400066.

.....Applicants
(Org. Appellant Nos. 1 to 3)

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051.

...Respondent

In the matter of

1. Inventure Growth and Securities Ltd.

201, Viraj Tower, 2nd Floor,
Western Express Highway,
Andheri (East), Mumbai – 400069.

2. Nagji K. Rita

Flat No.11, Anand Kunj,
Daftary Road, Malad (East),
Mumbai – 400097.

3. Virendra D. Singh

1605, Grandeur Vasant,
Marbour Complex, Nr.
Magathane Tele Exchange,
W.E. Highway, Borivali (East),
Mumbai - 400066.

4. Kanji B. Rita

1601, Laburnam Towers,
Mahindra Gardens,
S.V. Road, Goregaon (W),
Mumbai – 400062.

5. Vinod K. Shah

Vijaya Bhuvan, 1st Floor,
Bajaj Road Vile Parle (West),
Mumbai - 400056.

6. Arvind Gala

Flat No.2, 2nd Floor,
Plot No.36A, Pushpa Park,
Daftary Road No.3,
Malad (East), Mumbai – 400097.

7. Bhavi Gandhi

C-405, Gokul Garden,
Thakur Complex,
Kandivali (East), Mumbai - 400101.

.....Appellants

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051.

...Respondent

Mr. P. N. Modi, Senior Advocate with Mr. Kunal Kataria,
Mr. Sahebrao Buktare, Advocates i/b. Shah & Ramaiya for the
Applicants.

Mr. Anubhav Ghosh, Advocate i/b. The Law Point for the
Respondent.

**With
Review Application No. 18 of 2019
In
Appeal No. 361 of 2018**

Kanji B. Rita
1601, Laburnam Towers,
Mahindra Gardens,
S.V. Road, Goregaon (W),
Mumbai – 400062.

....Applicant
(Org. Appellant No. 4)

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai-400051.

...Respondent

In the matter of

1. Inventure Growth and Securities Ltd.
201, Viraj Tower, 2nd Floor,
Western Express Highway,
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2. Nagji K. Rita
Flat No.11, Anand Kunj,
Daftary Road, Malad (East),
Mumbai – 400097.

3. Virendra D. Singh
1605, Grandeur Vasant,
Marbour Complex, Nr.
Magathane Tele Exchange,
W.E. Highway, Borivali (East),
Mumbai - 400066.
4. Kanji B. Rita
1601, Laburnam Towers,
Mahindra Gardens,
S.V. Road, Goregaon (W),
Mumbai – 400062.
5. Vinod K. Shah
Vijaya Bhuvan, 1st Floor,
Bajaj Road Vile Parle (West),
Mumbai - 400056.
6. Arvind Gala
Flat No.2, 2nd Floor,
Plot No.36A, Pushpa Park,
Daftary Road No.3,
Malad (East), Mumbai – 400097.
7. Bhavi Gandhi
C-405, Gokul Garden,
Thakur Complex,
Kandivali (East), Mumbai - 400101. ... Appellants

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051. ...Respondent

Mr. Kunal Kataria, Advocate with Mr. Sahebrao Buktare, Advocate
i/b. Shah & Ramaiya C.A. for the Applicant.

Mr. Anubhav Ghosh, Advocate i/b. The Law Point for the
Respondent.

**With
Review Application No. 19 of 2019
In
Appeal No. 361 of 2018**

Vinod K. Shah
Vijaya Bhuvan, 1st Floor,
Bajaj Road Vile Parle (West),
Mumbai-400056.

....Applicant
(Org. Appellant No. 5)

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
G-Block, Bandra Kurla Complex,
Bandra East, Mumbai-400051.

...Respondent

In the matter of

1. Inventure Growth and Securities Ltd.
201, Viraj Tower, 2nd Floor,
Western Express Highway,
Andheri (East), Mumbai – 400069.
2. Nagji K. Rita
Flat No.11, Anand Kunj,
Daftary Road, Malad (East),
Mumbai – 400097.
3. Virendra D. Singh
1605, Grandeur Vasant,
Marbour Complex, Nr.
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5. Vinod K. Shah
Vijaya Bhuvan, 1st Floor,
Bajaj Road Vile Parle (West),
Mumbai-400056.

6. Arvind Gala
Flat No.2, 2nd Floor,
Plot No.36A, Pushpa Park,
Daftary Road No.3,
Malad (East), Mumbai – 400097.

7. Bhavi Gandhi
C-405, Gokul Garden,
Thakur Complex,
Kandivali (East), Mumbai-400101.

... Appellants

Versus

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SEBI Bhavan, Plot no.C4-A,
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...Respondent

Mr. Kunal Kataria, Advocate with Mr. Sahebrao Buktare, Advocate
i/b. Shah & Ramaiya C.A. for the Applicant.

Mr. Anubhav Ghosh, Advocate i/b. The Law Point for the
Respondent.

**With
Review Application No. 20 of 2019
In
Appeal No. 361 of 2018**

1. Arvind Gala
Flat No.2, 2nd Floor,
Plot No.36A, Pushpa Park,
Daftary Road No.3,
Malad (East),
Mumbai – 400097.

2. Bhavi Gandhi
C-405, Gokul Garden,
Thakur Complex,
Kandivali (East),
Mumbai-400101.

.... Applicants
(Org. Appellant Nos. 6 & 7)

Versus

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SEBI Bhavan, Plot no.C4-A,
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...Respondent

In the matter of

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Daftary Road, Malad (East),
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1605, Grandeur Vasant,
Marbour Complex, Nr.
Magathane Tele Exchange,
W.E. Highway, Borivali (East),
Mumbai-400066.

4. Kanji B. Rita

1601, Laburnam Towers,
Mahindra Gardens,
S.V. Road, Goregaon (W),
Mumbai – 400062.

5. Vinod K. Shah
Vijaya Bhuvan, 1st Floor,
Bajaj Road Vile Parle (West),
Mumbai-400056.

6. Arvind Gala
Flat No.2, 2nd Floor,
Plot No.36A, Pushpa Park,
Daftary Road No.3,
Malad (East), Mumbai – 400097.

7. Bhavi Gandhi
C-405, Gokul Garden,
Thakur Complex,
Kandivali (East), Mumbai-400101. Appellants

Versus

Securities and Exchange Board of India
SEBI Bhavan, Plot no.C4-A,
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Mr. Kunal Kataria, Advocate with Mr. Sahebrao Buktare, Advocate
i/b. Shah & Ramaiya C.A. for the Applicants.

Mr. Anubhav Ghosh, Advocate i/b. The Law Point for the
Respondent.

CORAM: Justice Tarun Agarwala, Presiding Officer
Dr. C. K. G. Nair, Member
Justice M. T. Joshi, Judicial Member

Per : Justice M. T. Joshi, Judicial Member

Review Application No.17 of 2019 in Appeal No. 361 of 2018 :

1. The present review application has been filed by Inventure Growth and Securities Ltd., Nagji K. Rita and Virendra D. Singh. Heard the learned counsel for the parties and perused the order passed by this Tribunal, the order of the learned Whole Time Member as well as the show cause notice issued by SEBI and the reply submitted by the present appellant to the said show cause notice.

2. Upon hearing both sides, in our view, no error apparent on the face of record is found as the order is passed on the relevant submissions made in the reply to the show cause notice issued by respondent SEBI as well as upon going through the prospectus as regards specific instances quoted in the order. The Review Application no.17 of 2019 is therefore dismissed.

Review Application Nos. 18 of 2019 and 19 of 2019 in Appeal No. 361 of 2018 :

3. Review Application No. 18 of 2019 has been filed by Kanji B. Rita and Review Application No. 19 of 2019 has been filed by Vinod K. Shah. The contention of the learned counsel for the applicants is that there is a factual error in paragraph 28 of our order wherein the applicants Kanji B. Rita and Vinod K. Shah have been described as Executive Directors whereas the said applicants are non-independent non-executive directors which have been specifically stated in paragraph 5.6 in Appeal No. 361 of 2018. This fact has not been denied by the respondent. Consequently, there is an error apparent on the face of the record and the factual position is required to be corrected. Accordingly, the sentence in paragraph 28 “para 5.3 describe” would be read as “para 5.3 to 5.9 describes” and the sentence “Appellant No. 4 Kanji B. Rita and Appellant No. 5 Vinod K. Shah as Executive Directors” would be read as “Appellant No. 4 Kanji B. Rita and Appellant No. 5 Vinod K. Shah as non-independent non-executive directors”. Necessary corrections are carried out in the original order to this extent.

4. It was urged that the Tribunal has allowed the appeal of Pravin N. Gala in Appeal No. 363 of 2018 who was a non-executive

director during the relevant period. In paragraph 33 of our order, we found that the appellant in Appeal No. 363 of 2018 (Pravin N. Gala) was the non-executive director during the relevant period and was not responsible for the day to day affairs of the company nor for the transaction of raising a bridge loan. It was contended that since the applicants Kanji B. Rita and Vinod K. Shah are also non-independent non-executive directors, the same relief should be granted to them.

5. The submission of the learned counsel for the applicants appears to be attractive but cannot be accepted. In paragraph 29 of our order, we have categorically stated that issue of non liability was nowhere raised by the appellants in Appeal No. 361 of 2018 during the arguments. No argument was raised that they were neither responsible for the day to day affairs of the company or for the transaction of raising the bridge loan. In the absence of any such assertions being made in their arguments or in the memo of appeal and in the absence of any assertion that the statement made in paragraph 29 is incorrect, we are of the opinion that the review applications of Kanji B. Rita and Vinod K. Shah are misconceived and cannot be accepted on the strength that being non-independent non-executive directors of the company, they should be given the same relief as given to the appellant Pravin N. Gala in Appeal No.

363 of 2018. The Review Application Nos. 18 and 19 of 2019 are misconceived and are rejected.

Review Application No. 20 of 2019 in Appeal No. 361 of 2018 :

6. The present review application has been filed by Arvind Gala and Bhavi Gandhi contending that there is a factual error in paragraph No. 1 of our order wherein we recorded that the appellants except Arvind Gala and Bhavi Gandhi were prohibited from accessing the securities market for a period of four years from the date of the order. It was contended that the appellants in the impugned order were prohibited from accessing the securities market for a period of four years. This fact has not been denied by the learned counsel for the respondent. We also find from the operative portion of the impugned order that the applicants Arvind Gala and Bhavi Gandhi were also prohibited from accessing the securities market for a period of four years. Thus, there is an error apparent on the face of the record in paragraph No. 1 which needs to be rectified.

7. We accordingly, correct paragraph No. 1 of the order. The sentence “appellants except Arvind Gala and Bhavi Gandhi were prohibited from accessing the securities market for a period of four

years from the date of the order” would be read as “appellants were prohibited from accessing the securities market for a period of four years from the date of the order.”

8. In view of the aforesaid, the restraint order of four years is also reduced to three years for the said applicants and the directions given by us in the paragraph No. 34 will also apply to the said applicants. Review Application No. 20 of 2019 is accordingly disposed of.

Sd/-
Justice Tarun Agarwala
Presiding Officer

Sd/-
Dr. C. K. G. Nair
Member

Sd/-
Justice M. T. Joshi
Judicial Member

06.02.2020
Prepared & Compared by
PTM