

<b>Department: Investigation</b>	<b>Segment: All</b>
<b>Circular No: MSE/ID/17953/2025</b>	<b>Date: October 10, 2025</b>

**Subject: SEBI Final Order in the matter of Citrus Check Inns Limited.**

To All Members,

This has reference to SEBI order WTM/AN/IVD/ID5/31715/2025-26 dated October 09, 2025 where in SEBI has restrained following entities from accessing securities market and are further prohibited from buying, selling or otherwise dealing in securities till all monies mobilized through Collective Investment Schemes of Citrus are refunded to its investors:

<b>Sr. No.</b>	<b>Name</b>	<b>PAN / CIN</b>
1	Citrus Check Inns Limited	U55101MH2011PLC222394
2	Omprakash Basantlal Goenka	AECPG3854J
3	Prakash Ganpat Utekar	AALPU9100E
4	Venkatraman Natrajan	ACUPV4686K
5	Narayan Shivram Kotnis	ABIPK5022D

The detailed order is available on SEBI website - <http://www.sebi.gov.in>

This order shall come into force with immediate effect.

The detailed order is available on SEBI website - <http://www.sebi.gov.in>.

**For and on behalf of**  
**Metropolitan Stock Exchange of India Limited**

**Shweta Mhatre**  
**Assistant Vice President**

**Metropolitan Stock Exchange of India Limited**

**SECURITIES AND EXCHANGE BOARD OF INDIA  
FINAL ORDER**

**UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND  
EXCHANGE BOARD OF INDIA ACT, 1992**

**In respect of:**

<b>Noticee No.</b>	<b>Name of the Noticee</b>	<b>PAN/ CIN</b>
1.	Citrus Check Inns Limited	U55101MH2011PLC222394
2.	Omprakash Basantlal Goenka	AECPG3854J
3.	Prakash Ganpat Utekar	AALPU9100E
4.	Venkatraman Natrajan	ACUPV4686K
5.	Narayan Shivram Kotnis	ABIPK5022D

*(The aforesaid entities are hereinafter individually referred to by their respective names/ Noticee numbers and collectively referred to as “Noticees”)*

**In the matter of Citrus Check Inns Limited**

**A. BACKGROUND:**

1. Securities and Exchange Board of India (“**SEBI**”) received a complaint dated January 17, 2014, wherein *inter alia* it was alleged that Citrus Check Inns Limited (“**Citrus**”/ “**the Company**”) was running a “*Ponzi Scheme*” and “*mis-selling*” schemes to the public and refused to refund the money invested by the Complainant.
2. SEBI conducted a preliminary examination and found that Citrus was *prima facie* engaged in mobilization of funds in the nature of ‘*collective investment scheme*’ (“**CIS**”) as defined in Section 11 AA of the SEBI Act, 1992 (“**SEBI Act**”) without

obtaining a certificate of registration as required under Section 12(1B) of the SEBI Act and Regulation 3 of the SEBI (Collective Investment Scheme) Regulations, 1999 (“**CIS Regulations**”). In view of such findings, SEBI passed an *ad interim ex-parte* order (“**Interim Order**”) dated June 03, 2015 against Citrus and its four directors namely Omprakash Basantlal Goenka, Prakash Ganpat Utekar, Venkatraman Natarajan and Narayan Shivram Kotnis *inter alia* issuing the following directions:

“29.

....

- not to collect any fresh money from "customers"/ investors under its existing scheme;
- not to launch any new schemes or plans in this company,
- not to raise any fresh moneys from any other existing company within the group;
- not to float any new companies to raise fresh moneys under such schemes,
- to immediately submit the full inventory of the assets obtained through money raised by Citrus;
- not to dispose of or alienate any of the properties/assets obtained directly or indirectly through money raised by Citrus;
- not to divert any funds raised from public at large, kept in bank account(s) and/or in the custody of Citrus or group companies or promoters or LLPs or Proprietary concerns or any person directly or indirectly controlled through shareholding or management by Citrus;

.....”

3. The Interim order was confirmed *vide* Confirmatory Order dated August 24, 2015 (“**Confirmatory Order**”) along with direction to SEBI to conclude the investigation. Citrus and its directors preferred an appeal before the Hon’ble Securities Appellate Tribunal (“**SAT**”) against the Interim Order and Confirmatory Order. On February 03, 2016, SAT upheld the *prima facie* view of SEBI that the business of Citrus constituted a CIS. However, the directions issued in the Interim and Confirmatory Orders were set aside and Citrus was directed to make an application for registration with SEBI in respect of refundable schemes covered by the CIS Regulations.

4. SEBI challenged the aforesaid SAT Order dated February 03, 2016 before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated November 09, 2016 set aside SAT order dated February 03, 2016 and directed SEBI to complete the investigation and determine whether Citrus business is CIS or not and directed Citrus not to alienate or create encumbrance on assets without the prior permission of SEBI.
5. Based on the above direction, SEBI conducted an investigation to look into violations of SEBI Act and CIS Regulations by Citrus for the FYs 2011-12 to 2015-16 ("**Investigation period**"). While SEBI investigation was pending, National Company Law Tribunal (NCLT) passed an order dated May 02, 2017 initiating Corporate Insolvency Resolution Process (CIRP) against Citrus and moratorium under Section 14 of IBC was imposed. SEBI's investigation was completed and approved on May 04, 2017. *Vide* its Order dated January 08, 2018, Hon'ble Supreme Court stayed the proceedings under IBC and SEBI was directed to be made party to the proceedings. SEBI was impleaded as party on March 23, 2018. Subsequently, on May 10, 2018, Hon'ble Supreme Court *inter alia* directed formation of Sale cum Monitoring Committee (SMC), comprising SEBI representative also, to oversee the sale of properties of Citrus. Thereafter, Supreme Court *vide* its order dated May 06, 2019, appointed Justice J.P. Devadhar as the head of SMC.
6. The Hon'ble Supreme Court *vide* its Order dated December 13, 2019 *inter alia* directed commission agents to appear before SEBI and for SEBI to determine whether schemes are CIS and look into points raised by the commission agents. Findings of SEBI were to be submitted to the Hon'ble Court in a sealed cover. Accordingly, SEBI submitted a report dated March 16, 2020 wherein *inter alia* permission of the Hon'ble Supreme Court to proceed with enforcement proceedings against Citrus was sought. Thereafter, SEBI also filed an affidavit dated January 03, 2022 wherein it was prayed to allow SEBI to take enforcement actions *inter alia* against Citrus. *Vide* its Order dated August 08, 2024, Hon'ble Supreme Court *inter alia* directed for SEBI's report to be made public and allowed

SEBI to proceed in accordance with the law. Accordingly, a Show Cause Notice (“SCN”) dated March 28, 2025 was issued to the Noticees.

## **B. SHOW CAUSE NOTICE, REPLY AND HEARING**

7. The *prima facie* conclusions arrived at in the SCN are as follows.

7.1. Citrus is a part of the Mirah Group of Companies which is in the business of hospitality and real estate development. Citrus was incorporated on September 26, 2011 and was involved in the business of hotels camping sites and other provisions of short-stay accommodation including restaurant facilities operated in connection with lodging.

7.2. As per MCA records, the management of Citrus during the investigation period included the following persons.

**Table 1**

<b>Name</b>	<b>Designation</b>	<b>Date of appointment</b>	<b>Date of ceasing</b>
Narayan Shivram Kotnis	Director	26 September 2011	Still a Director as on date as per MCA website.
Omprakash Basantlal Goenka	Director	26 September 2011	Still a Director as on date as per MCA website.
Prakash Ganpat Utekar	Director	26 September 2011	Still a Director as on date as per MCA website.
Venkatraman Natarajan	Director	26 September 2011	Still a Director as on date as per MCA website.

### **Schemes of Citrus**

7.3. Citrus had 25 holiday plans and out of the said 25 plans, 7 plans namely, (1) Gem, (2) Jewel, (3) Crystal, (4) Crown, (5) Pearl, (6) Glory and (7) Sapphire, redemption/ rent out/ sell option was offered i.e. a return was promised on the invested amount. The said 7 plans were the subject of the investigation conducted by SEBI.

### **Structure of Schemes/plans offered by Citrus:**

7.4. The essential features of all the holiday plans was that one has to invest a particular amount in a plan with a promise to get a particular amount (which is

higher than the invested amount) at the end of the plan period if the holiday facilities were not availed.

**7.5.** For investment by the investors, the company invited subscriptions into its various plans. These plans have varied payment options i.e. Equal Monthly Instalments (EMI), Equal Quarterly Instalments (EQI), Equal Half Yearly Instalments (EHI), Equal Yearly Instalments (EYI) and Single Premium (SP) payment plans. Under each of the 7 plans, investors/ customers can choose from 6 plan options based on the amount of investment namely (i) Mini, (ii) Nano, (iii) Family, (iv) Jumbo, (v) Combo and (vi) Global.

**7.6.** The holiday plans work on a points based system with points accrued to the investors /customers against the investment made by the investor/customer and these points are accumulated over the plan period. The investor/customer has an option to utilise the accumulated points for availing holiday at the hotels/resorts offered by the company and / or through its tie ups with its affiliated hotels & resorts or he/she can choose not to avail the holiday and get a redemption against the points accumulated to him/her. The point value as mentioned in the offer document under the head "Salient Features" is Rs. 100/- per point. Thus for every Rs. 100 investments, the investor/customer gets 1 point. The company has a system of giving holiday bonus points under which in addition to the points which the investor/customer will get as per scheme against his/her investment, the company gives holiday bonus points to the investor/ customer. For example, in the plan Gem (Nano option), the customer invests Rs. 36,000 for a period of 3 years and gets 360 points (36000/100). In addition to these 360 points accumulated against the investment, the investor/customer will get a bonus of 180 points and therefore, the total accumulated points to the investor/customer works out to 540 (360+180) points or Rs. 54,000. The investor has an option to either utilise these 540 points by availing the holiday facilities or he/she can choose not to avail the holiday facilities and request the company to redeem these 540 points and pay him/ her Rs. 54,000. Thus effectively, a redemption amount of Rs. 54,000 is promised to the investor/ customer (if the holiday option is not availed) against an investment amount of Rs. 36,000 and the return on investment works out

to Rs. 18,000. Thus, these holiday bonus points accrued over the plan period represent the returns generated over the plan period.

**7.7.** It was observed that in addition to the return mentioned above, there are other benefits offered by the company to the investors/customers in all holiday plans for making the schemes attractive to the investors/ customers to lure them to invest in its various plans. These additional benefits are as under:

**7.7.1. Free Gift Points:** Allotted only once during the plan tenure & must be utilized towards holiday & allied hotel facilities within 1 year effective from holiday start date (HSD).

**7.7.2. Usages Bonus Points:** May be earned on pro-rata & per annum basis upon actual utilization of *holiday* facilities against accrued holiday points during the plan period.

**7.7.3. Voluntary Care Scheme:** VCS is an additional benefit of the company to investor/customers in an accidental hazard resulting in loss of life or disability during the plan period. It is applicable as per terms & conditions of the offer document.

**7.8.** The essential features of the various plans viz., points purchased, holiday bonus points, points accrued over period, and % return over time period etc. of various holiday plans are reproduced in tabular form here as under:

**Table 2**

Holiday	Plan Options	Term	Payment Option (A)	Instalment (B)	Total Investment (Rs.) (C=A*B)	Points Purchased (D=C/100)	Holiday Bonus Points (E)	Points Accrued over the period (F=D+E)	Value of Points Accrued (G=F*100)	%Return over plan period (H=G/C* 100)
<b>Sapphire</b>	Mini	3 Yrs	36 EMI	500	18000	180	30	210	21000	16.7
	Nano			1000	36000	360	60	420	42000	16.7
	Family			2500	90000	900	150	1050	105000	16.7
	Jumbo			5000	180000	1800	300	2100	210000	16.7
	Combo			10000	360000	3600	600	4200	420000	16.7
	Global			25000	900000	9000	1500	10500	1050000	16.7
<b>GEM</b>	Nano	5 Yrs	36 EMI	1000	36,000	360	180	540	54,000	50.0
	Family		12 EQI	1500	54,000	540	270	810	81,000	50.0
	Jumbo		6 EHI	2500	90,000	900	450	1350	1,35,000	50.0
	Combo		3 EYI	5000	1, 80, 0000	1800	900	2700	2, 70,000	50.0
	Global			10000	3,60,000	3600	1800	5400	5,40,000	50.0
<b>Jewel</b>	Nano	6 Yrs	48 EMI	1000	48000	480	300	780	78,000	62.5
	Family		16 EQI	1500	72,000	720	450	1170	1,17,000	62.5
	Jumbo		8 EHI	2500	1,20,000	1200	750	1950	1,95,000	62.5
	Combo		4 EYI	5000	2,40 000	2400	1500	3900	3,90,000	62.5
	Global			1000	4,80,000	4800	3000	7800	7,80,000	62.5

Holiday	Plan Options	Term	Payment Option (A)	Instalment (B)	Total Investment (Rs.) (C=A*B)	Points Purchased (D=C/100)	Holiday Bonus Points (E)	Points Accrued over the period (F=D+E)	Value of Points Accrued (G=F*100)	%Return over plan period (H=G/C*100)
<b>Crystal</b>	Nano	6 Yrs	Single Premium	N. A.	50,000	500	396	896	89,600	79.2
	Family				1,00,000	1000	792	1792	1,79,200	79.2
	Jumbo				2,00,000	2000	1584	3584	3,58,400	79.2
	Combo				5,00,000	5000	3960	8960	8,96,00	79.2
<b>Crown</b>	Nano	6 Yrs	Single Premium	N. A.	10,000	100	95	195	19,500	95.0
	Family				15,000	150	143	293	29,300	95.3
	Jumbo				25,000	250	238	488	48,800	95.2
	Combo				50,000	500	475	975	97,500	95.0
	Global				1,00,000	1000	950	1950	1,95,000	95.0
<b>Pearl</b>	Nano	8 Yrs	Single Premium	N. A.	50,000	500	500	1000	1,00,000	100.0
	Famil				1,00,000	1000	1000	2000	2,00,000	100.0
	Jumbo				1,50,000	1500	1500	3000	3,00,000	100.0
	Combo				2,50,000	2500	2500	5000	5,00,000	100.0
	Global				5,00,000	5000	5000	10000	10,00,000	100.0
<b>Glory</b>	Nano	9 Yrs	Single Premium	N. A.	10,000	100	191	291	29,100	191.0
	Famil				15,000	150	286	436	43,600	190.7
	Jumbo				25,000	250	478	728	72,800	191.2
	Combo				50,000	500	955	1455	1,45,500	191.0
	Global				1,00,000	1000	1910	2910	2,91,000	191.0

**7.9.** It was observed from the table above that the returns on investment in the above plans over the plan period range from 16.7% (or 5.55% per annum) in 3 years under Sapphire plan to 191.2% (or 21.24% per annum) in 9 years under Glory plan.

**7.10.** On perusal of the complaints received from investors in one of the plans, i.e. Crystal Plan, it was noted that investors in this plan were receiving monthly payments in their bank accounts and complained to SEBI when the same was discontinued after payment of certain instalments. In one instance, a customer invested Rs. 1,00,000/- under crystal plan of Citrus and started receiving a credit of Rs. 1,100/- on monthly basis in his bank account. According to Holiday Entitlement Certificate given by Citrus, this would have continued for 71 months while credit for 72<sup>nd</sup> month would have been a onetime payment of Rs. 1,01,100/-. In cumulative terms the entire payment to investors turns out to be of Rs. 1,79,200/- over a period of 6 years. The yearly return for the same comes out to 13.2% per annum.

**7.11.** As per the terms & conditions, the company exercises its discretion to design, discontinue any of its holiday plans, accept or reject, allow transfer/ gift, rent out of holiday plans, and guarantees any shortfall in the rent out realization. The customer does not get to utilize holiday facilities as soon as he



makes payment rather had to wait for certain period in order to utilize room nights. In view of same, the company always had control over the plans and the same were managed by the company only. The customer only decides the plan name, duration of the plan and option of payment.

**Money mobilization by Citrus:**

**7.12.** As per details submitted Citrus vide letter dated December 30, 2016, the company mobilised Rs. 3,03,699.1 lakhs under its 25 holiday plans from FY 2011-12 to 2014-15 and the number of investors/ customers enrolled in these plans were 15,22,045.

**7.13.** A tabular representation of the money mobilization from 2011-12 to 2014-15 by Citrus under 7 plans covered in the investigation is as under:

**Table 3**

Sr no.	Plan	No. of Investors/ customers					Amount Mobilized in Rs. lakhs				
		2014-15	2013-14	2012-13	2011-12	Total	2014-15	2013-14	2012-13	2011-12	Total
1	Crown	105162	83524	68186	7283	264155	257143.48	29502.07	9925.49	1467.90	66609.80
2	Crystal	17700	15157	8081	270	41208	228894.13	14786.43	11182.07	304.50	49162.41
3	Gem	65826	3811	83408	8913	161958	134641.85	11154.63	9581.90	202.14	34402.86
4	Glory	17509	23467	22097	1055	64128	48231.00	5847.27	5415.73	250.80	16336.90
5	Jewel	346291	3628	102984	9212	462115	442842.20	18343.42	15174.37	275.37	78077.38
6	pearl	110	181	544	137	972	865.00	146.20	574.80	114.50	922.00
7	Sapphire	236203	48155	2648		287006	199860.35	6660.97	88.85		26735.85
	<b>Total</b>	788801	177923	287948	26870	<b>1281542</b>	131247.80	86440.98	51943.20	2615.20	<b>272247.19</b>

**7.14.** It can be seen from the above table that, out of the 25 plans launched, the number of investors/customers enrolled and the amount mobilized under these 7 plans was 84.2% and 89.64% of the total members enrolled and the amount mobilised respectively by the company in all the 25 plans.

**7.15.** Further, the number of investors and the amount mobilized increased continuously from 2011-12 to 2014-15. The company raised Rs. 272,247.19 lakhs from 12,81,542 investors/ customers under above 7 plans.

**Structure of commission for said plans:**

- 7.16.** From the list of agents submitted by Citrus, it was noted that it had a total of 12,55,548 agents while the total number of investors/ customers enrolled in 7 plans is 12,81,542. Thus, the customer/agent ratio works out to 1.02.
- 7.17.** Further, as per the commission structure details provided by Citrus, it was observed that the commission in case of each plan is given based on the amount agent brings in with the investor. For example, under Glory plan, the commission can go up to as much as 27.80% of the amount mobilised. Apart from commissions, agents were also eligible for promotions, incentives, performance bonus, Diwali bonus etc.
- 7.18.** The total commission paid to the agents vis-à-vis amount mobilized was highest at 31.94% in the year 2011-12, the year when company launched its holiday plans while the overall commission paid to agents for all the 25 plans was about 24.91% i.e. 1/4th of the total money mobilized by the company.
- 7.19.** It was noted from the Profit and Loss statements of the company for the years 2011-12 to 2014-15 that out of the total expenses, scheme promotional expenses were a significant part of the expenses ranging from 17.57% in the year 2011-12 to 36.72% in the year 2012-13 goes towards payment of commissions and other incentives to its agents who bring business for the company by adding new investors/ customers to invest in plans of Citrus. Thus, promotional expenses of Scheme were a significant cost from the operational point of view of the company as the company borrowed a miniscule amount of money from market.
- 7.20.** From the above, it was found that the customer/agent ratio and the amount of commission paid to the agents as a percentage of the money mobilized was very high. This indicates towards aggressive strategy of incentivize agents adopted by the company to lure investors into investing in its holiday plans.

#### Details of Citrus hotels and tie ups

- 7.21.** As per information submitted by Citrus vide letter dated June 25, 2015 with respect to availability of rooms, there were 19 hotels owned or managed by the company with a total annual inventory of 4,07,340 rooms available for

utilization by investors/ customers of Citrus as per its plans. The company also submitted that it also has tie-ups with 111 hotels across India.

**7.22.** As per the list of investors/customers submitted by Citrus, it was observed that many investors/customers in the plans of Citrus are from states like Chhattisgarh, Assam, Andhra Pradesh, Arunachal Pradesh, Jharkhand and Tripura where Citrus does not have any hotel/property either its own or through tie ups. The customers of these locations have to spend a considerable amount of money and time to physically reach to any of the holiday locations of the company in order to avail the holiday plan.

**7.23.** The aforesaid observations also indicate that the schemes offered by Citrus were more in the nature of investment schemes where the investor/customer had put in the money with a view to get the returns as promised and not to avail the holiday plans.

Details with respect to utilisation of holiday facilities by Investors/ customers:

Utilization of holiday facilities as on December 30, 2016 was as under:

**Table 4**

<b>Plan</b>	<b>No. of Investors/ customers who availed holiday facilities</b>	<b>Total no. of investors/ customers</b>	<b>% Investors/ customers who availed holiday facilities</b>
Crystal	0	41208	0
Gem	0	161958	0
Sapphire	0	287006	0
Crown	37841	264155	14.33
Glory	9504	64128	14.82
Jewel	25847	462115	5.59
Pearl	171	972	17.59
<b>Total</b>	<b>73363</b>	<b>1281542</b>	<b>5.72</b>

**7.24.** It was noted from aforesaid table that out of the 7 plans, none of the investors/ customers in 3 plans namely Crystal, Gem and Sapphire utilized the holiday facilities of the Citrus. Out of 12,81,542 customers in all the 7 plans, only 73,363 number of customers utilized the holiday facilities provided by the company. Thus, the average utilization in percentage terms turns out to be 5.72%.

**7.25.** Monetary value of facilities utilized is as under:

**Table 5**

<b>Plan</b>	<b>Amount Collected Rs. lakhs</b>	<b>Services Utilized Rs. lakhs</b>	<b>Amount not yet availed Rs. lakhs</b>	<b>Utilizations as % of Amount Collected</b>
Crown	66609.8	482.29	66127.51	0.72
Crystal	49162.41	0.00	49162.41	0.00
Gem	34402.86	0.00	34402.86	0.00
Glory	16336.9	302.69	16034.21	1.85
Jewel	78077.38	333.78	77743.6	0.43
Pearl	922	3.61	918.388	0.39
Sa hire	26735.85	0.00	26735.85	0.00
<b>Total</b>	<b>272247.19</b>	<b>1122.38</b>	<b>271124.8</b>	<b>0.41</b>

**7.26.** As can be seen from the above table, money spent on utilization of the holiday facilities by the customers is 0.41% of the amount collected from these 7 plans.

Redemption by investors/ customers:

**7.27.** As per the details submitted by the company vide letter dated February 13, 2017, the number of investors/ customers who did not avail the holiday option and redeemed the points accumulated into cash up to February 13, 2017 are as under:

**Table 6**

<b>Plan</b>	<b>No of investors/ customers</b>	<b>Amount redeemed to the investors Rs. lakhs</b>
Crown	4627	1067.85
Crystal	864	907.40
Gem	16624	2683.18
Glory	1428	388.08
Jewel	38721	6417.75
pearl	33	23.65
Sapphire	9479	692.32
<b>Total</b>	<b>71776</b>	<b>12180.23</b>

**7.28.** As can be seen from above table, the number of investors/ customers who have redeemed their accumulated points into cash is 71,776 and the amount redeemed is Rs. 12180.23 lakhs.

Application of rent out/ sale option:

**7.29.** The rent out/ sell can be exercised by the investor/customer only at the end of the tenure of plan mentioned in the holiday entitlement certificate.

**7.30.** As per the details submitted by the company vide letter dated February 13, 2017, a total of 14,558 number of investors/ customers had opted for rent

out/ sale option and the amount paid to them after rent out/sell was Rs. 4,623.53 lakhs.

**7.31.** It was observed that the number of investors/ customers who sought redemption and rent out of their plans is 86,334 [i.e. 71, 776 (redemption) + 14558 (rent out/sell)] while the number of investors/ customers who availed the holiday facilities of the company is 73,363. The monetary value for redemption and rent out/sell by the 86,334 investors/ customers is Rs. 16803.76 lakhs while it is only Rs. 1122.38 lakhs for the holiday facilities utilized by the 73,363 investors/ customers.

**7.32.** From the above observations, it can be inferred that the schemes of Citrus were investment schemes and not holiday plans since it can be seen that majority of the investors had not utilised the holiday facilities. Further, many investors had actually exercised the redemption/rent out/sell option and the company had also redeemed the amount to them.

**7.33.** Citrus was pooling money from investors/ customers under said seven (7) holiday plan schemes and promising them income or property. Further, the scheme was such that the contribution or investment forming part of scheme or arrangement, whether identifiable or not, was managed by the company on behalf of the investors and the investors did not have day-to-day control over the management and operation of the scheme or arrangement.

**7.34.** It was therefore alleged that the schemes operated by Citrus launched "Collective Investment Scheme" without obtaining a certificate of registration from SEBI and thereby violated section 12(1B) of the SEBI Act read with Regulations 3 and 65 of the CIS Regulations.

**7.35.** Further, it was alleged that Noticee nos. 2 to 5 were the directors of Citrus and responsible for the conduct of the business of the company during the period of money mobilization and have also violated Section 12(1)(B) of SEBI Act read with Regulations 3 and 65 of the CIS Regulations.

**8.** The Noticees were called upon to show cause as to why the aforesaid schemes offered by Citrus should not be declared as CIS and further, in case the aforesaid schemes are found to be CIS, appropriate directions under Sections 11(1), 11(4)(b)

and 11B of the SEBI Act read with Regulation 65 of the CIS Regulations, 1999 should not be issued against them.

9. The details with respect to the service of SCN on the Noticees are as under:

**Table 7**

S. No.	Noticee Name	Mode of delivery of SCN	
		By SPAD/ Hand delivery	By Digitally signed Email
1.	Citrus Check Inns Limited	Undelivered	28/03/2025 (Served on the Resolution Professional)
2.	Omprakash Basantlal Goenka	Delivered (03/04/2025)	28/03/2025
3.	Prakash Ganpat Utekar		
4.	Venkatraman Natrajan		
5.	Narayan Shivram Kotnis	Delivered (05/08/2025)	

10. As detailed in the table above, the SCN was duly served on all the Noticees on March 28, 2025 by way of digitally signed email. As regards the company, the SCN was served on the Resolution professional. Additionally, the SCN was served on Noticee nos. 2 to 4 through SPAD and on Noticee no. 5 through hand delivery.

11. A summary of date of inspection, date of hearing and date of reply, for the Noticees, is given in the Table below:

**Table 8**

S. No.	Noticee Name	Date of inspection of documents	Date of hearing opportunity	Date of replies
1.	Citrus Check Inns Limited	Not requested	06/08/2025	26/04/2025 (from the Resolution Professional)
2.	Omprakash Basantlal Goenka	11/06/2025		05/08/2025
3.	Prakash Ganpat Utekar			06/08/2025
4.	Venkatraman Natrajan			
5.	Narayan Shivram Kotnis	Not requested		NA

**12.** The Noticees were granted an opportunity of personal hearing on August 06, 2025.

The hearing notices were duly served on the Noticees through email. As regards the company, the Insolvency Resolution Professional through his reply dated April 26, 2025 submitted that he was initially appointed as Insolvency Resolution Professional under IBC, 2016 and subsequently managed the company as per the directions of the Hon'ble Supreme Court and decisions taken by SMC. Further, he stated that he had no submissions to make regarding the business activities of Citrus.

**13.** With respect to Noticee nos. 2, 3 and 4, the Authorized Representative of the Noticees appeared before me through video conference on the scheduled date and reiterated the submissions made in their common letter dated August 05, 2025. Post hearing, they filed their additional submissions through common letter dated August 06, 2025. Noticee no. 5 failed to appear before me on the date of the hearing.

**14.** In the matter of Classic Credit Ltd. V. SEBI [2007] SCL 51 (SAT-MUM), the Hon'ble Securities Appellate Tribunal (SAT), *inter alia*, held that, *"...The appellants did not file any reply to second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them."* Further, in the case of Dave Harihar Kiritbhai vs. SEBI (Appeal no. 93 of 2014), order dated December 19, 2014, Hon'ble SAT has observed that: *"....and since further it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal..."*.

**15.** I note that Noticee no. 5 has been given sufficient opportunity to make oral and written submissions and therefore, the principles of natural justice have been duly complied with, and I now proceed to consider the matter on merits on the basis of the material available on record.

**16.** The contentions raised in the common replies submitted by Noticee nos. 2, 3 and 4 *vide* letter dated August 05, 2025 and August 06, 2025 are summarized below.

**16.1.** The allegations relate to the period between 2014 and 2015 and the present SCN has been issued only on March 28, 2025 i.e., nearly 11 years since the SEBI investigation was initiated. This inordinate and unexplained delay has caused serious prejudice to the Noticees. The Noticees are senior citizens, many whom are advanced in age and suffering from various chronic and age-related health conditions. Given their age, health issues and poor financial condition, any further proceedings would cause undue hardship and prejudice to the Noticees.



- 16.2.** Considering this enormous delay, the Noticees are unable to respond to the SCN effectively and therefore, their defence is adversely affected. Even in the absence of prescribed limitation period under the SEBI Act and its Regulations, the regulatory authority must act within a reasonable time frame. In the given facts and circumstances, the proceedings are liable to be discontinued and dropped, and no directions ought to be imposed. In this regard, attention is drawn to the orders passed by Hon'ble Supreme Court of India (SC) and Hon'ble Securities Appellate Tribunal in the matters of SEBI vs. Sunil Krishna Khaitan (Civil appeal no. 8429 of 2013) and Geetaben Joshi vs. SEBI (SAT appeal no. 650 of 2022). In light of the inordinate delay, which has caused serious prejudice and impaired their ability to defend themselves, the present proceedings are vitiated and ought to be dropped.
- 16.3.** The monies invested by investors of Citrus have been partly refunded under the supervision of SEBI and the SMC, and the refund process for the remaining investors is ongoing.
- 16.4.** The Noticees have already undergone and complied with the directions contemplated under Regulation 65 of CIS Regulations for the past 10 years. Citrus and Noticees did not collect any money from investors and did not dispose of any properties since 2015, i.e., post passing of ex parte and confirmatory order. The SMC and SEBI had disposed of various assets of Citrus in the manner as directed by Hon'ble SC. The Noticees are prohibited from operating in capital market or from accessing the capital market since 2015.
- 16.5.** The SCN proposes to issue directions under Regulation 65 of CIS Regulations. Such directions have already been complied with or are presently being undertaken by the Noticees/ SMC/ SEBI.
- 16.6.** In the present circumstances, where all assets are under the control of SEBI and SMC pursuant to orders of the Hon'ble SC, and the Noticee have no control over any affairs, there is no justification to issue any directions under the current SCN.
- 16.7.** The process of refunding investors' money is currently underway under direct supervision of Hon'ble SC as evident from the various orders passed. SEBI is in control of the entire process of refund and SEBI is ensuring that

investors are duly protected. Any further expectation from the Noticee in respect of the present proceedings may not be correct considering that all appropriate actions/ remedies have been availed by Hon'ble SC along with SEBI pertaining to investor protection.

**16.8.** Noticee no. 2 is the director of Citrus and Noticee nos. 3 and 4 are Non-Executive Directors of Citrus since September 26, 2011.

**16.9.** Pursuant to the directions of the Hon'ble SC, all assets of the Noticees, including personal and family are currently under the custody of the SMC and are being liquidated for the purpose of disbursement of investors. The Hon'ble SC has permitted the Noticees to operate a single bank account solely for meeting their basic personal expenses. The Noticees neither possess any assets nor maintain any cash reserves and are, therefore in no position to pay monetary penalty.

**16.10.** The powers conferred upon SEBI under Regulation 65 of CIS Regulations is discretionary in nature as held in SEBI vs Sunil Krishna Khaitan & Ors. (supra). Therefore, SEBI ought to refrain from issuing any further directions under Regulation 65, as doing so would be unnecessary and contrary to principles of fairness and proportionality.

**16.11.** The objective of the business was never to defraud investors. The matter came under SEBI's radar only because 7 out of 25 schemes were subsequently found to fall within the definition of a CIS, which was a technical oversight. Hon'ble SAT in its order dated February 03, 2016 in the matter of Citrus Check Inns Limited versus SEBI, appeal no. 416 of 2015 *inter alia* observed the following "*it is found by SEBI that the business carried on by the appellants prima facie to be in accordance with law except that the said business is carried on without seeking registration from SEBI.*". Further, it was observed that "*The Ministry of Corporate Affairs noted that no fraud etc. was committed by the Appellant in respect of customers/investors. .... Therefore, the conduct of the Appellants seems to be good.*". In view of the said ruling, the Noticees have submitted that the business activities undertaken by them under Citrus were carried out in good faith and with bona fide intentions. The only lapse pertains to non-registration of the business with SEBI in accordance with CIS Regulations.

- 16.12.** Even after the Hon'ble SC allowed SEBI's appeal and directed the constitution of the SMC, the Noticees continued to act in good faith. They have fully cooperated with SEBI during investigations and have fully complied with all directions issued by the Hon'ble SC, including disclosure and submission of lists of all personal and family assets.
- 16.13.** At no stage have the SMC, SEBI or the Hon'ble SC made any observation or allegation suggesting that the Notices misled the forensic auditor, committees, submitted incorrect information or concealed any material facts. Even the Forensic Audit Report compiled by Deloitte Touche Tohmatsu India LLP does not mention or even indicate an iota of misappropriation of funds, siphoning of funds or any allegation of fraud.
- 16.14.** Noticee nos. 3 and 4, were appointed as Non-Executive Directors on the board of Citrus in their capacity as nominee representing the interests of the investors. They were not involved in day-to-day operations as they were solely responsible for marketing and sales promotion. They had no role in collection of funds from investors under the then existing schemes, nor were they involved in the formulation or launch of any such scheme. The SCN fails to appropriately consider the limited and non-executive nature of their roles, as well as their lack of involvement in the alleged activities. This omission has led to an incorrect and unjustified inference being drawn against them.
- 16.15.** Imputing liability to a non-executive director for actions such as the collection of funds or launch of investment schemes without any evidence of direct involvement or knowledge is legally and factually untenable. The SCN does not cite any specific or credible material indicating that Noticee nos. 3 and 4 participated in collecting funds or awareness of the alleged new scheme.
- 16.16.** Other proceedings have been initiated by SFIO, ED and EOW of Maharashtra Police in addition to SEBI. Noticees continue to be debarred from the securities market pursuant to directions passed vide Confirmatory order.

### **C. CONSIDERATION OF ISSUES AND FINDINGS**

- 17.** In order to evaluate the charges made against the Noticees on merit, it is relevant to first refer to the provisions of SEBI Act and CIS Regulations. The relevant extracts of these provisions are as under:

## **SEBI Act, 1992**

### **12. Registration of stock brokers, sub-brokers, share transfer agents, etc.**

*(1B) No person shall sponsor or cause to be sponsored or carry on or caused to be carried on any venture capital funds or collective investment schemes including mutual funds, unless he obtains a certificate of registration from the Board in accordance with the regulations: Provided that any person sponsoring or causing to be sponsored, carrying or causing to be carried on any venture capital funds or collective investment schemes operating in the securities market immediately before the commencement of the Securities Laws (Amendment) Act, 1995, for which no certificate of registration was required prior to such commencement, may continue to operate till such time regulations are made under clause (d) of sub-section (2) of section 30.*

## **SEBI CIS Regulations, 1999**

### **No Person Other than Collective Investment Management Company to Launch collective investment scheme.**

*3. No person other than a Collective Investment Management Company which has obtained a certificate under these regulations shall carry on or sponsor or launch a collective investment scheme.*

**18.** I find it appropriate to first deal with the preliminary contentions raised by the Noticees. Noticee nos. 2 to 4 have argued that SCN has been issued with a delay of 11 years after commencement of SEBI's investigation, and that this unexplained and inordinate delay has caused serious prejudice to them. They have relied on judgements of Hon'ble SAT and Hon'ble Supreme Court in support of their submission that the delay has impaired their ability to defend themselves.

**19.** In this regard, I note that SEBI approved the initiation of proceedings under Section 11B on May 04, 2017. However, NCLT had already passed an order dated May 02, 2017 initiating CIRP against Citrus and moratorium under Section 14 of IBC was imposed. Consequently, the present proceedings were kept in abeyance during the moratorium period. Subsequently, vide its Order dated January 08,

2018, Hon'ble Supreme Court stayed the proceedings under IBC. SEBI was impleaded as party on March 23, 2018. Although the investigation was completed in the matter, no further action was taken as the matter was pending before the Hon'ble Supreme Court. The Hon'ble Supreme Court in its order dated April 20, 2018 *inter alia* recorded that investigation was completed and the report filed by SEBI was taken on record. Thereafter, Hon'ble Supreme Court, vide order dated August 08, 2024, *inter alia* allowed SEBI to proceed in accordance with law. The present proceedings were resumed through issuance of SCN dated March 28, 2025 pursuant to the Order of the Hon'ble Supreme Court. Accordingly, the delay alleged by the Noticees is neither 'unexplained' nor 'inordinate'. The SCN could not be issued due to pending proceedings and were issued once the Hon'ble Supreme Court allowed SEBI to proceed.

**20.** Coming to the merits of the case, as recorded above, Section 12(1B) of the SEBI Act mandates that no person, shall sponsor or cause to be sponsored or carry on or caused to be carried on any CIS unless it obtains a certificate of registration from SEBI in accordance with the CIS Regulations. Regulation 3 of the CIS Regulations provides that no person other than a Collective Investment Management Company which has obtained a certificate under the said regulations shall carry on or sponsor or launch a 'collective investment scheme'. A person can launch or sponsor or cause to sponsor a collective investment scheme only if it is registered with SEBI as a Collective Investment Management Company.

**21.** The SCN alleges that Citrus operated CIS without obtaining a certificate of registration from SEBI and that Noticee nos. 2 to 5 were responsible for the conduct of the company as its directors. In this regard, I note that the Noticee nos. 2, 3 and 4 have not disputed whether the impugned schemes operated by Citrus constituted CIS. They have only made submissions on why directions are not warranted against them and how Noticee nos. 3 and 4 were not responsible for the company's affairs. Therefore, the issues before me are as follows:

Issue 1: Whether Citrus operated CIS without obtaining a certificate of registration from SEBI?

Issue 2: If so, whether Noticee nos. 2 to 5 were responsible for the conduct of the company as its directors?

Issue 3: If the answers to the aforesaid questions are in affirmative, whether this warrants issuance of directions under sections 11(1), 11(4) and 11B of the SEBI Act read with Regulation 65 of CIS Regulations?

**Issue 1: Whether Citrus operated CIS without obtaining a certificate of registration from SEBI?**

22. I note that Section 11AA of the SEBI Act defines what constitutes a Collective Investment Scheme. The said provision reads as follows:

***Collective investment scheme.***

*11AA. (1) Any scheme or arrangement which satisfies the conditions referred to in sub-section (2) or sub-section (2A) shall be a collective investment scheme:*

*Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under sub-section (3), involving a corpus amount of one hundred crore rupees or more shall be deemed to be a collective investment scheme.*

*(2) Any scheme or arrangement made or offered by any person under which, -*

- a. the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement;*
- b. the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement;*
- c. the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;*
- d. the investors do not have day to day control over the management and operation of the scheme or arrangement.*

**23. The first condition** is that *the contributions, or payments made by the investors, by whatever name called, are pooled and utilized solely for the purposes of the scheme or arrangement.* Citrus invited subscriptions into its 'Holiday Plans', which were offered to the public. As per the 'application form cum agreement' and 'Holiday entitlement certificates', the customers subscribed to one of the plans offered by the Company by purchasing points. These points entitled customers to avail holiday facilities. In case the holiday facilities are not availed by the customer, then the points accrued can be redeemed for cash through 'rent out/ sale' option. Further, as per the schemes of the company, the customers can utilize the holiday facilities only after a specified period depending on the type of the scheme opted. Until such time, the amounts paid by the customers remained with Citrus and were fully at its disposal. Monies were collected by Citrus and were used for holiday facilities or return of investment provided with interest. This indicates that the funds received from the customers were effectively pooled and utilized by the Company for its schemes. Accordingly, I find that the first condition that 'contributions or payments made by the investors, by whatever name called, are pooled and utilised for the purposes of the scheme/ arrangement, as stipulated in Section 11AA(2)(i) of the SEBI Act is satisfied.

**24. The second condition** is that *the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable from such scheme or arrangement.* As per the structure of the schemes offered by Citrus, the investors/ customers had the option to redeem their points for cash instead of availing the holiday facilities. The returns offered ranged from 16.7% to 21.24% depending on the investment and tenure. Citrus promised the customers/ investors that any shortfall in the rent out/ sale process would be compensated, with a guarantee backed by the Mirah Group of companies. Clause 29 of the "offer document" reads as "Any such rent out/ sell shall be made available to the investor/ customer at the end of the tenure mentioned in the entitlement certificate. Any rent out/ sell so generated over and above the eligibility shall be retained by the company vis-à-vis any shortfall shall be reverted back to the investor/customer which he may consume, rent out or sell over the period or thereafter. In case of insufficient rent

out realization of unutilized portion of holiday, the company undertakes and **guarantees** to make good to investor/customer out of the profits/assets realization of the Mirah Group of companies having common board of directors.”. Therefore, Citrus collected money from investors by assuring them returns. Further, Citrus promised a value added benefit i.e. Voluntary Care Scheme to investors/ customers in addition to the promised returns. The average utilization of holiday facilities across the 7 plans was only 5.72%, amounting to 0.41% of the total amount collected. This clearly shows that the contributions were made with a view to receive the profits/ returns rather than availing the holiday facilities, satisfying the second condition as stipulated in Section 11AA(2)(ii) of the SEBI Act.

**25.** The **third condition** is that *the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors*. The **fourth condition** is that *the investors do not have day to day control over the management and operation of the scheme or arrangement*. The money collected from public in the form of investments made in the various holidays plans of Citrus were used by Citrus to manage and maintain various accommodations and holiday facilities at different locations of the company and for procuring holiday facilities through its tie-ups. The investors/customers could only decide the plan name, duration of the plan and payment option. While Citrus guaranteed the returns on rent out/ sale option, it did not guarantee availability of hotel rooms for holiday facilities. In rent out/sale option also, the company only does it on the investor's/ customer's behalf and it has complete control over whom to rent out/sell. This shows that the investors/ Customers had no control over the use of funds or management of holiday facilities. Thus, the money collected from investors/ customers was entirely managed by Citrus, and investors had no day-to-day control over the operations of the holiday plans. Therefore, I find that the holiday plans of Citrus satisfy the conditions stipulated in Section 11AA (2) (iii) and (iv) of SEBI Act, 1992.

**26.** In this regard, I note that Hon'ble SAT in its order dated February 03, 2016 had *inter alia* held that the impugned schemes of Citrus were in fact CIS. The relevant extract from the said order is given below:



*“37. For all the aforesaid reasons, while upholding the prima facie view of SEBI that the business carried on by the appellants constituted CIS, ....”*

*(emphasis supplied)*

**27.** Further, the Hon'ble Supreme Court in its Order dated August 08, 2024 had *inter alia* observed as follows with respect to the business activities of Citrus:

*“..... The aforesaid companies were operating on a pyramid scheme(s), as per which the investors were entitled to commission, depending upon the number of new investors introduced and who made investments.”*

*(emphasis supplied)*

**28.** The impugned 7 plans/ schemes of Citrus also do not fall under any of the exemptions provided under section 11AA(3) of the SEBI Act. As all the four conditions specified under Section 11AA(2) of the SEBI Act are satisfied in this case, I find that the 7 schemes/ plans promoted, launched, carried on and operated by the Company are in the nature of CIS in terms of section 11AA(1) of the SEBI Act. As per available records, Citrus was at no time registered with SEBI for operating CIS. Consequently, I find that Citrus has violated provisions of section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations.

**Issue 2: If so, whether Noticee nos. 2 to 5 were responsible for the conduct of the company as its directors?**

**29.** The SCN alleges that Noticee nos. 2 to 5, as directors of Citrus, were responsible for the conduct of the business of the company during the period of money mobilization. Noticee nos. 3 and 4 have contended that they were appointed as Non-Executive Directors on the board of Citrus in their capacity as nominee representing the interests of the investors. Further, they have submitted that they were not involved in day-to-day operations as they were solely responsible for marketing and sales promotion. They further claimed that they had no role in collection of funds from investors under the then existing schemes, nor were they involved in the formulation or launch of any such scheme.

- 30.** As per Section 27 of the SEBI Act, a person is deemed to be guilty of an offence committed by the Company on the condition that he was in charge of and responsible for conduct of the business of the company. Accordingly, only those directors/ KMPs who can be said to have been responsible for the day-to-day affairs of the company would be liable for violations of the Company. As per MCA records, Noticee nos. 2 to 5 were also the promoters of the company and have been directors since its incorporation.
- 31.** Noticee no. 2 has not made any submissions on his liability as a director of Citrus. In this regard, I note that Noticee no. 2, in his statement on oath before SEBI's Investigating Authority, admitted that he was the Managing Director of Citrus. Therefore, he was in charge of day-to-day affairs and management of Citrus.
- 32.** Noticee nos. 3 and 4 claimed that, as non-executive directors, they were not responsible for the day-to-day functioning of the company and therefore not involved in the alleged activities. However, MCA records show that all the directors of Citrus i.e. Noticee nos. 2 to 5 were designated as non-executive directors, with no separate classification of functions between executive and non-executive roles. Further, the audit financial statements of Citrus for FY 2014-15 (signed by Noticee nos. 3 and 4) list Noticee nos. 2 to 5 as Key Managerial Personnel. These facts contradict their contention that they were not responsible for the conduct of the company.
- 33.** In *N Narayanan vs Adjudicating Officer, SEBI* on April 26, 2013, Hon'ble Supreme Court of India held that *"Company though a legal entity cannot act by itself, it can act only through its directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. This Court while describing what is the duty of a Director of a company held in Official Liquidator v. P.A Tendolkar (1973) 1 SCC 602 that a Director may be shown to be placed and to have been so closely and so long associated personally with the management of the company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of business of the company even though no specific act of dishonesty is provide against him personally. He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the company even*

*superficially.” Further, in SEBI vs. Gaurav Varshney (2016)14 SCC 430, it has been held that “officers of a company who are responsible for acts done in the name of the company are sought to be made personally liable for acts which result in criminal action being taken against the company. It makes every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of business of the company, as well as the company, liable for the offence.”*

**34.** In view of the discussion above, I find that Noticee nos. 2 to 5, being promoters and directors, were responsible for the conduct of the company. Accordingly, these Noticees are vicariously liable for Citrus having operated a CIS without a certificate of registration from SEBI. Consequently, Noticee nos. 2 to 5 have violated provisions of section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations.

**Issue 3: If the answers to the aforesaid questions are in affirmative, whether this warrants issuance of directions under sections 11(1), 11(4) and 11B of the SEBI Act read with Regulation 65 of CIS Regulations?**

**35.** As regards Noticee no. 1, apart from the communication received from the Insolvency Resolution Professional (IRP), no reply to the SCN has been filed. On perusal of the reply, I note that although Citrus is not under CIRP, its management was placed under the IRP as per the directions of the Hon'ble Supreme Court. Further, *vide* Order dated September 02, 2025, the Hon'ble Supreme Court has directed SEBI to take over the obligations of the Resolution Professional.

**36.** Noticee nos. 2 to 4 have submitted that the directions contemplated under Regulation 65 of CIS Regulations have already been complied with or are presently being undertaken by the Noticees/ SMC/ SEBI. Therefore, they have contended that in the present circumstance where all their assets are under the control of SEBI and SMC pursuant to orders of the Hon'ble Supreme Court, and the Noticees have no control over any affairs, there is no justification to issue any directions under the current SCN. The Noticees have also submitted that they have been

prohibited from operating in capital market or from accessing the capital market since 2015.

- 37.** In this regard, I note that pursuant to formation of SMC, the Hon'ble Supreme Court vide its Order dated December 13, 2019 directed the SMC to attach the assets and bank accounts of individuals, including Noticee nos. 2 to 5 to this Order. Thereafter, Hon'ble Supreme Court vide its order dated August 08, 2024 constituted a committee for repayment of amount to investors with Mr. A.P. Kurhekar as its Chairperson and a committee to adjudicate claims of Banks/ NBFCs & EOW, Mumbai Police Report headed by Justice (Retd.) J.P. Devadhar. Subsequently, vide Order dated March 23, 2025, Hon'ble Supreme Court directed that SEBI would be entitled to sell the balance properties which were yet to be sold by the SMC.
- 38.** With respect to the contention of Noticee nos. 2 to 4 that they are already restrained from accessing capital market, I note that neither the Interim Order nor the Confirmatory Order in the instant matter has imposed such restraint. In this regard, it is relevant to note that Royal Twinkle Star Club Private Limited ("Royal Twinkle"), a sister concern of Citrus under the Mirah Group, was also into the business of selling holiday membership products. Notice nos. 2 to 5 were promoter/ directors of Royal Twinkle. On August 21, 2015, SEBI passed a final order against Royal Twinkle and its directors *inter alia* holding that its business constituted CIS and directed winding up of its existing CIS schemes and ordered refund of the monies collected. Further, the Noticees were restrained from accessing the capital market for a period of 4 years or until completion of refund. Royal Twinkle and its directors preferred an appeal before SAT against the said SEBI order. On February 03, 2016, SAT upheld SEBI's findings that the Royal Twinkle had operated CIS without registering but modified the restraint period, limiting it to the date of the SAT Order. SEBI preferred an appeal against the said SAT order before Hon'ble Supreme Court, which was dismissed by the Hon'ble Supreme Court on July 18, 2016. Therefore, as on date, the Noticees are not restrained from accessing capital market. Accordingly, in accordance with regulation 65 of CIS Regulations, I deem it fit to issue directions for restraint till refund of monies is completed.

**39.** As mentioned earlier, the Hon'ble Supreme Court Order *vide* its Orders dated May 10, 2018 and December 13, 2019 attached the assets of the Noticees, which have been subject to modifications through separate orders. The Hon'ble Supreme Court *vide* Orders dated May 10, 2018 and May 06, 2019 constituted SMC for sale of properties. Thereafter, the Hon'ble Supreme Court *vide* Order dated August 08, 2024 constituted committees for repayment to investors and Banks/NBFCs. Subsequently, Hon'ble Supreme Court *vide* Order dated March 23, 2025 directed SEBI to sell the balance properties and *vide* Order September 02, 2025 directed SEBI to take over the obligations of the Resolution Professional. Since the statutory remedy for refund of monies illegally collected by the company is already in progress, I do not find it appropriate to issue any directions to the Noticees for refund of monies to investors.

**D. ORDER:**

**40.** As held earlier, the impugned schemes/ plans promoted, launched, carried on, and operated by the Company are in the nature of CIS in terms of section 11AA(1) of the SEBI Act. Accordingly, Citrus has violated the provisions of section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations, and Noticee nos. 2 to 5 were responsible for its conduct.

**41.** In view of the aforesaid facts, circumstances and findings, I, in exercise of the powers conferred upon me under Sections 11 (1), 11(4) and 11B read with Section 19 of the SEBI Act hereby issue the following directions.

**41.1.** Noticees are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities till all monies mobilized through Collective Investment Schemes of Citrus are refunded to its investors.

**41.2.** Noticees shall not dispose of or alienate any of their properties or assets except for the purpose of making refunds.

**41.3.** Since the Hon'ble Supreme Court is seized of the matter, the directions in this Order shall be subject to any orders already passed or modifications thereof made by the Hon'ble Supreme Court from time to time.

**42.** This Order shall come into force with immediate effect.

**43.** A copy of this Order shall be served upon the *Noticees*, all the recognised Stock Exchanges and Depositories for ensuring compliance with the above directions.

Sd/-

**ANANTH NARAYAN G.**

**DATE: OCTOBER 09, 2025**

**WHOLE TIME MEMBER**

**PLACE: MUMBAI**

**SECURITIES AND EXCHANGE BOARD OF INDIA**