

Department: Investigation	Segment: All
Circular No: MSE/ID/18754/2026	Date: March 18, 2026

Subject: SEBI Order in the matter of Retro Green Revolution Limited.

To All Members,

SEBI vide order no. QJA/SS/IVD/ID4/32226/2025-26 dated March 17, 2026, where in SEBI has restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the period given in table, from the date of this order.

Noticee no.	Name of Entity	PAN	Period of Debarment
1.	Mr. Sanjay Arunkumar Choksi	ABIPC0957H	5 years
2.	Mr. Viral Kapadia	AIPPK1973R	3 years
4.	Mr. Vishnu Sharma	BDBPS3372J	3 years
5.	Mr. Amesh Jaiswal	AFZPJ0067Q	3 years
6.	Mr. Vijay Pujara	AGXPP5209R	5 years
7.	Sanjay A Choksi HUF	AARHS6546N	3 years
8.	Mr. Sagar Choksi	AOPPC0389F	3 years
9.	Ms. Jenita Jain	AOXPJ9094E	3 years
10.	Ms. Trupti Choksi	AEEPC4752K	3 years
11.	Mr. Umeshkumar Shah	ANCPS7009L	3 years
12.	Mr. Vraj Shah	GEZPS4053C	3 years
13.	Ms. Sneha Chokshi	BDUPC0400L	3 years
14.	Maama Mia Retailing Private Limited	AAJCM5502B	3 years
15.	Western Agrotech Innovative Limited	AAACW9940Q	5 years
16.	Mr. Rajesh Pandey	BFKPP2415Q	3 years
17.	Mr. Amit Sharma	BDAPS5717G	3 years
18.	Mr. Ganesh Bodakhe	ASFPB1143E	3 years
21.	Mr. Jalaj Agarwal	AUDPA0226H	5 years

Further, SEBI vide above order has directed that if the above entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such

Metropolitan Stock Exchange of India Limited

open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier.

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

This order shall come into force with immediate effect.

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

**Shweta Mhatre
Assistant Vice President**

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

Under Sections 11(1), 11(4), 11(4A), 11B (1) and 11B (2) read with Section 15HA of the Securities and Exchange Board of India Act, 1992 and Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

In respect of:

Noticee No.	Noticee Name	PAN
1.	Mr. Sanjay Arunkumar Choksi	ABIPC0957H
2.	Mr. Viral Kapadia	AIPPK1973R
3.	Mr. Samir Sampat	ADXPP6569P
4.	Mr. Vishnu Sharma	BDBPS3372J
5.	Mr. Amesh Jaiswal	AFZPJ0067Q
6.	Mr. Vijay Pujara	AGXPP5209R
7.	Mr. Sanjay Arunkumar Choksi HUF	AARHS6546N
8.	Mr. Sagar Choksi	AOPPC0389F
9.	Mr. Jenita Jain	AOXPJ9094E
10.	Mr. Trupti Choksi	AEEPC4752K
11.	Mr. Umeshkumar Shah	ANCPS7009L
12.	Mr. Vraj Shah	GEZPS4053C
13.	Mr. Sneh Chokshi	BDUPC0400L
14.	Mr. Maama Mia Retailing Private Limited	AAJCM5502B
15.	Mr. Western Agrotech Innovative Limited	AAACW9940Q
16.	Mr. Rajesh Pandey	BFKPP2415Q
17.	Mr. Amit Sharma	BDAPS5717G
18.	Mr. Ganesh Bodakhe	ASFPB1143E
19.	Mr. Mohd. Azim Mapkar	AFWPM8050P
20.	Mr. Sushil Shinde	BHWPS7374D
21.	Mr. Jalaj Agarwal	AUDPA0226H

(The abovementioned persons are hereinafter individually referred to by their respective names or their Noticee number and collectively as “the Noticees”)

In the matter of Retro Green Revolution Limited



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A. Background /Investigation.

1. Retro Green Revolution Limited (“RGRL/Company”) is a public company having its shares listed on the Bombay Stock Exchange Limited (“BSE”). The company is in the field of high tech agro based projects, advisory and turnkey solutions and greenhouse business activities.



2. RGRL was originally formed as Jolly Tea India Company Limited in the year 1990 and was promoted by Noticee No. 1 and his father along with other associates in Vadodara. Post 2012 the shareholding of the company changed hands. In 2018, Choksi Group¹ started accumulating shares in RGRL and their cumulative shareholding touched 20,63,860 shares corresponding to 42.7% by the end of Financial Year 2019.
3. One Mr. Nimesh Shah was appointed as Managing Director of the company along with Ms. Shraddha Umesh Shah and Mr. Narayan Machhi as Independent Directors. Both the Managing Director and one of the Independent Director were related to Noticee No. 1.
4. The above three entities continued to be directors in RGRL during the relevant period. As per the Annual Report of RGRL, none of these entities were receiving remuneration from RGRL during the period in which they were directors of the company. At the end of Financial Year 2021, Choksi Group was holding about 42% of the shareholding of RGRL. Further, the bank account of RGRL was opened only in 2016 with Bank of Maharashtra and all statutory payments and other mandatory outgoings were received from the accounts of Noticee No. 1 or from his son, Noticee No. 8. Mr. Nileshkumar Hasmukhlal Khatri, holding 4.04% of the total share capital of the company was the only promoter and during the quarter ending September 2020 a total 13 entities were holding more than 1% shares in the non- promoter holding category in the shareholding of RGRL.
5. Securities and Exchange Board of India (“SEBI”) conducted an investigation into the trading activities in the scrip of RGRL in which allegedly stock recommendations/tips were circulated through Telegram channel. The investigation was conducted for the period September 01, 2020 till December 31, 2021 (‘IP’) to ascertain whether there were violations of the provisions of the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (‘the PFUTP Regulations’). The Investigation Report (‘IR’) was submitted by the Investigating Authority (‘IA’) in accordance with said Regulations.

¹ Noticee No. 7 to 15



B. Show Cause Notice.

6. Based on the IR, a Show Cause Notice (“the SCN”) dated November 8, 2024 was issued, calling upon the Noticees to show cause as to why suitable directions, under Section 11B (1) and 11(4) read with Section 11 (1) of SEBI Act and penalty under Section 11(4A) and 11B (2) read with Section 15HA of the SEBI Act should not be issued against them for the violations alleged in the SCN. In addition, Noticees No. 1 to 15 were also called upon to show cause as to why directions for disgorgement of the wrongful gain, jointly and severally, should not be issued against them.

C. Inspection/ Cross- Examination / Replies /hearing.

7. The inspection of documents was allowed to Noticee No. 1, 2, 7 to 15, 16, 18 and 20 and replies / of the Noticees were received on different dates as provided in the following table:

Table No. 1- Dates of inspection of documents / dates of Replies

Noticee No.	Date of inspection	Date of reply
1, 7 to 15	December 17, 2024	February 20, 2025
2	April 28, 2025	November 21, 2024 and April 16, 2025
3	(since deceased)	
4	---	December 26, 2024
5	---	May 7, 2025
6	---	May 21, 2025
16	January 20, 2025	January 7, 2025
17	---	November 26, 2024
18	January 20, 2025	January 7, 2025 and May 7, 2025
19	---	December 2, 2024
20	January 20, 2025	January 7, 2025 and May 7, 2025
21	---	May 7, 2025

8. Further, the above listed Noticees availed the opportunities of hearings and also filed additional written submissions on different dates as given in the following table:

Table No. 2- Dates of hearing/s and additional written submissions

Noticee No.	Date/s of hearing	Date of additional written submissions, if any
1, 7 to 15	June 30, 2025	July 11, 2025
2	April 16, 2025 and September 19, 2025	September 18, 2025, September 26, 2025 and January 16, 2026
3	(since Deceased)	
4	April 16, 2025	Email dated September 1, 2025
5	May 8, 2025	-



Noticee No.	Date/s of hearing	Date of additional written submissions, if any
6	June 18, 2025	Email dated September 1, 2025
16	May 19, 2025	-
17	April 17, 2025	-
18	May 19, 2025	May 30, 2025
19	April 17, 2025	-
20	May 20, 2025	May 30, 2025
21	May 8, 2025	-

9. During the hearing held on September 19, 2025, Mr. Vikas Bengani, the Learned Advocate of Noticee No. 2 *inter alia* submitted that the allegation against Noticee No. 2 can be concluded only after testing the veracity of the statements relied upon in the SCN of other Noticees, namely Noticee No. 1, Noticee No. 5 and Noticee No. 21. The request to cross-examine the aforementioned three Noticees were allowed and on December 12, 2025, Noticee No. 21 was cross examined by Noticee No.2. As regards cross examination of Noticee No. 5, since the emails for cross examination was unanswered, the Authorized Representative of Noticee No. 5 in the instant matter was advised to communicate to Noticee No. 5 of his attendance for cross examination scheduled on December 12, 2025. The Learned Advocate later informed that Noticee No. 5 has absconded without paying fees and that he is not the counsel anymore nor answerable for Noticee No. 5.
10. The cross-examination of Noticee No. 1 was first scheduled on October 15, 2025 to which Noticee No. 1 sought extension of minimum 3 weeks citing medical grounds and that he is suffering from serious medical issue requiring bed rest. Copies of medical reports was enclosed with the email. The request for extension was acceded to and the cross-examination was scheduled in the first week of November advising Noticee No. 1 to indicate his preferred dates. Noticee No. 1 vide email dated November 5, 2025 sought more time indicating doctors' advice for surgery. The doctor's prescription was enclosed by the Noticee. Thereafter, in light of Noticee No. 1 medical condition he was advised to appear for cross-examination through video conferencing on December 12, 2025. As the Noticee failed to appear on December 12, 2025 a last and final opportunity was granted to Noticee No. 1 to appear for cross-examination through video conference on December 30, 2025.
11. While Noticee No. 1 had confirmed to appear for cross examination via video conference on December 30, 2025 however, due to administrative exigency the cross-examination was rescheduled to January 8, 2026. On January 8, 2026 it was informed that Noticee No. 1 has



been hospitalized and owing to his current health condition, the cross-examination was once again requested to be rescheduled.

12. The Learned Advocate for Noticee No. 2 had sought to cross-examine the Noticees in view of the statement of Noticee No. 1 and Noticee No. 5 which was relied on the SCN to allege that Noticee No. 2 was known to them. Since numerous extension have been sought in the matter by Noticee No. 1 on medical grounds and also due to no response from Noticee No. 5, the request for conclusion of cross-examination was accepted.

D. Consideration of Issues and Findings.

13. I have carefully considered the allegations made in the SCN, the IR, replies and submissions of the Noticees and the documents relied upon in the matter. I note that several issues relating to regulatory overreach and manner of issuance of SCN has been vehemently contested by the Noticees. Further, all the Noticees have raised technical objections, predominantly and substantially. Hence, I deem it appropriate to deal with few technical objections raised by the Noticees.

I. Consideration of technical issues and findings.

(a) Non-compliance of procedure.

14. Noticees No.1, 2 and Noticees No. 7-15 have contended that SCN has been issued in complete ignorance and in violation of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (“Adjudication Rules”) as it has been issued by the Investigating Authority (“IA”). According to them, SEBI has failed to appreciate that the person who has investigated the matter, and prepared the IR alleging the charges cannot be a fair, prudent and right person to adjudicate the challenges to the allegations or charges suggested by himself. Further, the SCN has been issued in clear violation and disregard of Regulations 9 and 10 of the PFUTP Regulations. The role of IA ends at the stage of Regulation 9, after the submission of the IR to the Board. Once the IR is submitted, the role of the Board starts, to decide upon consideration of the report, whether to issue any directions under Regulations 9 and 10. Hence, this makes it clear that the procedures prescribed under Regulations 9 and 10 are two different stages and have to be mandatorily followed before issuing any directions under Regulations 11 and 12. These Regulations further make a very clear distinction between the authorities to exercise its role under



Regulations 9 and 10, i.e. the investigation has to be conducted and a report has to be prepared by the IA under Regulation 9, and after submission of the report whether any directions have to be issued by the Board under Regulation 10.

15. I note that the instant proceedings have commenced vide the SCN dated November 8, 2024 in this case invoking two sets of actions viz;
 - (a) directions/order invoking provisions of Section 11(1), 11(4), 11(4A), 11B (1) and 11D of the SEBI Act; and
 - (b) monetary penalty Section 15HA of the SEBI Act invoking the power under Section and 11B (2) read with the Adjudication Rules.
16. Both the above actions emanate from the inquiry/investigation/ inspection approved as per law. Where these actions emanate pursuant to an investigation, as in the instant case, Regulation 9 of the PFUTP Regulations obligates the IA to submit IR, on completion of the investigation, to '*the appointing authority*'. Regulation 10 of the PFUTP Regulations provides for the power of the Board that if, after considering the IR, it is satisfied that there is a violation of PFUTP Regulations, it may, after giving a reasonable opportunity of hearing to the persons concerned, issue such directions or take such action as mentioned in Regulation 11 and Regulation 12. Regulation 11 lists certain directions without prejudice to the powers of the Board under Sections 11(1), 11(4), 11(4A), 11B (1) of the SEBI Act. In addition, Regulation 12 provides for power of the Board to also take other actions (for reasons to be recorded in writing) listed in said Regulation, if such person is an intermediary. Neither Regulation 9 nor Regulation 10 of the PFUTP Regulations specifically contemplate issuance of a show cause notice. Also, these Regulations do not provide for the authority in the Board who shall issue a show cause notice.
17. It is pertinent to understand that the SEBI Act enables SEBI, *inter alia*, to take following civil enforcement actions under its different provisions: -
 - (a) Directions under Section 11(1), 11(4) and 11B (1);
 - (b) Cease and Desist order under Section 11D;
 - (c) Monetary penalties under Section 11B (2) read with Section 11(4A);
 - (d) Suspension /cancellation of certificate of registration of registered and/or regulated entities and other direction against them under Section 12(3); and
 - (e) Monetary Penalty under Chapter VIA.



18. While monetary penalty under Chapter VIA can be imposed by an Adjudicating Officer (“AO”) appointed under Section 15I (1) of the SEBI Act, the monetary penalty under said Chapter VIA can also be imposed by the Board under Section 11B (2) read with Section 11(4A) of the SEBI Act; while deciding a case under Section 11, 11B (1) 11(4) and 11D.
19. The procedure for adjudication by AO under Chapter VIA or by the Board under Sections 11B (2) read with Section 11(4A) is prescribed in the Adjudication Rules. These Rules have been prescribed as mandated by Section 29(1)(da) read with Section 15I (1) and Section 11B (2) read with Section 11(4A) of the SEBI Act. Rule 4 of Adjudication Rules deals with issuance of SCNs. As per this Rule, ‘*the Board or the adjudicating officer*’ is authorized to issue the SCN. Where the case is exclusively assigned to an Adjudicating Officer under Section 15I, only the said AO can issue the SCN as per Rule 4. However, when the case is under Sections 11, 11B (1), 11B (2) and Section 11(4) read with Section 11(4A), the SEBI Act or the Adjudication Rules do not mandate that the whole Board of SEBI should issue the SCN. If it is interpreted to mandate whole Board to issue the SCN for said cumulative actions, it would give absurd result and would defeat the purpose of delegation under Section 19 of the SEBI Act. Therefore, while commencing the proceedings under Section 11B (1) and (2) and Section 11(4) read with Section 11(4A), the power of the Board to issue directions and also impose monetary penalties has been delegated to its whole time member/s (WTM/s) and Chief General Manager/s (Quasi-Judicial Authorities (QJA/s)). This arrangement, in my view, does not violate the SEBI Act or any Rules and Regulations made thereunder.
20. Where both actions are combined in the cases like the present one, a common show cause notice is issued for both actions by the officer of the Board having been authorised by the delegation of powers. Since it would be impossible for the whole Board to discharge its function, the SEBI Act allows recruitment of employees (Section 9) and delegation of powers (Section 19). The Board discharges its responsibilities through the officers appointed by it under Section 9 and by delegating its powers under Section 19 of the SEBI Act to them. The IA, in this case, is an officer of the Board duly authorised to issue the SCN. These arrangements of permissible delegation have been upheld by High Court of Kerala ². Therefore, the contentions of the Noticees in this regard are rejected.

² BRD Securities Ltd. v. Union of India 2023 SCC OnLine Ker 3529



21. For the civil directions under Section 11, 11B (1), 11(4) and 11D, the SEBI Act does not mandate any rules of procedures by way of Rules or Regulations. It is a settled position that where no Rules for procedure is prescribed for any adverse action, the rules of fairness and principles of natural justice shall apply. The proceedings for the civil directions under Section 11, 11B (1), 11(4) and 11D of the SEBI Act are, thus, dealt with by SEBI in accordance with settled principles of natural justice and rules of fairness. I find that in this case, before and after issuance of the SCN that was issued for common purpose under Section 11/11B (1) and Section 11B (2), all the elements of Rule 4 of the Adjudication Rules, principles of natural justice and Regulations 9 and 10 of the PFUTP Regulations were complied with. After receipt of reply of the Noticees, it was deemed appropriate to proceed with inquiry under Section 11/11B (1) and also under Section 11B (2) read with Rule 4/5 of the Adjudication Rules together. The procedure prescribed in Adjudication Rules read with principles pronounced by Hon'ble Supreme Court³ was duly followed and no prejudice has been caused to the Noticees on any grounds in this regard.

(b) *Burden of proof.*

22. Noticee No. 2 has also contended, without being specific, that the IR suffers from several contradictions and records allegations that are purely based on assumptions, presumptions, and conjectures without any cogent evidence. Certain other Noticees have claimed that the burden of proof to demonstrate contraventions under the SEBI Act and PFUTP Regulations lies with SEBI and it must establish fraudulent intent. In this regard, it is settled position that for holding a person guilty of having been indulged in fraudulent, manipulative and unfair trade practices the finding must be sustained by a higher degree of preponderance of probability than that required in any other civil default. There must be convincing preponderance of probability to support the allegation of fraudulent practices. Indubitably, this onus is on SEBI.

(c) *Hostile discrimination and unequal treatment among entities.*

23. On perusal of the proposed action chart in the IR, Noticee No. 2 has contended that while numerous entities, including Mr. Vijay Pujara and over 44 others, who had executed the alleged manipulative trades have been let off with mere administrative warnings, Noticee

³ Kavi Arora vs. SEBI in SLP no. 15 149 of 2021



No. 2 has been singled out and proceeded against through the issuance of the present SCN. There is no intelligible differentia between the Noticee No. 2 and entities such as Mr. Vijay Pujara and others, who have been found to be active participants in trading and fund flow in the scrip. Noticee has placed reliance on the judgment of the Hon'ble SAT in the matter of *Dukes Products (India) Limited v. SEBI and connected appeals (Appeal No. 431 of 2020 and batch)*, wherein, vide Order dated 03-01-2023, it was held that:

“39. ... Once a caution / a warning has been given to the appellant to be careful in future by the WTM, considering the trades executed by these appellants as not being so grievous to issue a direction of debarment under Section 11 and 11B of the SEBI Act, we are of the opinion that when such caution / warning is given, it is not appropriate for the AO to impose a penalty for the same violation. In view of the aforesaid, the imposition of penalty by the AO on these appellants who have been cautioned by the WTM cannot be sustained.”

24. I note that pursuant to the completion of investigation, enforcement action under section 11(1), 11(4), 11(4A) 11B (1) and 11B (2) of the SEBI Act were proposed for Noticees No. 1 to 21 and non-enforcement action by way of administrative warning were proposed for 45 other entities. Rightly understood, the charge against Noticee No. 1 to 21 in the action chart are that:

- Noticees No. 1 to 6 were the ‘**main perpetrators**’ of the ‘*scheme*’ and had indulged in an act which created misleading appearance of trading in the scrip, as well as manipulated the price of the scrip of RGRL. These entities had even funded other entities directly/ indirectly for trading in the scrip of RGRL. Noticee No. 5 was directly instrumental in dealing with entities who were posting recommendations of the scrip of RGRL on Telegram channel. Thus, they contravened the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4 (1) and 4 (2)(a), (d) and (k) of the PFUTP Regulations;
- Noticee No. 7 to 15 are either family members/ HUF of Noticee No. 1 or companies controlled by Noticee No. 1 and they aided and abetted Noticee No. 1 by offloading shares of RGRL and transferring proceeds to Noticee No. 1 and 15. Thus, they contravened the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4 (1) and 4 (2)(a) of the PFUTP Regulations. Noticee No. 15 had



also funded the '**main perpetrators**' and other entities who were instrumental in raising the price of shares of RGRL through layers. Thus, Noticee No. 15 also contravened the provisions of Regulation 4(2)(d) of the PFUTP Regulations;

- Noticees No.16 to 18., the Authorised Persons of brokers through whom trades were executed have aided and abetted the '**main perpetrators**' by either using their own accounts or the accounts of their related/ connected entities including their clients for trading in the shares of RGRL and also funding entities related/ connected to them including their clients. Noticee No. 18 was also the top contributor and had abetted the '**main perpetrators**' by indulging in an act which created misleading appearance of trading in the scrip. Thus, they contravened the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4 (1), 4(2) (a) and (d) of the PFUTP Regulations;
- Noticees No. 19 and 20 were the top LTP contributors and they had aided and abetted the '**main perpetrators**' by indulging in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip. Thus, they have contravened the provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c), 3(d), 4 (1), 4(2) (a) and (b) of the PFUTP Regulations; and
- Noticee No. 21 had aided and abetted the '**main perpetrators**' posting recommendations of the scrip of RGRL on Telegram channel. Thus, he contravened with the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3(a), 3(b), 3(c), 3(d), 4 (1), 4(2) (a) and (k) of the PFUTP Regulations.

25. However, in the column '*the nature of charges in brief*' against other entities who were issued only administrative warning it was alleged that "*the entities had aided and abetted the Noticees by lending their trading accounts for trades in the scrip of RGRL.*" The IA had analyzed the role of each such entities and, thereafter, proposed suitable enforcement or non-enforcement action based on their involvement in the entire scheme. I, therefore, do not agree with Noticee No. 2's contention that he has been singled out. As regards, his contention that there is no intelligible differentia between the him and Vijay Pujara, I note that Vijay Pujara against whom administrative warning was issued has also been arrayed



as Noticee No. 6 in the SCN and he has not raised this contention regarding having been given an administrative warning and he has also been proceeded with vide the SCN.

26. I note that the charges in the SCN against Noticee No. 6 are that he created misleading appearance of trading in the scrip and also funded other entities directly/ indirectly for trading in the scrip of RGRL. This charge is grave in nature and critical as compared to the charge for which administrative warning has been given to other 44 entities. Moreover, I note that in the past there were several Adjudication Orders passed against Noticee No. 6 for creation of artificial volume and misleading appearance of trading in the scrips of Capri Global Capital Limited, Manaksia Coated Metals and Industries Limited and Kavita Industries Limited for which a penalty of Rs. 10,00,000/-, Rs. 8,00,000/- and 10,00,000/- were imposed, respectively. Considering the repeated defaults of Noticee No. 6 and his role in the present case, logic dictates that only the administrative warning is not the appropriate action *qua* him. Merely because his name is also appearing in the list of 44 persons who were warned would not vitiate the proceedings against him considering role and conduct as alleged in this case. The Noticee No. 2 also cannot claim the benefit of getting warned merely because name of Noticee No. 6 appears in the said list.

(d) *Non- application of mind.*

27. Noticee No. 2 has further contended that on one hand, he is described only as an “*aider and abettor*” to Sanjay Choksi (Noticee No. 1) on the other hand, the SCN alleges that he himself was a “*main perpetrator*” of the scheme along with Noticee No. 1 and 3 to 6. Such contradictory characterization — of being both a secondary aider/abettor and at the same time a principal perpetrator — reflects non-application of mind and creates serious doubt on the credibility and fairness of the allegations. Contradictory findings within the same SCN vitiate the proceedings as they deprive the Noticee of a reasonable opportunity to understand the exact nature of allegations and to mount an effective defense. In my view, such narrative in SCN do not preclude or restrict the Noticee No. 2 to submit his defense. His act and conduct are specifically described in the SCN. Further, an entity may aid and abet by acting in collusion and connivance with the main actor. In that case, the aiding and abetting have same consequences as the main charge has and if the action of Noticee No. 2 being in concert and league with ‘*main perpetrators*’ is established, he can also be the part of ‘*main perpetrators*’. Therefore, in my view, such contentions are misconceived.



(e) *Presumptuous SCN.*

28. Most of the Noticees have vehemently contended that the SCN/IR suffer from several contradictions and the allegations are purely based on assumptions, presumptions, and conjectures without any coherence and is ambiguous. The submissions in this regard are summarised as following: -

- (a) Learned Advocate of Noticee No. 2, during hearing, strenuously referred to each para of SCN to contend that in total in 47 places Noticee No.2 has been mentioned. Para 2.1 of the SCN states about offloading of shares of RGRL by Noticees No.7-15 '*led by Noticee No.1*'. Then, it is alleged that Noticee No. 2, 3, 4 and 6 aided and abetted Noticee No.1 by either trading in shares of RGRL *through* their own account or accounts of related /connected/front entities or funding these accounts of related /connected/front entities; and in para 2.5 it is abruptly alleged that Noticee No.2 was also part of alleged "*main perpetrators*" of the "*scheme*" and had indulged in an act which created misleading appearance of trading in the scrip as well as manipulated the price of the scrip. This manipulation helped the Choksi Group (i.e. Noticees No. 7 to 15) exit the shares of RGRL. According to him, the allegation is not based on any reliable material except for the statements of Noticee No. 1, Noticee No. 5 and Noticee No. 21.
- (b) Para 2.2 states that Noticee No.3 was aided and abetted by Noticees No. 16, 17 and 18 who used their clients or entities related to them to trade in shares of RGRL, they funded those clients and Noticee No. 1 also funded those clients;
- (c) The IR and SCN go on to allege fraudulent and manipulative dealings during the entire IP without giving dates of relevant transactions conducted at different times during September 1, 2020 to December 31, 2021;
- (d) The entities of Choksi Group (i.e. Noticees No. 7 -15) are alleged to be fraudulently offloading their shareholding to general public investors during the entire period of 15 months whereas the allegation of price manipulation and creation of volumes are alleged (without giving any dates of transactions) in later months i.e. during February 2021 and December 2021. Certain entities have been found to be offloading even before the alleged price manipulation and fraudulent creation of trading volume;
- (e) The SCN alleges volume creation and no where it has been alleged as artificial volume creation by synchronised trading as mentioned in IR or fraudulent volume creation;



- (f) The IR/ SCN use several grouping without much clarity (except for “main perpetrators” and “Choksi Group”) about composition of each grouping by naming “Suspected entities”, “Rajesh Pandey Group”, ‘Ganesh Bodakhe Group’, ‘Vijay Pujara Group’, ‘Viral Kapadia Group’ and ‘Amit Sharma Group’;
- (g) The conclusions in paras 30-32 of the SCN are contradictory to allegations summarised in para 2 and paras 7, 6 and 8. Contradictory findings within the same SCN vitiate the proceedings as they deprive the Noticee of a reasonable opportunity to understand the exact nature of allegations and to mount an effective defence.
- (h) Noticee No.1 and Noticees 7-15 have specifically contended that: -
 - (i) the fund transfers cited were legitimate business transactions, supported by documentation, and do not correlate with the timing of the alleged manipulative trading;
 - (ii) their connection with Noticees No.16 to 18 is primarily based on their association with Noticee No. 3;
 - (iii) the SCN fails to provide any direct evidence linking the Choksi Group to these Authorised Persons or the LTP contributors (Noticees 19 and 20);
 - (iv) the connection and pattern of trading must have an inter-connection to establish meeting of mind or premeditated motive. Further the timings of the trades of the Noticees and Noticees 2 to 6 are different and not co-related. Thus, the purported connection has not resulted in any wrongdoing leave alone leading to a grave charge of PFUTP violations;
 - (v) Three different aspect such as price manipulation, volume creation and then offloading of shares are described in two different patches of time (price manipulation during February 2021 to April 2021, price increase during September 2021, volume creation and offloading during December 2021). The IR does not justify as to how price increase during September 2021 due to alleged price manipulation could be connected to sale of shares during December 2021;
 - (vi) the transaction of several entities have been discussed without making out any adverse inference in any of the three categories i.e. price manipulators, volume creators and share offloaders;
- (i) During the hearing the Learned Advocate of Noticee No. 2, raised considerable debate on the issue of standard of SCN and vociferously contended that at several places loose



approach of allegations is adopted in the SCN and some of them are pointed out for example as following:

- (i) Whole narrations in SCN are focused to say connection amongst nine Noticees who are part of Choksi Group, funding by few Noticees to other/s without making specific allegations as per Regulations and leave it for guessing;
- (ii) Several allegations are missed and misdirected while making conclusions to make charge in paras 30-33;
- (iii) The conclusions in para 30-33 include surplus words and sentences to make SCN vague and ambiguous. In para 30 a surplus allegation has been made that - *“Noticees no 1 to 6 and other entities who were instrumental in raising the price of shares of RGRL through layers.”*
- (iv) The SCN says, Authorised Person of Sushil Financial *had also used his office for trading in the shares of RGRL* by using the accounts of his family or his clients. Again in para 6.7.1 it is alleged that Noticee No. 6 had traded *in the account of RGRL during the month of September and October of 2020;*

29. I have perused the SCN, IR and replies of the Noticees carefully and note that the case brings forth spaghetti problems in view of several contentions raised by the Noticees on the manner of presentations in SCN rather than on merits of the case. The understanding as conceived by the Noticees may need valiant effort like debouching from defile into the plain for some readers but more often than not for many others. I am constrained to say so because of the manner in which contentions are raised in response to the allegations in SCN (containing 42 paras on 59 pages) is extremely obfuscated. The issues involved in this case seem to have fallen in the whole huckmuck as the Noticees attempt to use technicalities alone in their defence in greater details.
30. It must be kept in mind that there is a great responsibility cast on the IA to be always fair and focussed on searching the truth. The authorities finally decide the matter after dealing with contentious questions of fact and law and that the SEBI acts as an initiator of proceedings and at the same time an adjudicator to decide the allegations and charges. That is why, I am inclined to commend the role of IA in this case who has played critical role of assistance in drawing the balance between the dual role of SEBI.



31. In my view, when matter touches market integrity, it is my duty to further the legislative object of providing a remedy for the mischief and adopt a holistic approach rather than one which attempts to find a way to circumvent the regulatory interventions. Such case as the present one, where allegations are pointing out at the acts of the Noticees to the detriment of innocent investors, one has to look to it in a realistic manner and the consequences arising out of the violations need to be weighed keeping in mind the interests of investors and integrity of securities market.
32. While saying so, I am also mindful of the fact that while examining the allegations, I must adopt the path of practicality rather than a dryly logical extreme based on *prima facie* narrations in the SCN or technical contentions of the Noticees alone. In my view, in cases involving transactions of sale of illiquid stocks to gullible investors in order to make undue gain and unjust enrichments is a crucial and predominant element to establish in this case. In such transactions where whole scheme is within minds of parties acting in a league, the circumstantial evidence can be corroborated by conduct, connection, funding of trades and pattern of trading of involved entities. It is true that mere surmise, conjecture or suspicion cannot sustain the finding of fraud as contended in this case. Yet, if the facts and circumstances bring out satisfying reasonable standard of proof, the SCN cannot be rejected out rightly as contended merely because of repetitive narration, surpluses or typos.
33. It, thus, finally boils down to examination of the evidence direct and/or circumstantial in support of the charge and the balancing of possibilities for and against the Noticees consistent with the presumption of their innocence or honesty. Ultimately, it depends on the facts of each case. Therefore, the facts of the case need to be deciphered and assessed in right perspectives and context by examining the allegations with focussed precision. If the facts narrated in the SCN lead to infer the allegations which could be determined on consideration of replies on merits, the SCN cannot be rendered bad in law.
34. Since all the facts and circumstances described in the SCN are intrinsically intertwined and Noticees have contested it making common/ similar responses, in order to avoid further burdening this order with repetitive narrations of same facts, I deem it appropriate to summarise the allegation based on substance of the allegations in the SCN.
35. Briefly stated, the observations in the SCN involve around violations of the SEBI Act and PFUTP Regulations through fraudulent trading/practices like price manipulation, fake



volume creation *via* Telegram tips and fraudulent dealings in the scrip wherein the Choksi Group (Noticees No. 7-15, led by Noticee No.1) offloaded illiquid RGRL shares worth 20.93% of trading volume and 39.48% of the total shares of company, aided by Noticees No. 2 to 4 and Noticee No. 6 who traded *via* own or connected accounts or funded them. Noticee No. 2, 3, 4 and 6 along with Noticee No. 1 formulated a scheme for manipulation of price and volume to provide exit to entities connected to Noticee No. 1. Noticees No. 16 to 18 (Authorized Persons of Brokers) directly or indirectly funded the clients for RGRL trades. Noticee No. 1 had also funded last traded price (LTP) contributors indirectly. LTP contributors spiked prices with 48.46% of positive LTP impact.

36. Manipulation of the price and volume of the scrip by entities related to Noticee No.1, Noticee No. 2, Noticee No. 6, Noticee No. 16, Noticee No.17 and Noticee No.18 helped achieve greater volumes in the scrip and move the price to a point which helped in the exit of Choksi Group. The entities belonging to/ used by Noticee No.1, 3, 4, 16, 17 and 18 collectively increased the price of shares during the IP by increasing the LTP, creating a NHP and numerous first trades of 100 shares or less. Noticee No. 2 to 6 funded Noticee No. 5 and Noticee No. 21 for Telegram recommendations, boosting public shareholders from 2,462 to 6,819 i.e. an increase by 177% in three months (Q4 2021) that enabled exit of Choksi Group by offloading illiquid share to retail investors. Noticees No. 2, 3, 4 and 6 had also funded Noticee No. 21 through Noticee No. 5 for posting recommendations on Telegram. These postings on Telegram helped achieve the requisite volume for offloading of shares to general public by entities belonging to Choksi Group and other related / front entities. Further, as per the SCN, the alleged manipulative tactics involved top LTP buyers/sellers (Noticee No. 18, 19, 20) who traded almost exclusively in RGRL, opened accounts in February 2021, funded via layers from Choksi Group. The groups created new highs, first small trades (74/94 $\leq$ 100 shares), and misleading volume; counterparties to Choksi sells were 84.8% from these suspect groups. Telegram posts on December 6-10, 2021 further spiked volume by 92% in 6 days, aiding exits. The Choksi Group then offloaded shares and made illegal profits.
37. In view of the above, I find that the SCN brings out the facts and circumstances which support the *prima facie* allegations and does not suffers from conjectures and surmises as contended. Hence, I do not find any infirmity in the SCN in that regard.



II. Consideration of case on merits and findings.

38. Having dealt with the preliminary objections, I now proceed to deal with the merits of the allegations. I deem it apposite to refer to the relevant provisions of law alleged to have been violated in the matter, extracts whereof are reproduced as follows:

SEBI Act

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(d)

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

Explanation.— For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are



listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—

- (a) knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;
- (b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
- (c)
- (d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;]
-
- (k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

39. In this case, out of the 13 entities holding more than 1% in the non- promoter holding in RGRL, the nine entities were entities related/connected/associated with Noticee No. 1. The details and facts showing connections amongst the said 9 entities *inter se* and with Noticee No. 1 is detailed in the SCN as per the following table:

Table No. 3 -Connection amongst the Choksi Group

Sr. No.	Noticee	Basis of connection
1	Noticee No. 7	Noticee No. 7 is HUF - karta is Noticee No. 1. Its registered mobile number as per KYC with the broker Tradebulls Securities is 9925236945 and email ID is achouse99@gmail.com. Its registered mobile number is 9924343492 as per KYC with MOFSL.
2	Noticee No. 8	Noticee No. 8 is the son of Noticee No. 1 as per the KYC with Tradebulls Securities.
3.	Noticee No. 9	Noticee No. 9 is wife (Daughter-in-law of Noticee No.1) of Noticee No. 8 as per the KYC with Jhaveri Securities. Her KYC has common email as Noticee No. 8 i.e. choksisagar92@gmail.com.
4	Noticee No. 10	Noticee No. 10 is wife of Noticee No. 1 as per the KYC with Motilal Oswal Securities.



5	Noticee No. 11	Noticee No. 11 is the brother of Noticee No. 10 and brother in law of Noticee No. 1.
6	Noticee No. 12	Noticee No. 12 is the nephew of Noticee No. 11. Shares the same residential address with Noticee No. 11.
7	Noticee No. 13	Noticee No. 13 shares common address with Noticee No. 1 and is nephew of Noticee No. 1.
8	Noticee No. 14	Noticee No. 14 shares common phone number with Noticee No. 7 and common registered office address with Noticee No. 15. Noticees No. 8 and 11 are shareholders, directors and authorised signatories.
9	Noticee No. 15	Noticee No. 15 share common phone number with Noticee No. 7 and common registered office address with Noticee No. 14. Noticees No. 1 and 11 were the directors during the IP. Noticee No. 1 along with RGRL and Noticees No. 7, 8, 9, 10 and 14 held 88% of the share capital as on March 31, 2021.

40. On careful consideration of replies of Noticees No. 1 and Noticees No. 7 to 15, I note that that they have not denied the above association/connection and have admitted that the relationships given in SCN are familial or professional in nature. According to Noticee No. 14, it had only hired office facilities for operational convenience but there was no individual interference in decision making of the company other than board of directors and it operates within the framework of strict corporate governance. In my view, the fraudulent and manipulative act and conduct can be determined based on a bundle of facts and not in isolation as sought to be contended by Noticee No.14. It is also noted that Noticee No. 14 is connected with Noticee 15 based on common address and his connection with Noticees 1, 7, to 11 is established based on other factors as given in above Table No. 3.
41. The above factors clearly show connection amongst entities belonging to Choksi Group. The connection amongst all Noticees can be gathered from the fund transactions, calls, meetings while determining their acts and conducts in the later part of this order.
42. The Noticees have contended that all decisions on investment and trading by the respective entity is independent and/or taken in individual capacity. According to them the sale of shares was influenced purely by market conditions, market driven factors and individual investment strategies and financial urgencies and the transactions executed were in open market and purely by market driven factors, in compliance with applicable laws and were carried out in the normal course of trading activities. In my view, the determination of question whether the act of each of the Noticees as contended by them was independent or was a concerted act as alleged depends on examination of whole facts and circumstances.



It is pertinent to mention here that there is no scale to measure fraudulent, deceptive and manipulative device, plan and artifice or its impact and the findings in that regard always depend on inferences drawn from a mass of factual details. Findings in this regard can also be gleaned from patterns of transactions/dealings, conduct and behaviour of connected parties viz; apparent transfers of funds, trading pattern in an illiquid scrip and other machinations, whether legal or otherwise, employed to achieve the designed purpose.

(a) *Price Manipulation and role of concerned Noticees.*

43. In this case, indisputably rather admittedly, Noticee No.1 is promoter /director of Noticee No.15 and thus, they are connected persons. Prior to the IP, the scrip was illiquid one with an average trading volume of only 329 shares. The price of the scrip was rising from Rs.10.36 on September 02, 2020 to high of Rs.33.85 on September 02, 2021; before closing at Rs.15.85 on December 31, 2021.
44. On careful reading of conclusion in the SCN in para 30-33, it is noted that the allegation in the SCN is that Noticee No.1 to 6 manipulated the price of the scrip (during February 19, 2021 to December 07,2021). Noticees No.15 had also funded the Noticees No. 1-6 and other entities who were instrumental in raising the price of shares of RGRL ‘through layers’ (?). Noticees 16- 18 have aided and abetted Noticees No. 1-6 by using their own accounts or accounts of their related/connected entities including their clients for trading in the shares of RGRL and also ‘funding entities’ (?) related/connected to them including their clients. Noticees No. 19 and 20 were top LTP contributors and they had aided and abetted Noticees No. 1-6 by indulging in manipulation of price of the scrip.
45. It is noted that SCN makes allegations of price manipulation (in para 30) primarily on Noticees No.1-6 (main perpetrators). However, there is no material or basis alleged in the SCN to make such allegations. It is noted that their act or more in nature of using others in this regard and funding them. The SCN also makes contradictory observations in this regard such as in para 2.3. it alleges that “All the entities belonging to/ used by Noticees no 3, 4, 16, 17 and 18 collectively increased the price of shares during the Investigation period by increasing the LTP, creating a New High Price and numerous first trades of 100 shares or less.” But, there is no mention in the entire SCN about any entity belonging to Noticee No. 3. In concluding para 30, the SCN alleges that Noticees No. 1-6 and Noticee No. 15 manipulated the price of the scrip whereas in concluding para 32 of the SCN it has been



alleged that “*Noticees no 19 and 20 were the top LTP contributors and they had aided and abetted the main perpetrators by indulging in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip.*” However, it is noted that as per the SCN itself during the IP, Noticees No. 18, 19 and 20 were the top three LTP contributors having contributed 48.46% of the total market positive LTP with contribution of Rs.127.60 to net LTP and Rs.1187.50 to total market positive LTP.

46. However, an error has occurred in the SCN by not including Noticee No. 18 in the list of LTP contributors in para 32. Rather the basis of allegation against Noticee No. 18 in para 31 of the SCN is trading in his own account and account of related /connected entities. I further note that the SCN makes only LTP data for allegations in this regard although in narrations of facts NHP and First Trades are also mentioned. Further, the SCN nowhere brings out the role of Noticee No. 17 in price manipulation yet his name is mentioned in this category in para 31. The basis of allegation in this para 31 is that he traded in his own account and account of related /connected entities and also funding entities related/connected to him. However, in para 6.6.10 of the SCN, the basis of allegation is that as Authorised Person of Sushil Financial he had *used his office* for trading in the shares of RGRL by using the accounts of his family (father and wife) or his clients. The allegation of price manipulation on Noticee No.17 is, thus, without any justifiable basis and cannot be looked into as such. However, since his trades are also basis of volume creation, this will be dealt with accordingly in later part of this order.
47. I proceed in the matter to determine the roles, in alleged price manipulation of only those Noticees whose acts and conduct are connected with such allegation in the SCN. The trades of the following three Noticees has been relied upon in the SCN:

Table No. 4- Trade Analysis of Noticees 18, 19 and 20

Noticee	No of scrips traded during the IP on BSE	% of buy quantity in RGRL as compared to total buy quantity on BSE	% of sell quantity in RGRL as compared to total sell quantity on BSE
Noticee No. 19	3*	91.96%	91.95%
Noticee No. 18)	2*	99.91%	99.89%
Noticee No. 20	16*	94.06%	80.75%

**Includes trading in the scrip of RGRL*

48. These Noticees traded in few other scrips, their percentage buy quantity and sell quantity in RGRL constituted substantial proportion as compared to other scrips. Further, these



Notices continued to deal in the scrip of RGRL despite making losses. They were the top gross buyers and as well as sellers in the scrip as given in the following table:

Table No. 5- Buy and Sell Quantity

Noticee No.	Trade start date	Trade end date	Buy quantity	Buy value	Sell quantity	Sell value
19	19/02/21	07/12/21	4,46,680	1,16,99,573	4,47,067	1,15,80,665
18	20/04/21	30/11/21	4,54,635	1,21,54,443	4,54,635	1,20,49,914
20	16/04/21	29/11/21	5,73,429	1,54,38,289	5,73,429	1,52,86,509

49. The IR and SCN both do not contain any analysis of trade log or order log for LTP/ LTP analysis (Para 6, 7 and 8) in granular manner, except for list of top 10 LTP contributors as above. Be that as it may, all three, i.e. Noticees No. 18,19 and 20 had opened their respective trading accounts with the same broker viz; Escorts Securities Limited (now called Shreeyam Securities) in the month of February 2021 and immediately thereafter, they started trading largely in the scrip of RGRL and were the top three LTP contributors. There was miniscule balance in the respective bank accounts of these top three LTP contributors before they started trading in the scrip of RGRL.

(b) *New High price (NHP).*

50. It is undisputed fact that during the IP, Rs.23.49 NHP was created as per the SCN as given in the following table: -

Table No. 6 - NHP Creation

Client name	Quantity	Number Of Trades	Contribution To Market NHP	% Of Market NHP	Contribution Among Group	Contribution To NHP In Buy Order First Trades With Non Group Entities
Noticee No.20	25	1	0.85	3.62%	0	0
Wife of Noticee No.17	2215	3	0.65	2.77%	0.15	0.40
Simi Thekkut	501	2	0.54	2.30%	0	0
Noticee No.19	50	1	0.30	1.28%	0	0.30
Manoj R Agarwal	123	2	0.15	0.64%	0.05	0.10
Gaurav D Nemade	100	1	0.10	0.43%	0	0
Noticee No.4	1500	1	0.05	0.21%	0	0
Total	4514	11	2.64	11.24%	0.20	0.80
Market total	16686	48	23.49	100.00%	0.20	0.80

51. The above entities contributed Rs.2.64 to market NHP which constituted 11.24% of market NHP. It has been alleged that the price and volume in the scrip was being increased with an intent to manipulate the same. These trades were giving a wrong signal to the market



that there were attractive buy opportunities which was not the case, otherwise. Hence, these entities had created a NHP which was an artificial price and was not indicative of any actual buying opportunities.

(c) *First Trade Analysis.*

52. Details of first trades as buyer by suspected entities during the IP are given in the SCN as per following table: -

Table No. 7 – First Trades

Client Name	Total Number Of First Trades	Traded Quantity First Trades	Number Of First Trades At Positive LTP	Net LTP	Positive LTP	Number Of First Trades Among Group	Positive LTP Contribution In First Trades Among Group
Noticee N0.20	21	1452	17	22.65	23.65	4	5.65
Noticee N0.19	19	2553	13	10.80	11.55	5	1.00
Noticee N0.18	17	426	15	10.30	10.75	3	1.80
Simi Vinod Thekkut	9	4699	3	-0.10	0.60	3	0.10
Manoj R Agarwal	4	678	3	0.15	0.20	3	0.10
Wife of Noticee No.17	4	3283	0	-1.10	0.00	1	0.00
Gaurav D Nemade	3	140	2	0.55	0.65	2	0.65
Vilas D Deshmukh	2	2	2	3.30	3.30	0	0.00
Kiran V Sharma	2	250	0	-0.06	0.00	0	0.00
Noticee No.4	2	1500	2	0.70	0.70	1	0.40
Vinodbhai R Ranpariya	2	2013	0	-1.80	0.00	0	0.00
Neha Amit Mody	2	725	1	-0.45	0.10	0	0.00
Amit Ramesh Mody	2	28	0	-0.20	0.00	0	0.00
Noticee No.9	1	2000	0	0.00	0.00	1	0.00
Swapnil Zagade	1	4	0	-0.20	0.00	0	0.00
Anant D Sohni	1	8	1	0.95	0.95	0	0.00
Pradip Deshmukh	1	1	1	1.90	1.90	0	0.00
Dhaval V Gadani	1	500	0	-0.05	0.00	1	0.00
Total	94	20262	60	47.34	54.35	24	9.70
Market total	319	63979	199	102.17	143.40	24	9.70

53. The IR /SCN say that the above entities were buyers in 94 first trades and contributed Rs.54.35 to market positive LTP. In 24 first trades the counterparty was a group entity. In first trades among themselves, group contributed Rs. 9.7 to positive LTP. In remaining 70 first trades with non-group entities, suspected entities contributed Rs. 44.65 to positive LTP, of which in 20 first trades, suspected entities had placed buy order first and contributed Rs.2.75 to positive LTP. Trade log for these 94 trades showed that 74 out of



94 first trades of these entities were for 100 shares or less out of the aggregate order quantity was 1,20,262 shares. Hence, their trading pattern indicates that all these entities was establishing high price through first trades. Thus, these entities also contributed to LTP through contribution to NHP and First trades. First trades of 100 shares or less shows that the entities did not intend to transfer beneficial ownership in the shares of RGRL but trade only to manipulate the price of shares of RGRL.

54. It is noted that such allegations with regard to NHP and First trade are not only about contribution of Noticees No.4, 18, 19 and 20 but also of other entities who are not the Noticees in this case. The magnitude of contribution of Rs. 2.64 to market NHP also includes Rs. 0.79 contribution of 3 other persons who are not Noticees. Similarly, 30 out of First trades were from third parties who are not Noticees in this SCN. Further, it is unclear as to how many trades of the connected entities were for 100 shares or less. Be that as it may, the SCN does not make allegations with regard to NHP and First trade. Hence, I leave it there.
55. It is pertinent to mention that for their trades, Noticees No.18, 19 and 20 were funded by Noticee No.16 and 15 by layering of fund transfers for their pay-in obligations as discussed hereinafter: -

A. Noticee No. 18:

- (i) Noticee No. 18 had received an amount of Rs. 1,07,500Rs (Rs. 50,000 on April 10, 2021 and Rs. 57,500 on April 14, 2021 from one Sangeeta Ghayal, a client of Noticee No. 16 and a relative of Noticee 18), which he used to meet his pay-in obligations for Rs. 1,07,500 to Escorts on April 15, 2021;
- (ii) An amount of Rs. 3,00,000 was deposited by Noticee No. 16 in cash in the account of Noticee No. 18 on June 18, 2021, Noticee No.18, in turn used the same to meet his pay-in obligations of Rs. 3,00,000 to Escorts on June 22, 2021;
- (iii) Noticee No. 18 had received an amount of Rs.3,00,000 from one Vishwesh Sriram Nathe on June 25, 2021 which was used to fulfil his pay in obligations towards the Escorts, the broker. Vishwesh Nathe had received an amount of Rs. 3,65,000 from Parekh and Co. on June 19, 2021 which was traced to Noticee No.15 (Choksi Group) and further to Motilal Oswal Financial Services Ltd. for sale of shares of RGRL;



- (iv) An amount of Rs. 1,50,000 was deposited by Pavan Makode in cash on August 05, 2021 in the account of Noticee No.18, which was, in turn, used by Noticee No. 18 on the same day to fulfil his pay in obligations towards Escorts. Noticee No.18 is uncle of said Pavan Makode. The pay out of Rs. 4,80,000 received from Escorts on December 14, 2021 was received by Pavan Makode on December 28, 2021.

B. Noticee No. 19:

- (i) Noticee No. 19 had received an amount of Rs. 1,00,000 from Howzatt Media and Consultancy Services Pvt Ltd (“Howzatt”) an entity connected with Noticee No. 16 through banking transactions, which he used to meet pay-in obligations to Escorts for Rs. 10,000 on April 15, 2021 and Rs. 90,000 on February 20, 2021;
- (ii) On August 04, 2021, an amount of Rs. 3,50,000 was deposited by Noticee No. 16 in cash in the account of Noticee No. 19 which he used to meet his pay-in obligation of Rs. 3,50,000 to Escorts on the same day;
- (iii) One Mahesh Agro Sales received an amount of Rs. 4,50,000/- on June 24, 2021 from Parekh & Co. which was traced to Noticee No.15 and he in turn transferred an amount of Rs. 4,00,000/- on the very next day on June 25, 2021 to Noticee No. 19 who used the said Rs. 4,00,000 on June 28, 2021 to Escorts.
- (iv) Pay out Rs. 1,68,000 from Escorts on December 10, 2021 was transferred by Noticee No. 19 to Noticee No. 16 on December 13, 2021.

C. Noticee No. 20:

- (i) Noticee No. 20 received an amount of Rs. 50,000 on April 10, 2021 and another amount of Rs. 57,500 on April 14, 2021 from Sangeeta Ghayal, a client of Noticee No. 16 and related to Noticee No. 18. This amount was used to fulfil his pay in obligations of Rs. 1,07,500 on the very next day to Escorts on April 15, 2021;
- (ii) Noticee No. 20 received an amount of Rs 2,00,000/- on June 21, 2021 and another amount of Rs. 99,900/- from Noticee No. 16 which was used to fulfil his pay in obligations of Rs. 3,00,000 to Escorts on June 21, 2021;



- (iii) On July 07, 2021, Noticee No. 20 received Rs. 50,000 from Chandrakala Bai and another Rs. 50,000 from Roshan Makode and used the said amounts on the same day to fulfil his pay in obligations of Rs. 99,000 to Escorts;
- (iv) Noticee No.20, met his pay-in obligation of Rs. 4,50,000 to Escorts on July 08, 2021 and Rs. 5,00,000/- on July 28, 2021- These amounts were deposited in cash by the Noticee himself in his account.
56. Thus, it is established that:
- (a) Noticee No. 16 was the common link between the Noticees 18, 19 and 20 and thus, they are connected with Noticee No. 16 who funded these LTP contributors for meeting their pay in obligations towards the broker;
 - (b) Noticee No. 18 and 19 had also received funds indirectly through layering from one of the entities in the Choksi Group i.e. Noticee No. 15 (a company controlled by Noticee No.1) for the same purpose;
 - (c) The entities who transferred funds to Noticee No. 18, 19 and 20 i.e. Noticee No. 16, Sangeeta Ghayal, Pavan Makode were all connected to Noticee No. 18 through banking transactions;
 - (d) Noticee No.4 and his wife, and wife of Noticee No.17 also traded in the scrip and manipulated the price of the scrip by created NHP and by indulging in first trades.
57. In view of the above, I find that Noticees No. 1,3, 4, 15, 16, 17, 18, 19 and 20 indulged in manipulation of price of shares of RGRL during the investigation period. However, since SCN does not allege such price manipulation by Noticees No. 16, 17 and 18 and this order cannot go beyond the charge in the SCN, I hold that for the purposes of this SCN, Noticees No. 1,3, 4, 15, 19 and 20 acting in concert and league manipulated the price of the scrip during the IP.
58. Noticee No. 20 has submitted that the IR, at para 3.4 states that *"3.4 On analysing counterparty to sales of RGRL Group, it was observed that one entity, Sushil Shinde was the top counterparty for purchase of 95,255 shares accounting to 16.19% of total sales of the said group. Prima facie no connection of the said entity could be established with*



RGRL entities." Both the Noticees No. 19 and 20 have contended that they had no role in the scheme as per the SCN itself.

59. I note that in his statement recorded on May 13, 2024 before the IA, Noticee No. 20 had stated Noticee No 16 had asked him to open account with Escorts Securities Limited. He admitted giving his user ID and password to Noticee No 16 and his associate, Swapnil Zhagade for trading in the shares of RGRL. Noticees No. 19 and 20 have also admitted to receiving money from Noticee No. 16 through various accounts or cash to trade in the securities market. In view of these submission their statements on oath and above referred fund transactions, it can reasonably be inferred that both these Noticees acted as mule to Noticee No. 16 who was aiding and abetting the '**main perpetrators**'. Noticees No. 19 is also connected with Noticee No.3, one of the '**main perpetrators**' through fund transfer by layering as discussed hereinabove. It is settled position that for holding a person guilty of having been indulged in fraudulent and unfair trade practices as alleged in this case, the finding must be sustained by a higher degree of proof than that required in any other civil default. There must be convincing preponderance of probability to support the allegation of fraudulent and unfair trade practices. Merely, the probablising or endeavouring to prove the fact on the basis of preponderance of probability and incomplete circumstantial evidence is not sufficient to establish a serious charge of fraudulent transaction.⁴
60. In this case, the SCN and IR nowhere define the expression "RGRL entities". I further note that in the approved Action Chart the nature of charges against Noticee No. 19 and 20 is that the Noticees "*were the top LTP contributors and had aided and abetted the main perpetrators by indulging in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip.*" Investigation has observed that Noticees No. 1 to 6 were the '**main perpetrators**' of the scheme and had indulged in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip. This manipulation helped the Choksi Group i.e. Noticees No. 7 to 15 to exit the shares of RGRL. Noticees No.16, 17 and 18 (by either using their own accounts or the accounts of their related/connected entities) along with LTP contributors i.e. Noticee No.

⁴ [Padola Veera Reddy Vs. State of Andhra Pradesh AIR 1990 SC 79; Sterlite Industries Vs. SEBI (2001) 34 SCN 485 (SAT)].



19 and 20 further aided and abetted the main perpetrators for trading in the shares of RGRL. I find that while Noticees No. 19 and 20 were from amongst the top counterparties for purchase of shares of RGRL, neither the IR nor the SCN define who are the RGRL entities. I, therefore, find that the charge against the Noticees No. 19 and 20 is unclear and vague and hence not sustainable. However, their role is material for examining the act and conduct of other Noticees.

(d) *Aiding and abetting by Noticee No. 16, 17 and 18.*

61. The second limb of the allegation in the SCN (para 31) is that- *“Noticees No 16 to 18 are Authorised Persons of brokers through whom trades were executed and they were found to have aided and abetted Noticees 1 to 6 by either using their own accounts or the accounts of their related/ connected entities including their clients for trading in the shares of RGRL and also funding entities related/ connected to them including their clients...”*
62. In regard to the above, Noticees No. 16 and 18 have contended that all the bank transactions had been carried out under the instructions of Swapnil Zhagade (now deceased) and Pawan Makode which is also stated in the statement of Noticee No.18 dated June 6, 2024. Further, all the monies were returned to the said persons and there is no outstanding amount. There is no charge of artificial volume creation, synchronized trades or reversal trades against him. There has been no intention to induce trades which could increase/decrease the LTP or manipulate the market NHP. All the clients of the Noticee exited before November 2021 which is the time that the farm laws were repealed. Noticee nor its clients made any profit and, in fact, incurred huge losses. The transactions were also entered without any knowledge of the counterparty.
63. As found hereinabove, Noticee No.16 was using Noticees No. 19 and 20 as mule and they were acting at his behest. It is further noted that Noticee No. 16 had also transferred Rs. 19,900 on May 23, 2021 and Rs.75, 000 on June 09, 2021, respectively to one Pavan Makode, a person related /connected to Noticee No. 18 during IP for trading in the scrip of RGRL. Noticee No. 16 had banking transactions with Noticee No. 4 and his wife Kiran Vishnu Sharma, as given in following table:

**Table No. 8- Fund transaction between Noticees No.16 and 4**

Date of transaction	Particulars	Amt received (in Rs.)	Amount received from
27/05/2021	IMPS/P2A/114719921477/8433806681/9751/Rgrl	60,000	Wife of Noticee No.4
27/05/2021	NEFT VISHNU BANWARILAL SHARMA 913010032493357 UTIB0000572AXMB21147711	21,000	Noticee No.4
27/05/2021	NEFT VISHNU BANWARILAL SHARMA 913010032493357 UTIB0000572AXMB21148738	19,000	
18/06/2021	IMPS/P2A/116911310626/8433806681/9751/Entry	2,00,0000	Wife of Noticee No.4
18/06/2021	IMPS/P2A/116911310932/8433806681/9751/Entry	1,70,000	
06/05/2021	IMPS/P2A/112613115559/8433806681/9751/Rgrl	1,000	Wife of Noticee No.4
06/05/2021	IMPS/P2A/112614947842/8080302810/9211/	20,000	Noticee No.4
06/05/2021	IMPS/P2A/112614121443/8080302810/9751/Rgrl	20,000	Noticee No.4
25/06/2021	IMPS/P2A/117620147515/8080302810/9211/	75,000	Noticee No.4
25/06/2021	IMPS/P2A/117620166960/8080302810/9211/	25,000	

64. It is noted that Kiran Sharma wife of Noticee No. 4 had received the amount from Noticee No. 3 then she transferred the same to Noticee No.16. Further, Noticee No.16 had received monies from an entity named Mr. Jackson Andrew through his own account or the accounts of his companies, Howzatt and OTT Ventures LPP (“OTT”) as given in the following table: -

Table No. 9- Funds received by Noticees No.16 from Mr. Jackson Andrew

Date of transaction	Particulars	Dr amt (in Rs.)	Cr amt (in Rs.)	Amount received from / transferred
02/08/2021	UPI/CR/121491016415/JACKSON ANDREW/UTIB/920010053391052/ Payment from		50,000	Jackson Andrew
13/08/2021	IMPS/P2A/122517118500/99999999 99/9211/		1,50,000	OTT
23/09/2021	IMPS/P2A/126614449614/99999999 99/9211/		2,00,000	OTT
04/10/2021	IMPS/P2A/127719715043/92002007 4785936UTI B/Rg amt revers	100		OTT
11/10/2021	IMPS/P2A/128419729250/92002007 4785936UTI B/Rg reverse	80,000		OTT
24/11/2021	IMPS/P2A/132820812264/92002007 4785936UTI B/Rg reverse	40,000		Howzatt
13/12/2021	NEFT KOKAN MERCANTILE CO OPERATIVE BANK 5911333506 KKBK0000958 KKBK213		1,68,000	Noticee No.19
13/12/2021	IMPS/P2A/134716848289/9200200 74785936UTI B/Rg reverse	30,000		OTT

65. Howzatt had transferred an amount of Rs. 1 lakh to Noticee No.19, one of the highest LTP contributors acting as mule account of Noticee No.16. Jackson Andrew is one of the



directors of Howzatt. OTT is also connected to Howzatt whose director is Jackson Andrew. All these entities have either transferred or received funds from Noticee No.16. All the funds transferred from Noticee No.16 to these entities have narration “*RG reverse*”. In addition, certain reversal transactions were observed in the account of Noticee No.16 with Kotak Mahindra bank as given in the following table:

Table No. 10- Reversal transactions in the account of Noticee No.16

Date of Transaction	Particulars	Amt (in Cr Rs.)	Amount received from / transferred
11/11/2021	IMPS/P2A/131521821147/RAJESHRP/KOTAK MAH/MBRGREVE	1000	OTT
11/11/2021	IMPS/P2A/131522854074/RAJESHRP/KOTAK MAH/MBRGREVE	24,000	
13/11/2021	IMPS/P2A/131717299377/RAJESHRP/KOTAK MAH/MBRGREVE	25,000	

66. The active involvement of Noticee No. 16 in the trades of RGRL can also be deduced from the fact that he had received commission from other entities for trading in RGRL shares as given in the following table: -

Table No. 11- Commission received by Noticees No.16 from other entities

Date of transaction	Particulars	Dr amt (in Rs.)	Cr amt (in Rs.)	Amount received from / transferred to
15/05/2021	IMPS/P2A/113513451461/88103845 3441DBSS/ Rgrl	49,900		Manish vedant
05/07/2021	IMPS/P2A/118616546619/88103845 3441DBSS/ Rgr payment comm	20,000		Manish Vedant
28/09/2021	IMPS/P2A/127119702902/0661104 000047898IB KL/ Rg comm	34,600		Tej Pratap Mishra
02/11/2021	IMPS/P2A/130618772393/0661104 000047898IB KL/ Rg comm	35,000		Tej Pratap Mishra

67. I note that Noticee No. 16 and Noticee No. 18 both were Authorised Persons with the broker, Anand Rathi. The counterparties to the LTP contributing trades of the said top three LTP contributors were clients of the said broker, Anand Rathi. As an Authorised Person, Noticee No. 18 was eligible to trade in securities, still he chose to open a new account with Escorts and traded through it in the scrip of RGRL and his orders matched with the clients of Anand Rathi, majorly through Noticee No. 16 who himself is an Authorised Person of Anand Rathi. Such trading that too in an illiquid scrip cannot be just a coincidence and in the ordinary course as contended. Indisputably, several inactive clients of Noticees No. 16 and 18 had heavily traded in the scrip of RGRL during the IP. I therefore, reject the contentions of Noticees No. 16 and 18 in this regard and find that using such inactive clients also during the IP, Noticees 16 and 18 created volume in the illiquid scrip of RGRL.



Noticee No.16 had transferred monies to Pavan Makode May 23, 2021 and on June 09, 2021 and Noticee No. 16 had banking transactions with Noticee No. 4 and his wife Kiran Vishnu Sharma who had received funds from Noticee No.3 as found hereinabove, during the relevant periods. Noticees No. 16 and 18 have failed to give any cogent explanation. Their replies are totally evasive.

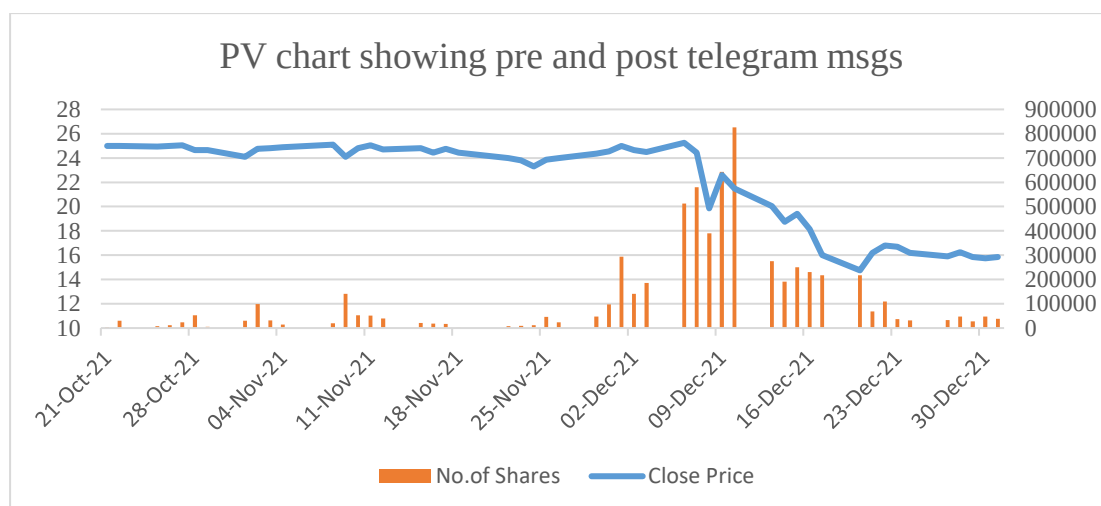
68. The above facts and circumstances, strongly suggest that the Noticees 18, 19 and 20 and other inactive clients of Noticees 16 and 18 were not trading independently by themselves rather were acting as mule accounts on behest of Noticee No. 16 with active participation of Noticee No.15 in the context of LTP manipulation. Further, Noticee No.16 had borrowed funds from Jackson Andrew directly or through his companies for buying and selling of shares of RGRL by his related entities and also returned monies to him. These facts strongly suggest that Noticee No.16 played a pivotal role in the impugned trading. By using various inactive accounts and making payments to various entities for the buying and selling of shares of RGRL, he was responsible for manipulating the price and volume of the scrip of RGRL. He is also connected with Noticee No.4, who had also traded in the scrip of RGRL during the IP. I find that the submissions of Noticee No. 16 are evasive and without any merit. He has utterly failed to offer any cogent explanation and thus all the allegations against him are established. It is immaterial whether transaction in question were synchronized trades or reversal trades or not and whether he and his clients made profits or loss. Noticees No. 1,3, 4, 15 and 17 also have not given any plausible explanation to the funding of the LTP contributors.
69. In view of the above facts and circumstances, I find that the three top LTP contributors i.e. Noticees No. 18, 19 and 20 were clearly connected with Noticees No. 16. In addition, Noticee No. 18 and 19 were also connected with Noticee No. 15. I, therefore, reject the contention of the Choksi Group that the SCN fails to link them to the LTP contributors (Noticees 19 and 20). Noticees No. 1, 3 and 4 also aided them in their act by funding Noticee No. 16 who then funded the said LTP contributors. The facts such as the miniscule funds available to Noticees 18, 19, 20, their past trading pattern and the trading in an illiquid scrip in this case funded by Noticees No. 1, 3, 4, 15, and 16, as the case may be, strongly lead to the conclusion regarding the role played by them and their conduct in the scheme in question as alleged in the SCN. I, therefore, observe that all these Noticees No.1, 3, 4, 15, 16, 17, 18, 19 and 20 were, thus, responsible for price manipulation. However,



since SCN does not charge these Noticees like these observations and make light charge as quoted above, I hold accordingly that Noticees No. 16, 17 and 18 aided and abetted Noticees 1, 3, 4 and 15 for trading in the shares of RGRL by funding them or entities related/ connected to them and their clients and manipulated the price and volume in the scrip during the IP.

(e) *Volume creation.*

70. The trading volume in the scrip started increasing from September 01, 2020 and reached its peak during the IP. Prior to the posting of the Telegram messages on December 06, 2021, for 30 trading days prior to posting of telegram message the trading volume was 15,37,202 shares. After the 3 messages were posted on December 06, 2021, December 09, 2021 and December 10, 2021, the trading volume increased to 29,49,974 shares in a period of 6 trading days as depicted in the following picture:



71. As per IR, Noticee No. 4 and his wife had bought and sold shares of RGRL (from October 21, 2020) as shown in the following table: -

Table No. 12- Trades of notice No. 4 and his wife

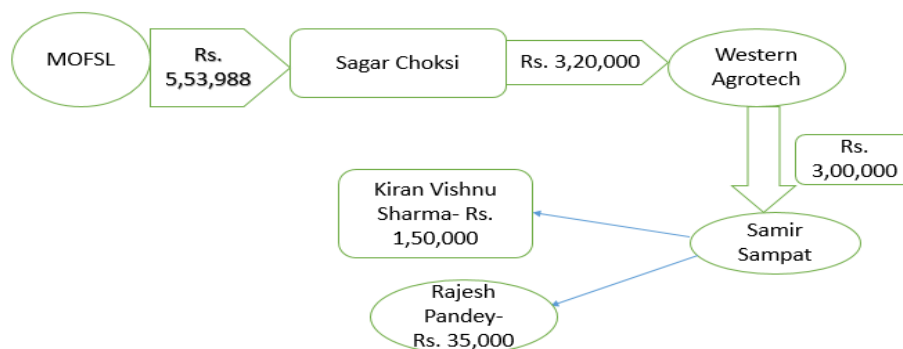
Sr No	PAN	Client Name	Buy qty in RGRL during IP	Sell qty in RGRL during IP
1	BDBPS3372J	Noticee No. 4	25,746	27,087
2	GQYPS7335Q	Wife of Noticee No. 4	1,48,065	146729

72. The counterparties to the buy trades (for 73,505 shares out of 1,48,065 shares bought by the wife of Noticee No. 4) were the entities belonging to Choksi Group. Thus, the exit was provided to Choksi Group by wife of Noticee No. 4 for about 50% of the shares bought by her. In addition, Noticee No. 4 had bought 2117 shares from entities belonging to Choksi



Group. Noticee No. 4 has submitted that he is not in the profession of dealing with the stock market in any form and has no knowledge of buying and selling of shares. Noticee has also denied having any relations with the Choksi Group and denied to be related/connected, either directly or indirectly, with any of the promoters/directors/key managerial employees of RGRL in any manner. Noticee No 4 further submitted that the buy/sell orders of the Noticee No. 4 need to be compared with the total buy/sell orders in a particular scrip. Also, there is no evidence that the orders of the Noticee created any kind of market imbalance.

73. It is noted that Noticee No. 4's wife had received funds from her husband for her pay in obligations to the broker. On May 5, 2021 she had received an amount of Rs. 1,50,000/- from Noticee No. 3. This amount was traced to payment by Noticee No. 15 for an amount of Rs. 3,00,000/- to Noticee No. 3. Noticee No. 15 had further received an amount of Rs. 3,20,000/- from Noticee No. 8 who had received pay-in of Rs. 5,53,988 by sale of shares of RGRL through the broker, Motilal Oswal. This transaction is explained diagrammatically as follows:



74. In another instance, on May 6, 2021 the wife of Noticee No. 4 had received amount of Rs. 1,50,000 from Noticee No. 3, out of which an amount of Rs. 25,000 was transferred to Noticee No.16 and Rs. 75,000 by routing through the of Noticee No. 4. Further, a credit of Rs. 7,71,900 through 68 transactions was received in the account of Noticee No. 4 from the account of Noticee No.3. Noticee No. 4 transferred Rs. 13,23,100 to the account of Noticee No. 3 in 70 transactions. This clearly indicates that Noticee No. 3 and 4 were both closely associated. Further, two more transactions dated May 03, 2021 and May 20, 2021 in the account of Noticee No. 4 for transfer of Rs. 13,500 and Rs. 12,700 respectively to an entity namely Pratab Rajput had narration as “Vol rgrl”. There were two more



transactions of transfer of Rs. 210000 and Rs. 19000 respectively on May 27, 2021 and May 28, 2021 from the account of Noticee No. 4 to Noticee No.16 with the narration “RGRL”. Further, an amount of Rs. 1,00,000 was also transferred to Noticee No. 16 on June 25, 2021.

75. The counterparties to Noticee No 4 and his wife’s trades were the net sellers i.e. entities belonging to Choksi Group and the counterparty to about 50% of the shares bought by wife of Noticee No. 4 were the Choksi Group. The exit of Choksi Group commenced in May 2021 and the trading by Noticee No. 4 and his wife further helped increase the trading volume and gave majority exit to Choksi Group. Further, the fund transaction indicates connivance of Noticee No. 3, Noticee No. 16 and Noticee No. 4. The Choksi Group offloaded their shares and monetised their shareholding in RGRL and made payment of commission to Noticee No. 3 who further distributed the amount to Noticee No. 16 and Noticee No. 4. I, therefore, do not find any merit in the contentions of Noticee No.4.
76. Nisha Amit Sharma, wife of Noticee No.17 had traded in the scrip of RGRL from September 11, 2020 till December 13, 2021. Noticee No. 17, the Authorized Person of the broker Sushil Financial Services Ltd. who placed trades in the scrip of RGRL on behalf of his father Amarnath Fulchand Sharma and his wife Nisha Amit Sharma. The buy and sell quantity of the wife and father of Noticee No.17 in RGRL are detailed below:

Table No. 13- Trades of notice No. 17 and his wife

Sr No	Client Name	Buy qty	Sell qty
1.	Wife of Noticee No. 17	89,323	89,323
2.	Father of Noticee No. 17	26,340	16,806

77. The analysis of trades of the father and wife of Noticee No. 17 shows that out of 89,323 shares bought by her during the IP, her sell counterparties for 58,497 shares were members of the Choksi Group i.e. 65% of her buy orders gave exit to Choksi Group. Other than the Choksi group, there were 9 other counterparties to buy trades for 24,454 shares, which included Noticee No. 4 and his wife and Noticee No. 20. The other counterparties had traded through Sushil Financial Services through Noticee No. 17. Both the buy orders and sell orders of which his wife was a counterparty (on either side) were placed by Noticee No. 17 himself. These trades indicate that along with providing exit to Choksi Group, Noticee No 17 gave exit to Noticee No. 4 as well as to Noticee No. 20.



78. Out of 89,323 shares sold by Noticee No.17 through his wife during the IP, counterparties to 57,417 l shares were either clients of Sushil Financial or clients of Noticee No.16 or 18. This indicates that these related entities of Noticees No.16 and 18 and Noticee No.17 through his wife were buying and selling the shares of RGRL so as to an increase in volume which was otherwise not possible since stock in question was an illiquid one. This kind of trading induced gullible investors to buy the scrip of RGRL so that consequently exit could be provided to Choksi Group.
79. In the above facts and circumstances, it is noted that these trades were not undertaken for investment or genuine trading purpose but to allure general investors with rosy picture that the shares of RGRL were being heavily and regularly traded whereas the fact was that the entities were just trading amongst themselves. Noticee No. 3 was funding these entities for their trades in RGRL. Noticee No. 2 and Noticee No. 6 who were involved with the aforementioned entities for manipulation in the price of scrip of RGRL, had also used accounts of 10 entities for trading in the scrip of RGRL.
80. The bank account jointly held by Noticee No. 17 and his wife with ICICI Bank and the debit transactions with the broker, Sushil Financial Services Ltd, showed the following:

Table No. 14-The debit transactions especially with the broker, Sushil Financial

Date of transfer to broker	Amount transferred (in Rs.)	Date of fund receipts	Amount received (in Rs.)	Name of transferor
28/04/2021	34400	28/04/2021	33000	Noticee No. 3
03/05/2021	22000	30/04/2021	20,000	Rajeshwari Prajapati
21/05/2021	27000	21/05/2021	10,750 and 4,500	Noticee No. 3
25/05/2021	25000	25/05/2021	25000	Noticee No. 3
25/05/2021	30000	25/05/2021	25000	Noticee No. 3
27/05/2021	31000	27/05/2021	25300	Cash deposit
20/07/2021	75000	20/07/2021	50000	Noticee No. 3

81. Noticee No. 17 had received Rs. 97,500 on December 01, 2021 from Sushil Financial Services of which Rs. 73,100 was transferred to Noticee No. 3. Another credit of Rs. 76000 was received from the broker out of which Rs. 68400 was also transferred to Noticee No. 3. Other than these transactions, there are many transactions with Noticee No. 3 which indicates that the entities are closely associated with each other. This further indicates that Noticee No. 3 was funding Noticee No. 17 and his wife for trading in the shares of RGRL and receiving kickbacks from them pursuant to such trades.



82. Further, the following clients of Noticee No. 17 had traded in the scrip of RGRL:

Table No. 15- Clients of Noticee No. 17 who had traded in the scrip of RGRL

Sr. No.	Name	Account status
1	Jamanbhai Hansraj Patel	Inactive
2	Amarnath Fulchand Sharma	Active
3	Neha Amit Mody	Inactive
4	Harmesh Jayantilal Prajapati	Active
5	Amit Ramesh Mody	Inactive
6	Simi Vinod Thekkut	Inactive
7	Kiran Shridhar Ghag	Inactive
8	Maya Benson	Active
9	Vinodbhai Ravjibhai Ranpariya	Active
10	Nisha Amit Sharma	Active
11	Vilasben Vinodbhai Ranpariya	Active

83. Out of 11 clients, 5 were inactive and 2 are family members of Noticee No. 17. Noticee No. 17 has submitted that Noticee No. 3 was his friend and had helped him in 2015 when his brokerage limit was stopped by broker Sushil Finance Ltd. During COVID when business had stopped, Noticee No. 3 had helped him by giving clients who could trade through his broker. Noticee No. 17 further submitted that Noticee No. 3 was doing investment from his family account, in which Noticee No. 3 would transfer fund and invest and brokerage would be generated to him. Noticee No. 17 had allowed Noticee No. 3 to make investment for one in the account of his wife and his father. I do not accept this contention of Noticee No. 17 that the trades were for investment purpose. I find that the trades were undertaken to demonstrate to the general investors that the shares of RGRL were being heavily traded, whereas the fact was that the entities were trading amongst themselves. Moreover, Noticee No. 3 was funding the trades of Noticee No. 17 which further demonstrate that it was all a part of a premeditated plan or scheme. Noticee No. 17 was using the accounts of his family and his clients, the *modus operandi* similar to those used by Noticee No. 16 and 18.

84. Noticee No. 2 had transferred Rs. 4,84,000/- from him to Noticee No. 6 who traded in the shares of RGRL during the month of September and October of 2020. An amount of Rs. 2,00,000 was also transferred from Noticee No. 2 to one Dharmik Chauhan on October 28, 2021. Dharmik Chauhan and his father, Mr. Nitinbhai Chauhan had also traded in the scrip of RGRL. Dharmik Chauhan had traded in the scrip of RGRL during the period November 09, 2021 till December 13, 2021 and was one of the top 10 buyers and sellers in the scrip of RGRL during the IP. He had transferred Rs. 2,00,000 and Rs. 1,00,000/- to Noticee No.



2 and 6, respectively. Noticee No. 6 had further transferred this amount to Noticee No. 3 on October 30, 2021. One Dhaval Gadani was also one of the top 10 buyers and sellers in the scrip of RGRL during the IP. He had traded in the scrip of RGRL in the month of September 2020, June 2021 and from November 01, 2021 till December 13, 2021. He had paid Rs. 2,49,900/- to Noticee No. 2 pursuant to a pay-out received from his broker. He had also transferred an amount of Rs. 4,99,000/- to Noticee No. 6 on January 21, 2022.

85. Dharmik Chauhan is a student with no source of income and his account was used by Noticee No. 2 and 6. Dharmik Chauhan and Dhaval Gadani were not residing at the address given in the KYC and the accounts of these persons were dummy accounts.
86. In the bank account of Noticee No. 6 with ICICI bank, an entry with name of “*abacusamdavad*” with narration “RGRL” for an amount of Rs. 80,000/- was observed. Similar narrations were observed in the account of Noticee No. 16. During the IP, Noticee No. 6 had received a credit of Rs. 24,59,900 from the account of one Anurudh Barelal Yadav and transferred Rs. 14,19,100 to Anurudh Barelal Yadav in 64 transactions. Noticee No. 6 had also transferred an amount of Rs. 37,196 to one Nilesh Modi during the IP. Nilesh Modi’s wife Manisha Nilesh Modi was found to be a dealer of broker MNM through whom orders in the scrip of RGRL were made in the account of Dharmik Chauhan and Dhaval Gadani. All the aforementioned accounts are observed to have been handled/used by Noticee No. 2 and 6. It was observed that Noticee No. 2 and 6 are closely related/connected to each other which is evident from the fact that during the IP, Noticee No.6 had transferred monies to Noticee No. 2. Noticee No. 2 has admitted that he was a close friend of Noticee No. 6.
87. The following entities were also used by Noticee No. 2 and 6 for trading in the scrip of RGRL during the IP:

Table No.16- Entities used by Noticee No. 2 and 6 who traded in RGRL

Name of the entity	Shares bought	Shares sold
Anurudhkumar Barelal Yadav	3186	3186
Dhaval Vinodbhai Gadani	227296	227782
Vijay Pujara	2969	2969
Nitinbhai Dalsukhbhai Chauhan	29177	29177
Dharmik Nitinbhai Chauhan	317224	317224
Harshadbhai Panchal	8089	8089
Keyur Vinod Chandra Parmar	81714	81714
Kinjal Ronak Vora	25821	25821



Ritu Rahul Mehta	41665	41304
Mrugesh Natwarlal Ruparel	14351	14351

88. Noticee No. 2 has denied opening dummy account in the name of Dhaval Gadani or Dharmik Chauhan or any entity or trading on behalf of other entities. Noticee No. 2 has contended that SEBI has not produced a single piece of documentary evidence to show that he provided KYC details, funded account opening, or had login/operational access to the trading accounts of these persons. In absence of such evidence, the allegation that he was controlling their accounts is purely speculative. Further, there was no subsisting financial nexus between him and Dharmik Chauhan. The amount of ₹2,00,000/- which was transferred by him to Dharmik Chauhan on October 28, 2021 was reversed leaving no outstanding entry or continuing financial exposure. The said transfer was in the nature of a short-term loan at the instance of Noticee No. 6. A mere financial transaction between Noticee and these individuals does not, by any standard of law, imply that he was in control of their trading activities or their bank accounts. Noticee No. 6 has contended that during the COVID-19 pandemic (2020-2021) he and his team provided interest-free loans to those who were in need of the funds. He has provided financial assistance more than 70 people during the said investigation period and incurred loss of Rs. 10 Lacs. In most cases, he took blank cheques or references for the security for the loans. Since this business was unofficial and on a very small scale, the money was lent to people on a reference basis. Without prejudice to this Noticee No. 6 contended that all of the allege entities who has traded, the suspected entities were referred by one Manoj Somani and its group. Noticee No. 6 has further submitted that he traded in 2969 shares during the IP, which was not alleged as manipulative in the SCN.
89. I find that Noticee No. 2 and 6 together have painted a picture that they were simply providing loans for personal reasons however they have not been able to explicate as to how most of the entities who were financed by them have inevitably traded in the scrip of RGRL. Further, it is improbable as to how the entities in need of fund utilized the same to trade in securities market and that too in an illiquid scrip. During the investigation, when summons was issued to such entities (Dhaval Gadani and Dharmik Chauhan) who had financial transactions with Noticee No. 2 and 6, the summons were returned undelivered and such entities could not be traced. Apart from the fund transaction to the aforementioned entities, I also find that Noticee No. 2 and 6 had transferred fund to Noticee No. 5 on December 6 and 13, 2021 respectively i.e., during the time of posting of recommendations



on Telegram. CDR has further revealed that Noticee No. 2 had spoken to Noticee No. 3 on December 07, 2021. I find that all the above factors like fund transfers to entities for trading in RGRL, fund transactions with Noticee No. 5 who was involved in posting of Telegram recommendations and calls between Noticee No. 2 and 3 at the time of stock recommendation substantiate the involvement of Noticees in the entire scheme. I also find that there were past action against Noticee No. 6 in three matters for operating the accounts of entities who were responsible for creating artificial volume through synchronized trades, circular trades and reversal trades in the matter of Kavit Industries Limited⁵, Capri Global Capital Limited⁶ and Manaksia Coated Metals and Industries Limited⁷ where a penalty of Rs. 10,00,000/-, Rs. 10,00,000/- and Rs. 8,00,000/- were imposed on Noticee No. 6. In view of the above, I reject the Noticee's contention as the incidental role and action of the Noticees demonstrate a tactic that is not in the nature of mere financial transaction as contended by these Noticees.

90. Noticee No. 21 has contended that the price of the scrip of RGRL touched its peak at Rs. 33.85 on September 2, 2021 and the allegation is that the stock was sold between December 6, 2021 to December 23, 2021 when the Telegram messages were broadcasted which makes no sense for someone who has orchestrated such an elaborate scheme of pumping the price and that too for not being able to exit at the top prices. I reject this contention summarily. The recommendation on Telegram channel as detailed above is the basis of allegation of inducing investors to deal in shares of RGRL by creating trading volume in the illiquid scrip of RGRL and not for alleged price manipulation against Noticee No.21. Further the Choksi Group sold their shares during the entire IP and not only during December 6, 2021 to December 23, 2021.
91. In light of the foregoing, it is, thus alleged that Noticee No. 1, 2, 3, 4, 6 and 16 had conceived a scheme to manipulate the price and volume of the scrip of RGRL by using various inactive accounts and making payments to various entities for the buying and selling of shares of RGRL. It is further alleged that manipulation of the price and volume of the scrip of RGRL by entities related to Noticee No. 2, 6, 16, 17 and 18 helped them

⁵ SEBI Adjudication Order dated February 28, 2025.

⁶ SEBI Adjudication Order dated September 18, 2023.

⁷ SEBI Adjudication Order dated October 21, 2024.



achieve greater volumes in the scrip and move the price to a point which helped in the exit of Choksi Group.

(f) *Volume Creation instigated by Telegram messages:*

92. As per the IR, the trading of shares of RGRL were based on the stock recommendations/tips which were circulated through Telegram channel. As per extract of stock recommendations on Telegram channel, three messages were circulated during the IP pertaining to the scrip of RGRL on December 06, 2021, December 09, 2021, December 10, 2021 between Noticee No. 21 and one account titled 'Trusted Book Online' which read as following:

From: 917974655833@s.whatsapp.net Jalaj (owner)
To: 919454699644@s.whatsapp.net Trusted Online Book

BUY CALL DILEVERY

RETRO GREEN REVOLUTION LTD
BSE CODE (519191)

ADD 10000 TO 20000 QYT.

@25-27
INTRADAY 10%

TG 40
SL 20

Participant	Delivered	Read	Played
919454699644@s.whatsapp.net Trusted Online Book	06-12-2021 03:45:11(UTC+0)	06-12-2021 04:03:07(UTC+0)	

Status: Read
Platform: Mobile

06-12-2021 03:45:10(UTC+0)

From: 917974655833@s.whatsapp.net Jalaj (owner)
To: 919454699644@s.whatsapp.net Trusted Online Book

JACKPOT Strong Stock

BUY BUY BUY

RETRO GREEN REVOLUTION LTS @ 21
RGRL(519191)
Expected Test Levels 35/50/60

SI @ 18 Coming Days view

Participant	Delivered	Read	Played
919454699644@s.whatsapp.net Trusted Online Book	09-12-2021 08:30:18(UTC+0)	09-12-2021 08:30:40(UTC+0)	

Status: Read
Platform: Mobile

09-12-2021 08:29:36(UTC+0)



From: 917974655833@s.whatsapp.net Jalaj (owner)
To: 919454699644@s.whatsapp.net Trusted Online Book

BTST JACKPOT BUY

BUY OR ADD MORE QYT 10000-25000 SHARES

RETRO GREEN REVOLUTION LTD
RGRL(519191)@23

TODAY TARGET 26
TOMORROW TRG 30

STOPLOSS 20RS

Participant	Delivered	Read	Played
919454699644@s.whatsapp.net Trusted Online Book	10-12-2021 03:54:18(UTC+0)	10-12-2021 03:54:35(UTC+0)	

Status: Read
Platform: Mobile

10-12-2021 03:54:10(UTC+0)

93. It is important to note that the above messages contained material advices and recommendation to investors for purchasing the shares of RGRL during December 6- 10, 2021. It is admitted position that prior to the IP, the reference period, the scrip in question was illiquid. It had very thin volume of trading with an average trading volume of only 329 shares. This volume started increasing from September 01, 2021 and reached its peak during the investigation period. Illiquid stocks are characterized by low trading volume, wide bid-ask spreads, and infrequent trading, making them difficult to buy or sell quickly without significantly affecting their price or inducing the demand by price sensitive information. It is also an admitted position that the financial results of the company on a quarter on quarter basis had remained constant and no significant corporate announcements were made during the IP. Still, there was substantial and sudden increase in the trading volume in the scrip of the company as noted herein above after the above recommendations were made. This is obviously not a market driven end and cannot be achieved by independent and individual decision as contended by the Noticees. Such trend in illiquid scrip as in this case cannot be just a coincidence.
94. Before the IA, Noticee No.21 had admitted that he had met Noticee No. 5 in Mumbai with whom he had dealt for posting recommendations in the scrip of RGRL on Telegram channel. This statement is unsigned and cannot be treated as statement on oath. In my view, more care ought to be taken in this regard while recording the statement on oath. Hence, this statement is not relied upon in these proceedings. However, the veracity of contents of text messages can be accepted if it is corroborated by other antecedent facts and circumstances.



95. Noticees have contended that the SCN attempts to establish a connection based on limited fund transfers and a single, brief phone call of 70 seconds between Noticee No.1 and Noticee No.5. This is wholly insufficient to prove connivance. A one-time, 70-second call cannot be construed as evidence of a conspiracy. Location analysis of phone numbers of Noticees No.1 and 5 shows that Noticee No. 5 had met Noticee No. 1 on December 07, 2021 in Vadodara. Call Data Records (CDR) also reveals that Noticee No. 5 was in Vadodara on December 07, 2021 when he spoke to Noticees No. 2, 3, 4 and 21. CDR of Noticee No. 5 (phone number XXXXXX2559) further shows that he had spoken to Noticee No. 1 on phone number XXXXXX3492 on December 21, 2021 for about 70 seconds. CDR further reveals that Noticee No. 5 was in contact with Noticee No. 21 during the posting of recommendations on Telegram from December 05, 2021 till March 09, 2022 and had spoken to the following connected entities during the IP for longer duration:

Table No. 17–Calls made by Noticee No. 5 to connected Noticees

Name of entity	Period (date) of calling	Duration of calling (in seconds)
Noticee No. 1 (XXXXXX6945)	21/12/2021 (1 call)	70
Noticee No. 2 (XXXXXX1507)	18/10/2021 till 31/12/2021 (510 calls)	35204
Noticee No. 16 (XXXXXX0977)	16/12/2021	1037
Noticee No. 6 (XXXXXX5993)	13/10/2021 till 23/12/2021 (98 calls)	3607
Noticee No. 3 (XXXXXX5370)	07/12/2021 till 22/12/2021	

96. The CDR of Noticee No. 2 reveals that he was regularly in contact with Noticee No. 6 between October 02, 2021 to January 22, 2022. The constant calls and meetings of Noticee No.5 with ‘*main perpetrators*’ and Noticee No.21 who is posting recommendations on Telegram channel cannot be just a casual call or meeting when seen in totality of facts and circumstances of this case. Noticee No. 16 has submitted that his call with Noticee No. 5 on December 16,2021 did not pertain to the current matter and was regarding discussions on general business. I find this reply of Noticee 16 as evasive and without any substance or evidence. Noticee No 16 has also claimed that he is not connected with alleged ‘*main perpetrators*.’ It is noted that he has been charged with aiding and abetting the ‘*main perpetrators*’ for which connection is not material and relevant.
97. Further, it is an undisputed fact that, during the posting of recommendation of the scrip of RGRL on Telegram, Noticee No. 5 had either through his own account or the account of his company namely ASJ Advisory Pvt Ltd transferred funds to Noticee No. 21 and also into the account of the firm Lifeline Pharma’s belonging to Noticee No. 21. This amount was originally received in the account of Noticee No. 5 or his company from Noticee No.



2, Noticee No. 3, and Noticee No. 4 or through cash deposit. The details of fund movement are as given in the following table: -

Table No. 18 –Fund Transfers

Name of transferor	Date of transfer to Noticee No. 21 by Noticee No. 5	Amount transferred to the account of Noticee No. 21	Date of receipt of amount in the account of Noticee No. 5	Amount received in the account of Noticee No. 5	Source of funds of amount received in the account of Noticee No. 5
ASJ Advisory Pvt Ltd (Noticee No. 5's firm)	06/12/2021	51,000	06/12/2021	50000	Noticee No.6 – who had received this amount from Noticee No. 3
	08/12/2021	1,00,000	08/12/2021	100000	Cash deposit
	08/12/2021	2,00,000	08/12/2021	99000 and 99500	Cash deposit
	09/12/2021	1,00,000	09/12/2021	100000	ASJ received this amount from Noticee No. 5 who had received it from Noticee No. 4
	09/12/2021	1,00,000	09/12/2021	50000	Noticee No. 4 (50,000) and (75,000)
	09/12/2021	99,999	09/12/2021	75000	Noticee No. 3
	09/12/2021	80,000	09/12/2021	77500 and 2500	Cash deposit
	10/12/2021	90,000	09/12/2021	47500 and 44000	Cash deposit
	13/12/2021	2,00,000	13/12/2021	200000	Noticee No.2
	29/01/2022	4,00,000	29/01/2022	557000	Cash deposit
Total		14,20,999			

98. Noticee No. 5 and 21 have contended that the payment transactions alleged for telegram recommendation were for taking a bar licence in Indore. However, deal could not materialise because of financial reasons. Noticee No. 5 has further contended that he has not traded in any share of RGRL and his involvement in pump and dump by mediating between the some other Noticees is completely misconceived. The alleged messages based on which these allegations are made, these messages are between Noticee No.21 and *One Trusted Online book* and Noticee No.5 has nothing to do with these messages.

99. I note that there is no cogent evidence shown by these Noticees in support of their claim. Further, such routing of funds is unique in a sense that as to why the funds were transferred to private entities for obtaining a bar license. Further, the reason for routing of funds through layering remains unexplained. It is also curious to note that before the onward



payment to Noticee No. 21, Noticee No. 5 had received funds from Noticee No. 2, Noticee No. 3, Noticee No. 4 and Noticee No. 6 and the onward payment of exactly the same amount in many instances to Noticee No. 21 was made on the same date which were same or close to the dates of the Telegram messages. When seen in totality, it is convincingly established that the funds were not transferred for the purposes as claimed but for consideration for making recommendations on Telegram channel. I find that the claim of these Noticees is just an eyewash and an afterthought.

100. It is also a matter of record and undisputed fact that Noticee No. 16 had received an amount of Rs. 30,000 from Noticee No. 3 who had also transferred money to Noticee No. 5 for payment to Noticee No. 21 for posting messages on Telegram channel. This payment was traced to the accounts of Noticee No. 15 and Noticee No. 10.
101. I note that the trading in the shares of the scrip underwent a major change and was impacted positively during the circulation of the Telegram messages. I, therefore, find that Telegram messages played a major role in contribution to increased volume in trading of shares of RGRL during that period and Noticees No. 5 and 21 played a pivotal role in circulation of these Telegram messages with active assistance and collusion of Noticees No. 1, 2, 3, 4 and 6. These acts certainly fall within the meaning of “*fraud*” and “*fraudulently*” under Regulation 2(1) (c) and within prohibitions under Section 12A of the SEBI Act and Regulations 3 and 4 of the PFUTP Regulations.

(g) Offloading of shares.

102. The facts about sale of RGRL shares by Choksi Group is not denied. It is noted that the net sellers Noticees in this case had bought shares through off market. It is noted that these 9 entities (Choksi Group- family, HUF, firms like Maama Mia Retailing, Western Agrotech) having bought shares of the company mostly off-market, were top net sellers during the IP having offloaded shares which constituted 20.98% of the trading volume during the IP and 39.48% of the total shares of the company.

E. Unlawful Gains.

103. The SCN has made calculation of illegal gains of Rs.4,89,46,011/- on the basis that in 2018-19 the Choksi Group had bought the shares at off-market at an average price of



Rs.1.50/-. Accordingly, the profit made by Choksi Group were calculated taking average price per shares paid by them in 2018-19, as given in the following table.

Table No. 19 – Calculation of illegal gains by calculating the average price per shares paid in 2018-19 by the Choksi group

Name of entity	Qty and amount of shares bought		Qty and amount of shares sold during the IP		Profit (in Rs.)
	No.	Amount (in Rs.)	No.	Amount (in Rs.)	
Noticee No. 7	440234	660351	440234	9327697.15	86,67,346
Noticee No. 8	289205	210600	289205	7125880	69,15,280
Noticee No. 9	226700	1898100	226700	5713420.80	38,15,321
Noticee No. 10	201800	855200	201800	4663637.45	38,08,437
Noticee No. 11	150300	225495	150330	3242142	30,16,647
Noticee No. 12	220300	684700	220300	4028426.80	33,43,727
Noticee No. 13	22700	0	22700	624644.70	6,24,644
Noticee No. 14	447300	649723.40	447300	10171756.50	95,22,033
Noticee No. 15	454100	681150	454100	9913724.70	92,32,575
Total					4,89,46,011/-

104. The Choksi Group has contended that the calculation of wrongful gains in the SCN is based on incorrect assumptions. The Group has submitted that the alleged fraud is linked to the Telegram messages from December 6, 2021, therefore the gains should be calculated from that date. By using the market price on December 6, 2021 as the cost basis, the Group has calculated a net loss of Rs. 35,57,062.15 in their submission. I am not inclined to accept this calculation since the Choksi Group has traded throughout the IP and not just when the Telegram message was circulated on December 6, 2021. The Choksi Group has also contended that SEBI can only use the price of scrip at the time of the start of the IP since the group held these shares long before the IP and have sold the shares during the investigation period even prior to the Telegram messages circulated.
105. The Choksi Group in their reply has provided an alternate calculation of unlawful gains by using the market open price of Rs. 10.36 taken at the commencement of the IP, i.e., on September 2, 2020. The Noticees have admittedly traded throughout the IP and price of the scrip after opening at Rs.10.36 on September 02, 2020, touched a high of Rs. 33.85 on September 02, 2021, and closed at Rs. 15.85 on December 31, 2021. The calculation provided by Choksi Group by taking the open price (of Rs. 10.36) at the commencement of the IP, is detailed in the table as under:



Table No. 20 – Calculation of illegal gains by using the market price of Rs. 10.36

Name of entity	Qty and amount of shares bought		Qty and amount of shares sold during the IP		Profit (in Rs.)
	No.	Amount (in Rs.)	No.	Amount (in Rs.)	
Noticee No. 7	440234	4560824.24	440234	9327697.15	4766872.91
Noticee No. 8	289205	2996163.8	289205	7125880	4129716.2
Noticee No. 9	226700	2348612	226700	5713420.80	3364808.8
Noticee No. 10	201800	2090648	201800	4663637.45	2572989.45
Noticee No. 11	150300	1557418.8	150330	3242142	1684723.2
Noticee No. 12	220300	2282308	220300	4028426.80	1746118.8
Noticee No. 13	22700	235172	22700	624644.70	389472.7
Noticee No. 14	447300	4634028	447300	10171756.50	5537728.5
Noticee No. 15	454100	6704476	454100	9913724.70	5209248.7
Total					2,94,01,679.26

106. It is important to mention that the logic of allegation in this case is also that this liquidity in the scrip during the IP enabled the Choksi Group ultimately offload their holding in RGRL. I have considered the calculation of unlawful gains made by SEBI in similar cases. It is noted that in the matter of *Unison Metals Limited*⁸, the weighted average price a day prior to stock recommendation was considered as the substantial portion of the trading of the net sellers was in that period. In the matter of *Svarnim Trade Udyog Ltd.*⁹, the weighted average price of the trading, prior to stock recommendation as well as the weighted average price on the day of the stock recommendation were considered. However, in the matter of *Continental Seeds and Chemicals Limited*,¹⁰ for calculation of unlawful gains, the number of ‘shares already held before the IP’ and ‘the acquisition price of shares already held’ before the IP were considered while calculating the net profit. In fact, in the aforesaid order (at page 83), with the view to determine the profit made by one of the Noticee, a summon was specifically issued seeking the details of cost of initial acquisition of shares held before the IP by the Noticee for the purpose of calculation of net profit against him. I note that the calculation of unlawful gains is based on the unique facts of each case and it may not be possible to have one uniform straight jacket formula.

⁸ SEBI Order dated February 5, 2026.

⁹ SEBI Order dated May 31, 2024.

¹⁰ SEBI Order dated November 29, 2024.



107. The instant case is different from the aforesaid matters, as the concentration of trades of the Noticees for a specific month cannot be considered since the Noticees trades were scattered throughout the IP. Further, the analysis of illegal gain by taking trades entered prior to the stock recommendation and on the day of the stock recommendation also cannot be considered as this case is peculiar in a way that the price high was observed in the month September 2021 and the increase in volume was observed subsequent to the stock recommendation in the month of December 2021. Admittedly, the Noticees have traded throughout the IP. Moreover, the Choksi Group had acquired shares much prior to the IP and had offloaded shares during the IP. Thus, the yardsticks for calculation of illegal gains in the abovementioned matter of *Unison Metals* and *Svarnim Trade* cannot be considered for calculation of profit in the instant matter.
108. I further note that there is nothing on record to show that the Choksi Group had bought the shares in 2018-19 with an intention to manipulate the price of the scrip later. In fact, the SCN at para 6.5.12-13 indicates that by opening of new accounts of clients by Noticee No. 16 and 18 in February 2021, the scheme for manipulation of price and volume were formulated somewhere around that time (i.e in February 2021). Since it is established in the SCN that the scheme was formulated around February 2021, unlawful gains cannot be calculated by taking shares acquired by Choksi Group in the year 2018-19. The acquisition price of shares by the Group in 2018-19 cannot be factored altogether while calculating the net profit. I, therefore, am inclined to agree that the calculation of illegal gains cannot be made by taking the average price per shares paid by them in 2018-19. Considering these peculiar facts and circumstances of the case, I am of the view that the second alternative of calculation of unlawful gains proposed by Noticee No.1 and Choksi Group is logical in this case.

F. Conclusion.

109. I, therefore, find that none of the Noticees have been able to offer any plausible explanations on merits. Their claims have been found to be misplaced. As noted in the above paragraphs, Noticee No. 16 was the common link between the Noticees 18, 19 and 20 and funded the LTP contributors for meeting their pay in obligations towards the broker. Noticee No. 16 and Noticee No. 18 are shown to be connected through banking transactions (through Sangeeta Ghayal and Pavan Makode). The counterparties to the LTP



contributing trades of the said top three LTP contributors were clients of Noticee No. 16 and 18. Such trading that too in an illiquid scrip cannot be in the ordinary course as contended and indisputably, several inactive clients of Noticees No. 16, 17 and 18 traded in the scrip of RGRL during the IP. The facts such as the miniscule funds available to top LTP contributors, their past trading pattern and the trading in an illiquid scrip strongly lead to the role played by Noticee No. 16 17, and 18 in price manipulation. However, the SCN only charges these Noticees for aiding and abetting the main perpetrators by either using their own accounts or the accounts of their related/connected entities and funding entities related/connected to them. Since SCN does not allege such price manipulation by Noticees No. 16, 17 and 18 and this order cannot go beyond the charge in the SCN, I hold this charge as made out in the SCN qua these Noticees.

110. Here, it is also relevant to note that the SCN has not included Noticee No. 18 in the allegation of top LTP contributor while bringing the charge in para 32 of the SCN. However, it is established that he was having active role in funding the traders and in creation of volume in the scrip.
111. The SCN has alleged that Noticee No. 19 and 20 were the top LTP contributors and aided and abetted the **main perpetrators** i.e Noticee No. 1 to 6 by indulging in an act which created misleading appearance of trading in the scrip as well as manipulated the price of the scrip. In the IR, it is indicated that while Noticee No. 20 was the top counterparty to sales of RGRL Group, however, *no connection could be established with RGRL entities*. The SCN neither the IR define who these RGRL entities are. Noticees No. 19 and 20 have admitted to receiving money from Noticee No. 16 to trade in the securities market and a common link is also established with Noticee No. 16 and 18 from which it can be inferred that both these Noticees acted as mule to Noticee No. 16 who was aiding and abetting the '**main perpetrators**'. It is a settled position that for holding a person guilty of having been indulged in fraudulent and unfair trade practices as alleged in this case, the finding must be sustained by a higher degree of proof than that required in any other civil default. In the SCN or the IR, no connection is directly established to show how they aided and abetted the **main perpetrators**. As the role of Noticee No. 19 and 20 is vague and not established with convincing preponderance of probability to support the allegation of fraudulent and unfair trade practices, the SCN is thus, not maintainable against Noticee No. 19 and 20.



112. I, therefore find that: -

- (a) Noticees No. 1 to 6 had indulged in creating misleading appearance of trading in the scrip as well as manipulated the price of the scrip. Noticee No. 7 to 15 are either family members/ HUF/companies controlled by Noticee No. 1 who aided and abetted Noticee No. 1 by offloading shares of RGRL. Noticee No. 15 also funded the **main perpetrators** and other entities who were instrumental in raising the price of shares of RGRL.
- (b) Noticees No.16 to 18 (by either using their own accounts or the accounts of their related/connected entities) along with LTP contributors i.e. Noticee No. 19 and 20 further aided in the scheme though the SCN vitiate *qua* them on technical grounds as found hereinabove.
- (c) Noticees No.1, 2, 3, 4, 5, 6, 15 and 21 were responsible for increasing the trading volume by generating interests of gullible investors in the scrip during the IP by circulating recommendation through the Telegram channel (on December 06, 09 and 10, 2021); and
- (d) helped the Noticees No. 7 to 15 to offload illiquid shares of RGRL to general public investors and thereby earning unlawful gains of Rs. 2,94,01,679.26.

113. Accordingly, the Noticees are responsible for fraudulent and manipulative act as found herein above. These Noticees (except Noticee No. 3, 19 and 20) cannot be absolved of the consequences of such contraventions in the facts and circumstances of the case.

114. As regards Noticee No. 3, after the service of the SCN, vide email dated March 4, 2025 from one Mr. Rajvi Sampat, it was informed that Noticee No. 3 had passed away on July 1, 2024 and a copy of the death certificate was enclosed in the email. In this context, in *Girijanandini Vs Bijendra Narain (AIR 1967 SC 2110)*, the Hon'ble Supreme Court held that in case of personal actions, i.e., the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives and in such cases the maxim *actio personalis moritur cum persona* (personal action dies with the death of the person) would apply. It is also relevant to refer to the decision of Hon'ble Securities Appellate Tribunal in *Chandravadan J. Dalal vs. SEBI (Appeal No. 35/2004 decided on June 15, 2005)* wherein it was held that: "*The appeal abates since the appellant during the pendency of the appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates.*"



115. In this regard, I note that Section 28B (2)(a) of the SEBI Act provides that any proceeding for disgorgement, etc., except a proceeding for levy of penalty, initiated against the deceased before his death, shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly. Further Section 28B(2)(b) provides that any proceeding for disgorgement, etc., except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly. In the instant case, I note that Noticee No.3 had passed away on July 01,2024 i.e. before the SCN dated November 08,2024 was issued to him. His legal heir is not a Noticee in these proceedings. Therefore, the provisions of section 28B of the SEBI Act cannot be applied in these facts and circumstances. Accordingly, the instant proceedings against Noticee No. 3 is abated and the SCN dated November 8, 2024 is disposed of *qua* him accordingly. However, since the connection between the Noticees have been arrived at based on fund transfer and phone calls, his role in the manipulation of the scrip is discussed in the Order.

116. The SCN contemplates directions under Sections 11(1), 11(4), 11B (1) and 11B (2) and also the imposition of monetary penalty under Sections 11B (2) and 11(4A) read with Section 15HA of the SEBI Act for the aforesaid violations. The relevant provisions of Sections 11(1), 11(4), 11(4A), 11B (1), 11B (2), 15HA of the SEBI Act are reproduced below:

“Functions of Board.

11. (1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —

(a)

(b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;

(c)

(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded



in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

Power to issue directions and levy penalty.

11B. (1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, — (i) in the interest of investors, or orderly development of securities market; or (ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or (iii) to secure the proper management of any such intermediary or person, it may issue such directions, —

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(a) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation. —For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.”

117. While Section 11 deals with the functions and duties of the Board, Section 11B is on the powers of the Board. Section 11B is in a sense a functional tool in the hands of the Board and one of the measures available to the SEBI to enforce its prime duty under Section 11 by issuing directions under Section 11(4) and Section 11B (1) and/or also imposing monetary penalty under Section 11B (2) and 11(4A). I note that the power under Section 11B (2) is *pari materia* the power under Section 11(4A). In fact, the power under the both the sections are nothing but a replica of each other in two different sections. This power is not intended for inflicting same monetary penalty twice under the charging sections referred in Section 11(4A) and replicated under Section 11B (2) of the SEBI Act.



118. Section 15HA of the SEBI Act provides for imposition of penalty in case of fraudulent and unfair trade practices committed by any person. I find that the activities of these Noticees being fraudulent in nature, attract and warrant penalty to be imposed on them under Section 15HA of the SEBI Act. The range of monetary penalty prescribed in said Section 15HA is minimum five lakh rupees upto to twenty-five crore rupees or three times the amount of profits made out of fraudulent practices, whichever is higher. However, said Section 15HA gives discretion and Section 15J of the SEBI Act mandates factors to be taken into consideration in this regard and provides for guiding factors as follows:

“15J. Factors to be taken into account while adjudging quantum of penalty.

While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investors as a result of the default*
- (c) the repetitive nature of the default.*

Explanation. —For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.”

119. Although the PFUTP Regulations attempt to envisage all kind of fraudulent dealings and market abuses, parties involve human ingenuity and technology for usurpation of reprehensible profits which they are not entitled to. Hence, they must be made answerable as per established tenants of rule of law without leaving incentives for fraudulent practices, based on creativity of disingenuous, to survive the legal gambits.
120. The SCN brings out the facts and circumstances suggesting on greater preponderance of probability as to how each one of the connected entities at various sequences in the chain has catalysed the routing of funds, indulged in price manipulation by LTP contribution, making recommendation through Telegram channel and manipulated the trading volume in a web of make believe transactions meant to mislead and obfuscate, to the final confluence in the market amidst volume and price rise, entrapping the unsuspecting and gullible investors. The allegations, to the extent established in the instant case, bring out the entire gamut of events commencing from the typical gambit of fraudulent dealings by a select coterie, running through the maze of funds transfers amongst chosen interconnected parties, unrealistic increase in demand and liquidity in shares of an



otherwise illiquid stock so as to benefit other entities in the group is a classic example of touch-me-not distancing through intermediations and culminating in the final denouement wherein, connected parties with all their manipulative assemblage came to the fore setting a seal on their machinations of fraudulent, manipulative and deceptive dealings to the detriment of unsuspecting investors. By impeding in the natural interplay of market forces, they mislead the investors by masking the fair price and demand in the shares of RGRL. Accordingly, the remedial and penal actions both as contemplated in the SCN are commensurate with contraventions found in this case.

G. Disgorgement.

121. The SCN has contemplated directions for disgorgement of wrongful gain jointly and severally on Noticee No. 1 to 15 i.e. even on Noticee No. 2, 3, 4, 5, and 6 who were not the net sellers in RGRL. I note from para 29 of the SCN that Noticee No. 2, 3, 4 and 6 had received commissions from Noticee No. 1 through his company Noticee No. 15. As per the SCN, Noticee No. 1 to 6 were the main perpetrators of the scheme who had indulged in an act which created misleading appearance of trading in the scrip, as well as manipulated the price of the scrip of RGRL. However, direction of disgorgement of gains cannot be made against Noticee No. 2 to 14 as any unlawful gains to them have not been quantified. Further, the SCN (at para 11.7.6), after analysis of the fund flow of the net sellers i.e. the Choksi Group during the IP, has concluded that *the ultimate beneficiary of sale of shares by Choksi Group was Noticee No. 1 or his company Noticee No. 15.* Nonetheless, the SCN charges Noticee No. 1 to 15 jointly and severally for disgorgement of said unlawful gain. I note that both, Noticee No. 1 and 15 have been found herein, to have made unlawful gain as quantified in the earlier paragraphs.
122. As found hereinabove, Noticee No. 1 and 15 were the ultimate beneficiaries of the unlawful gains of Rs. 2,94,01,679.26. in this case. It is noted that in the matter of *Karvy Stock Broking Ltd. v. SEBI* (Appeal No. 6 of 2007, Order dated May 2, 2008), SAT *inter alia* held that “Only such wrongdoers who have made gains as a result of their illegal act(s) could be asked to do so. Since the chief purpose of ordering disgorgement is to make sure that the wrongdoers do not profit from their wrongdoing, it would follow that the disgorgement amount should not exceed the total profits realized as the result of the unlawful activity. In a disgorgement action, the burden of showing that the amount sought



to be disgorged reasonably approximates the amount of unjust enrichment is on the Board".

123. As held by Hon'ble SAT in *National Stock Exchange of India Ltd. & Ors vs SEBI* (Appeal No. 333 of 2019, Order dated January 23, 2023), that disgorgement is not a penal remedy, but an equitable one — aimed only at depriving a wrongdoer of ill-gotten gains. Further, Hon'ble SAT, in the matter of *Kiran Madhusadhan Seth v. SEBI* (Appeal No. 446 of 2020, Order dated September 20, 2021), *inter alia* held that- "The concept of disgorgement under the SEBI laws is based on the principle that a person in possession of wrongful gains by which he is enriched may be asked to part with the amount equivalent to such gains along with interest". Accordingly, Noticees No. 1 and 15 are liable to disgorge the unlawful gains made by them along with interest as equitable remedy. I, therefore, in exercise of the powers under Section 11B (1) read with Section 11 and 19 of the SEBI Act hereby direct Noticees No.1 and 15 to disgorge the ill-gotten profits earned by them of the total amount of **Rs. 2,94,01,679.26**.

H. Enforcement directions/penalties.

124. As noted in the earlier paragraphs, the company RGRL was originally promoted by Noticee No. 1 and his father along with other associates. Although Noticee No. 1 was no longer the promoter of RGRL, SCN has observed that all statutory payments to BSE, RTA and other mandatory outgoings were received from the account of Noticee No. 1, which affirms that RGRL was controlled by Noticee No. 1. Noticee No. 1 had fiduciary duty to act in the best interest of the company and other shareholders rather than his own personal gain. The Choksi Group led by Noticee No. 1 offloaded the shares of RGRL during the IP. I find that Noticee No. 1 did not act in good faith and exploited his influence in the company for personal gains. The rise in volume of shares in the otherwise illiquid scrip of RGRL and the telegram recommendation are indicators affecting the investment decision that sway the investors in trading in the scrip.
125. Considering the aforesaid, I also deem this case fit to issue directions restraining the Noticees from securities market and imposition of monetary penalty on the Noticees in order to meet the ends of justice. This a case where a premeditated scheme has been orchestrated to jack up the price of an illiquid scrip having abysmally thin volumes of trading and then alluring gullible investors through trading amongst the Noticees



themselves and then making further attempt to allure innocent public investors by circulated tips/ stock recommendation through Telegram Channel. The whole conduct, in the facts and circumstances of the case is heinous and must meet with severe actions. The proportionality in this case involving repeated offenders is totally in favour of stern actions.

126. For the purpose of adjudication of quantum of penalty, it is relevant to mention that under Section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that "he may impose such penalty" are of considerable significance, especially in view of the guidelines provided by the legislature in Section 15J. Further, in the explanation appended to Section 15J, which was brought vide Part VIII of Chapter VI of the Finance Act, 2017, the legislative intent has been reinforced that while adjudging the quantum of penalty the adjudicating officer has discretion and such discretion should be exercised having due regard to the factors specified in Section 15J. It is also settled position that the words "*shall be liable to*" used in the context of "*penalty*" in any statute, do not convey an absolute imperative; they are merely directory and leave it to the discretion of the authority to impose any penalty as he deems fit and commensurate with the violation. Further, having regard to the factors listed in Section 15J and the guidelines issued by Hon'ble Supreme Court of India in *SEBI v. Bhavesh Pabari Civil Appeal No(S).11311 of 2013* vide judgement dated February 28, 2019, it is noted that the provisions of Section 15J has to be properly understood, and not to be mechanically applied and other factors reasonable for the facts of the case are also relevant to take into account for adjudging the quantum of penalty. I have also been guided by the principles of consistency and proportionality. The current proceedings do entail restorative justice of disgorgement and victim restitution in terms of Section 11 and 11B and applicable Regulations.

127. Thus, the trade-off for imposition of monetary penalty tends to be made more in favour of consistency and proportionality. Consistency of penalties refers to the "parity principle," where similar offences receive similar, though not identical, consequences to ensure fairness, proportionality, and predictability. It aims to reduce arbitrary disparities while allowing for judicial discretion to account for specific aggravating or mitigating factors. The proportionality demands a penalty to be proportionate with the mischief it seeks to address and to the magnitude of default. No arithmetical formula can be devised to impose a fixed penalty on each case. Thus, consistency comes into play. However, given a set of



alternatives, pairwise comparison matrices also come into play and different matrices may apply to a similar case if magnitude of both cases materially differ with regard to different matrices. Here again, no mathematical formula could be possible. While adjudging the quantum of penalty under Section 15HA in this case, based on parity or consistency, I have considered the penalties imposed by SEBI in similar cases, as given in the following table:

Table No. 21

Order date	Name of the matter	Period of Debarment	Penalty imposed	Unlawful gains	Interest on unlawful gains
February 6, 2026	Unison Metals Ltd.	3 years	10 lakh to 1 crore	3.87 crore	No interest.
November 29, 2024	Continental Seeds and Chemicals Ltd.	1-3 years	5 lakh to 25 lakh	2.24 crore	Simple interest @12% per annum from the last date of the investigation period till the date of payment.
May 31, 2024	Svarnim Trade Udyog Ltd.	2-5 years	50 lakh to 2 crore	92 lakhs	Simple interest @ 12% per annum, calculated from Recommendation Day till the date of payment/impounding.
May 22, 2024	Superior Finlease Ltd.	3-5 years	10 lakh to 5 crore	2.13 crores and 1.75 crores	Simple interest @ 12% per annum, calculated from Recommendation Day till the date of payment/impounding.

128. It is noted that there is a variance in penalties imposed and proportionality of magnitude of contravention both. Therefore, it is not possible to form opinion based on parity or consistency. I am, thus, guided by principle of proportionality and repeated contraventions of the Noticees who were actively instrumental in the whole scheme. It is relevant to consider that Noticees No. 21 has been repeated offender involved in similar trickery as found against him in this case. Vide order dated May 31, 2024 a penalty of Rs. 50 lakh was imposed upon Noticee No. 21 apart from debarring from securities markets for a period of 2 years in terms of the said order. Vide order dated February 5, 2026 he was again penalised by imposing Rs. 25 lakh monetary penalty and debarred from securities markets for a period of 3 years in terms of the said order. Similarly, Noticee No. 6 is also found to be repeated offender and involved in similar transaction/s as found in this case vide order of SEBI dated November 29, 2024 imposing Rs.15 lakh monetary penalty and debarred from securities markets for a period of 2 years in terms of the said order apart from directions



for disgorgement of unlawful gains Rs. 2,24,17,400/- jointly and severally with 17 other Noticees along with simple interest @12%. I find that vide SEBI order dated September 14, 2021, Noticee No. 2 was also imposed a monetary penalty of Rs. 2 lakh and debarred from securities market for a period of 6 months.

I. Orders and Directions.

129. Considering the above facts and magnitude of the contravention in this case, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11(4A), 11B (1) and 11B (2) read with Section 19 of the SEBI Act, do hereby issue the following directions:

- a. The following Noticees are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the period given in table, from the date of this order:

Table No. 22 – Period of restraint

Noticee No.	Noticee Name	PAN	Restraint period
1.	Mr. Sanjay Arunkumar Choksi	ABIPC0957H	5 years
2.	Mr. Viral Kapadia	AIPPK1973R	3 years
4.	Mr. Vishnu Sharma	BDBPS3372J	3 years
5.	Mr. Amesh Jaiswal	AFZPJ0067Q	3 years
6.	Mr. Vijay Pujara	AGXPP5209R	5 years
7.	Sanjay A Choksi HUF	AARHS6546N	3 years
8.	Mr. Sagar Choksi	AOPPC0389F	3 years
9.	Ms. Jenita Jain	AOXPJ9094E	3 years
10.	Ms. Trupti Choksi	AEEPC4752K	3 years
11.	Mr. Umeshkumar Shah	ANCPS7009L	3 years
12.	Mr. Vraj Shah	GEZPS4053C	3 years
13.	Ms. Sneha Chokshi	BDUPC0400L	3 years
14.	Maama Mia Retailing Private Limited	AAJCM5502B	3 years
15.	Western Agrotech Innovative Limited	AAACW9940Q	5 years
16.	Mr. Rajesh Pandey	BFKPP2415Q	3 years
17.	Mr. Amit Sharma	BDAPS5717G	3 years
18.	Mr. Ganesh Bodakhe	ASFPB1143E	3 years
21.	Mr. Jalaj Agarwal	AUDPA0226H	5 years

- b. In case Noticee No. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 21 have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. These Noticees are permitted to settle



the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.

- c. Noticee No. 1 and 15 are directed to disgorge the total unlawful gains of **Rs. 2,94,01,679.26** along with simple interest @12% per annum from December 31, 2021 (i.e. the last date of the investigation period) till the date of payment. Noticee No. 1 and 15 shall pay the aforesaid amount to the Investor Protection and Education Fund (IPEF) referred to in section 11(5) of the SEBI Act within 45 days from the date of this order.
- d. The Noticee No. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 21 are prohibited from selling their assets, properties including mutual funds/ shares/ securities held by them in demat and physical form except for the purpose of payment of penalty as directed above. Further, the banks are directed to allow debit from the bank accounts of the Noticees, only for the purpose of effecting disgorgement or payment of penalty, in terms of this order.
130. In light of the facts and circumstances of this case, as discussed above, the factors listed in Section 15J of the SEBI Act and in exercise of powers conferred upon me under Sections 11(4A), 11B (2) and Section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following monetary penalty for the violations of the provisions of the SEBI Act read with PFUTP Regulations:

Table No. 23 – Monetary penalties

Noticee No.	Noticee Name	Amount in (Rs.)
1.	Mr. Sanjay Arunkumar Choksi	Rs. 50,00,000/-
2.	Mr. Viral Kapadia	Rs. 25,00,000/-
4.	Mr. Vishnu Sharma	Rs. 25,00,000/-
5.	Mr. Amesh Jaiswal	Rs. 25,00,000/-
6.	Mr. Vijay Pujara	Rs. 25,00,000/-
7.	Sanjay Arunkumar Choksi HUF	Rs. 5,00,000/-
8.	Mr. Sagar Choksi	Rs. 5,00,000/-
9.	Ms. Jenita Jain	Rs. 5,00,000/-
10.	Ms. Trupti Choksi	Rs. 5,00,000/-
11.	Mr. Umeshkumar Shah	Rs. 5,00,000/-
12.	Mr. Vraj Shah	Rs. 5,00,000/-
13.	Ms. Sneh Chokshi	Rs. 5,00,000/-
14.	Maama Mia Retailing Private Limited	Rs. 5,00,000/-
15.	Western Agrotech Innovative Limited	Rs. 50,00,000/-
16.	Mr. Rajesh Pandey	Rs. 5,00,000/-
17.	Mr. Amit Sharma	Rs. 5,00,000/-
18.	Mr. Ganesh Bodakhe	Rs. 5,00,000/-
21.	Mr. Jalaj Agarwal	Rs. 25,00,000/-



131. In the event of failure to pay the disgorgement amount and said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticee No. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 21.
132. Noticee Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 21 shall remit/ pay the amounts of penalties mentioned against their names in the table above, within 45 days of receipt of this Order through online payment facility available on the website of SEBI i.e. www.sebi.gov.in on the following path, by clicking on the payment link www.sebi.gov.in/ENFORCEMENT -> Orders -> Orders of EDs/CGMs -> PAY NOW. In case of any difficulty in online payment of penalty, the Noticee (s) may contact the support of portalhelp@sebi.gov.in.
133. Noticee Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 21 shall forward the details of online payment made in compliance with the directions contained in this Order to the “*The Division Chief, IVD-ID-04, Securities and Exchange Board of India, SEBI Bhavan – II, Plot No. C-7, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051*” and also to email id: tad@sebi.gov.in, in the following format:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for: Penalty or Disgorgement	

134. This Order shall come into force with immediate effect. It is hereby clarified that the aforementioned restraint on Noticee No. 6 and 21 shall run after the restraint imposed on them in the matter of Continental Seeds and Chemicals Limited (SEBI Order dated November 29, 2024) and Unisons Metals Ltd. (SEBI Order dated February 5, 2026), respectively i.e. the period of restraint imposed vide this Order shall commence after the expiration of the period of restraint imposed vide the Orders in the matter of Continental



Seeds and Chemicals Limited and Unisons Metals Ltd. in respect of Noticees No. 6 and 21, respectively.

135. Show Cause Notice dated November 8, 2024 stands disposed against Noticee No. 3, 19 and 20 without any direction and with regard to other Noticees, in terms of the above directions/penalties.
136. This order shall be served on all the Noticees herein, SEBI, recognized Stock Exchanges, Banks, Depositories and Registrar and Share Transfer Agents to ensure necessary compliance.

SANTOS Digitally signed
by
HKUMA SANTOSHKUMA
R R SHUKLA
SHUKLA Date:
2026.03.17
11:37:30 +05'30'

Date: March 17, 2026

Place: Mumbai

Santosh Shukla
Quasi-Judicial Authority
Securities and Exchange Board of India