

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 14TH DAY OF JANUARY, 2026

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

Appeal No.396 of 2024

**[Along with Misc. Application No.1318
and 881 of 2024]**

1. Rajneesh Kumar
AD-7, Mansarovar Apartment,
Plot No-3, Sector-5, Dwarka,
Delhi-110075.
2. Ashish Kumar Singh
Plot No.21, NS Block
Ranaji Enclave, Najafgarh,
Delhi-110043.
3. Orion Retail Pvt. Ltd.
NS-92, KhasraNo.33/21,
Ranaji Enclave, Najafgarh,
Delhi-110043.
4. Spire Marketing Pvt. Ltd.
AD-19, Plot No.3,
Sector-5, Mansarovar
Apartment, Dwarka,
Delhi-110075.
5. Splendid Hotels & Resorts Pvt. Ltd.
33/21, Block-NS,
Najafgarh, Delhi- 110043.

6. Deepika Sharma
R1/21 Vijay Vihar,
Uttam Nagar,
Delhi-110059.
7. Romika
A-104 New
Kanchanjunga Apartments, Plot
No.1, Sector-23, Dwarka,
Delhi-110077.
8. Balley Builders & Developers Pvt. Ltd.
AD-19, Plot No.3,
Sector-S, Mansarovar
Apartment Dwarka, Delhi-110075.
9. Ancient Education Pvt. Ltd.
33/21, Block NS, Ranaji
Enclave, Najafgarh, Delhi-110043.
10. Santosh Singh Karki
Flat no.609, Godrej
Apartment, Plot No.14,
Sector-10, Dwarka, New
Delhi-110075.
11. Sanjay Kumar Pathak
RZF-769/98, Gali No.9,
F Block Palam Colony,
Delhi- 110077.
12. Jitney Investments Pvt. Ltd.
33/21, Block-NS,
Ranaji Enclave, Najafgarh,
New Delhi-110043.
13. Shrawan
Plot No.89, N.S Block,
Ranaji Enclave,
Najafgarh, Delhi- 110043.

14. Anita Karki
Flat no.609, Godrej
Apartment, Plot No.14,
Sector-10, Dwarka, New
Delhi-110075.

15. Ashworth Constructions Pvt. Ltd.
33/21, Block-NS,
Ranaji Enclave,
Najafgarh, Delhi- 110043.

.....Appellants

(Mr. Sanjeev Kumar Choudhary, Advocate with Mr. T.R. Khare,
Advocate for Appellants.)

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

...Respondent

(Ms. Shreya Parikh, Advocate with Mr. Mihir Mody, Mr. Aavish Shetty,
Mr. Karthik K.P., Mr. Vijay Chockalingam and Mr. Yash Sutaria,
Advocates i/b. M/s. K. Ashar & Co. for the Respondent.)

**With
Appeal No.504 of 2024**

Arvind Shukla
Shastri Nagar, Village & Post Bighapur,
Unnao -229503, Uttar Pradesh.

.....Appellant

(Mr. Rupendra Porwal, Advocate with Mr. Vivek Rai, Advocate i/b.
Rally Mark Legal for the Appellant.)

Securities and Exchange Board of India
Plot No.C4-A, 'G' Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400005,
Maharashtra.

...Respondent

(Mr. Mihir Mody, Advocate with Mr. Aavish Shetty, Mr. Karthik K.P., Mr. Vijay Chockalingam and Mr. Yash Sutaria, Advocates i/b. M/s. K. Ashar & Co. for the Respondent)

**With
Appeal No.522 of 2024**

Ashish P Shah
2, Gharangan Flats,
Behind Childcare Hospital,
Navrangpura,
Ahmedabad, Pin Code-380 009.Appellant

(Mr. Abishek Venkatraman, Advocate with Mr. Robin Shah,
Advocate i/b. Bodhi Legal for the Appellant.)

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

(Mr. Mihir Mody, Advocate with Mr. Aavish Shetty, Mr. Karthik K.P., Mr. Vijay Chockalingam and Mr. Yash Sutaria, Advocates i/b. M/s. K. Ashar & Co. for the Respondent.)

**With
Appeal No.663 of 2024
[Along with Misc. Application
No.110 of 2025]**

Jalaj Agrawal
10 Vrindavan Colony, Mhow Road
Neemuch.Appellant

(Mr. Manish Gupta, Advocate with Mr. Sahaj Choudhary, Advocate
for the Appellant.)

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

(Ms. Shreya Parikh, Advocate with Mr. Mihir Mody, Mr. Aavish Shetty, Mr. Karthik K.P., Mr. Vijay Chockalingam and Mr. Yash Sutaria, Advocates i/b. M/s. K. Ashar & Co. for the Respondent.)

With
Appeal No.132 of 2025
[Along with Misc. Application
No.300 of 2025]

Mr. Kirtidan K. Gadhvi
A 402 Vaibhav Tower
Mansi Circle, Satellite
Ahmedabad 380015, Gujarat.Appellant

(Mr. Vinay Chauhan, Advocate with CS Anand Kankani and CS Muskan Kadiwar, Authorized Representative i/b. A. Kankani and Associates for the Appellant.)

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

(Ms. Shreya Parikh, Advocate with Mr. Mihir Mody, Mr. Aavish Shetty, Mr. Karthik K.P., Mr. Vijay Chockalingam and Mr. Yash Sutaria, Advocates i/b. M/s. K. Ashar & Co. for the Respondent.)

THESE APPEALS ARE FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE ORDER DATED MAY 22, 2024 PASSED BY THE WHOLE TIME MEMBER, SEBI.

THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON DECEMBER 1, 2025 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

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

These five appeals are directed against a common order dated May 22, 2024 passed by the WTM¹, SEBI² imposing penalty, issuing directions to disgorge unlawful gains and debarring the appellants from accessing the securities market for violation of Securities Laws. They are heard simultaneously and disposed of by this common order.

2. Appeal No.396 of 2024 is filed by 15 Noticees (Noticee No.1, 6 to 19 of the impugned order). Appeal No.522 of 2024 is filed by Noticee No.2- Ashish P Shah. Appeal No.132 of 2025 is filed by Noticee No.3 – Kirtidan Gadhavi. Appeal No.663 is filed by Noticee No.4 - Jalaj Agrawal. Appeal No.504 of 2024 is filed by Noticee No.5 by Arvind Shukla. For the sake of convenience, appellants are referred as 'Noticees' as per their rank in the impugned order.

3. We have heard Mr. Sanjeev Kumar Choudhary, learned Advocate for the appellants in Appeal No.396 of 2024; Mr. Rupendra Porwal, learned Advocate for the appellant in Appeal

¹ Whole Time Member

² Securities and Exchange Board of India

No.504 of 2024; Mr. Abhishek Venkatraman, learned Advocate for the appellant in Appeal No.522 of 2024; Mr. Manish Gupta, learned Advocate for the appellant in Appeal No.663 of 2024 and Mr. Anand Kankani, CS, learned Authorized Representative for the appellant in Appeal No.132 of 2025. Ms. Shreya Parikh, learned Advocate for the SEBI in Appeal Nos.396 and 663 of 2024 and Appeal No.132 of 2025 and Mr. Mihir Mody, learned Advocate for the SEBI in Appeal Nos.504 and 522 of 2024.

4. Brief facts of the case are,

a) SEBI received a complaint alleging that stock recommendation tips for the scrip of Superior Finlease Limited ('SFL or Company' for short) were posted on two Telegram channels namely 'Intraday trading equity stock' and 'Intraday share Trading Equity Stock' on September 14, 2021. SEBI conducted an investigation into the scrip, which revealed that 'pump and dump' scheme was employed in SFL's scrip to inflate the share prices. On September 14, 2021, the date of recommendation, there was a substantial rise in the trading volume and price of the scrip.

b) SFL is an NBFC³ registered with RBI⁴ and its shares are listed on the BSE Limited.

c) Investigation period was between February 1, 2021 and September 30, 2021 in three patches:

³ Non-Banking Finance Company

⁴ Reserve Bank of India

Patch 1	01.02.2021 to 13.09.2021
Patch 2	14.09.2021 – Recommendation Day
Patch 3	15.09.2021 to 30.09.2021

- d) One Rajneesh⁵ is a Director in SFL and Indian Finance Guaranty Limited ('IFGL' for short). He masterminded artificial increase in volume and price of SFL's share during Patch 1 period by using Noticees Nos. 6 to 19, who traded in that scrip. Noticee Nos.7 to 9 and Noticee Nos.12 to 19 bought 5,90,300 shares of SFL during Patch 1, out of total market volume of 14,34,996. Their trades in Patch 1 in respect of 79,073 shares resulted in a positive LTP⁶ of 63.35% of the total market positive LTP. Out of 79,073 shares, 67,079 shares were traded among themselves to make believe that there were genuine trades on the exchange platform. Majority of those Noticees are funded either by the SFL or IFGL, which significantly contributed to the positive LTP in Patch 1.
- e) On September 14, 2021, Rajneesh, with the help of Noticee Nos.2 to 5 broadcasted 'buy' recommendations for SFL scrip in two Telegram channels. The traders engaged by him (Noticee Nos.6 to 19) successfully dumped 1,69,962 shares on the stock exchange platform which were purchased by innocent investors.

⁵ Rajneesh Kumar- Noticee No.1/N1

⁶ Last Traded Price

f) SEBI passed an interim order cum show cause notice on January 25, 2023 and it was challenged in Appeal No.325 of 2023. This Tribunal, *vide* order dated May 4, 2023 disposed of the appeal directing SEBI to consider appellants' prayers after giving them an opportunity of hearing. Subsequently, impugned order has been passed.

5. Mr. Sanjeev Choudhary for Rajneesh and his connected entities (N6 to 19) submitted that appellants are innocent. They are not involved in any price manipulation and their trades are genuine. He submitted that even if it is assumed that their trades were manipulative during the Investigation Period, SEBI's calculation of unlawful gains in Table 14 of the impugned order is incorrect and overstated. He submitted that SEBI has adopted different methods of calculating the disgorgement amounts in different cases. He referred to SEBI's order in *Bhatia Communications & Retail (India) Ltd.*⁷ and submitted that Regulator is not treating all entities uniformly.

6. He further submitted that only fair market value prevailing just before the Patch 1 period has to be considered and that is the normal practice followed by SEBI.

7. He further submitted that no search or seizure operation was conducted on any of the appellants who actually traded in the market. There is no evidence to prove that appellants were spreading any misleading information or inducing the investors with regard to SFL scrip. Further there is no evidence to show

⁷ QJA/GR/IVD-2/ID241/30378/2024-25 dated 30.05.2024

that Arvind Shukla, whose Telegram channel was allegedly used, was connected to any of the appellants herein.

8. He submitted that BSE being the first regulator had conducted investigation and found that there was nothing wrong with the trades carried out on September 14, 2021.

9. He submitted that Ashish Shah (N2) has taken inconsistent stands at different stages. According to him, in one of his statements before the investigating officer, Ashish Shah has spoken about meeting Rajneesh in the first of week of September to provide an exit opportunity of five lakh shares, whereas, in another statement, he has stated that Rajneesh had approached him seeking his help in securing contracts and finance from third parties. He submitted that Rajneesh was not connected with N3 to N5 either. He was not aware about N2's *modus operandi* nor about broadcasting messages on Telegram channel. As such Rajneesh had taken corrective measures as soon as he learnt about broadcast on the Telegram channel. He reported it to the exchange on September 15, 2021 and filed a police complaint on September 16, and gave a public notice on September 20, 2021 in Hindi and English newspapers. He published the same on Company's website also. Learned Advocate further submitted that Rajneesh was caught between two dangerous options - one of delisting the company which would jeopardize shareholders' interests and the other of condemning the message on Telegram Channel and thereby dampening the tempo of investors. He decided to save the Company and let the share price to dwindle.

10. In their written submissions, Rajneesh and his connected entities have pleaded thus:

- "A. N 1 approaches N 2 for placement of SFL shares i.e. bringing on board 1 or 2 big investors for the Company. And this fact was admitted by N 2 in his earlier statements. Now N 2 approaches N 3 and N 3 approaches N 4 and N 5. But N 4 and N 5 were serial offenders as alleged by SEBI too (there are multiple cases filed against them by SEBI), they plan a different strategy.*
- B. They flash 2 messages on September 14, at 12:41 and 2:30 to attract retail investors. So, the volume after that, as alleged by SEBI, is fabricated and the whole investigation has started after that.*
- C. Now, SEBI's allegations and the whole case according to SEBI revolves around the relationships between N 1 and others. My Lord, as stated by SEBI too, these relationships are never denied. Like N10 is his neighbor and he once transfers 10k Rupees to him and this establishes that they had financial relationships and so on. N 1 was one of the Directors in the Company till 2015 then this establishes the financial relationship. My Lord in their whole presentation yesterday, SEBI failed to establish that N 1 was the beneficiary in the whole episode. N 1 has never received a single penny from any of the Noticees. N 1 also had above 5 Lacs share in his personal DP holdings but he didn't sell a single share in the market. So, what was the motive of N 1 to approach N 2? He was simply seeking potential partnerships for his Company.*
- D. SEBI is trying to build up the whole case on relationship only. They are trying to imply that who so ever is related to Rajneesh is earning for Rajneesh, but SEBI fails to give anything to imply that Rajneesh Kumar is the beneficiary.*

E. Ld. WTM picked up a format of pump and dump operation, fixed it in his thinking process, and pumped it with twisted and unfounded facts and illogical inferences, bloated it with misconceived conclusions and wrong calculations and dumped it on the appellants just to flaunt his powers under the sun, in absolutely perfunctory manner and with a biased mindset. Ld. WTM inflicted financial pain of unimaginable magnitude, freezing of bank accounts, trade restrictions for over 6.5 years on 14 persons smeared their future with misery and helplessness. The episode of message flash and follow up steps taken by Appellant No. 1 had already inflicted loss of over Rs.15 crores on the appellants by squeezing the value of holdings of the appellants due to fall in share price caused by forced action of Appellant No.1."

11. Mr. Abhishek Venkatraman, learned Advocate for Ashish Shah has submitted that:

- The appellant (Ashish Shah) has admitted before the SEBI that he was acting as an operator/middleman in connection with the fund transfers made to Jalaj Agrawal (N4) and Kirtidan (N3);
- He has admitted his role in discussing with Rajneesh about the commission to be paid to him and received a screenshot of commission payable on WhatsApp.

12. He further submitted that appellant has not disputed his involvement in the 'dump phase' of the scheme. Appellant is a consultant and advises individuals who desire to establish business ventures. In September 2021, Rajneesh approached him to facilitate awareness regarding SFL scrip through social

media as Rajneesh was not proficient with the use of social media.

13. Mr. Venkatraman further submitted that appellant introduced Rajneesh to Kirtidan (N3) and Jalaj (N4), who in turn sought assistance from Arvind Shukla (N5) who was the operator of the Telegram channel. Out of Rs.50 Lakhs transferred to the Ashish Shah, he transferred Rs.12.5 Lakhs to Lifeline, an entity associated with Jalaj; Rs.14.78 Lakhs to family members of Kiritidan (N3) and he retained only Rs.4 Lakhs.

14. Mr. Venkatraman further submitted that there is no allegation of manipulative trades against Ashish Shah. The impugned order does not hold him liable to disgorge the profits made by the trading entities in pump phase. However, disgorgement is ordered on the ground that the appellant had colluded with Rajneesh in orchestrating the pump and dump scheme. He submitted that there is no allegation or proof that appellant had received any profit made by the sellers. The sum of Rs.50 Lakhs transferred to the appellant was the service charges of Kirtidan, Jalaj and Arvind Shukla and what remained with the appellant is only Rs.4 Lakhs. He argued that disgorgement cannot be directed in the absence of proof of unlawful gain. Placing reliance on *Arun Kumar v. Union of India*⁸, he submitted the words 'person, who made profit' is a 'jurisdictional fact' and SEBI will have to establish the same before ordering disgorgement. He submitted that disgorgement

⁸ (2007) 1 SCC 732 para 73-76

has been ordered as a punitive measure which is not permissible. The penalty imposed is also disproportionate.

15. In N2's written submissions, it is prayed as follows:

"In light of aforesaid, the Impugned order, qua Appellant insofar as disgorgement is concerned is liable to be set aside and the penalty imposed ought to be appropriately reduced"

16. Mr. Anand Kankani, CS, learned Authorized Representative appearing for Kirtidhan Gadhavi (N3) submitted that appellant's role is limited to dump phase of the scheme i.e. the recommendation day. Appellant had no role in the pump phase. Rajneesh had engaged him for broadcasting the messages on the Telegram channel on 14.09.2021. Thus, his involvement is limited. Appellant had introduced Jalaj Agrawal (N4) to Ashish Shah (N2).

17. In appellant's (N3) written submissions, it is admitted that appellant had received a sum of Rs.14.78 Lakhs from Ashish Shah (N2) towards the commission for his services. That N3 was contesting this impugned order on three limited grounds namely:

- Direction to disgorge Rs.175.50 Lakhs jointly and severally with N1, N2 and N6 to 19 is legally flawed;
- Penalty of Rs.2 Crores is excessive; and
- There is lack of parity with similarly situated persons.

18. Mr. Manish Gupta learned Advocate argued for Jalaj Agrawal (N4) and has filed written submissions, wherein, it is admitted that appellant received Rs.12.50 Lakhs and transferred Rs.8 Lakhs to Arvind Shukla and retained only Rs.4.5 Lakhs. It is

pleaded that penalty of Rs.1 Crore is harsh; the learned WTM had not permitted him to cross-examine the complaint and others. That in a similar case, where the recommendation was made on the Telegram channel, the penalty imposed is only Rs.5 Lakhs.

19. Mr. Rupendra Porwal learned Advocate for Arvind Shukla (N5), reiterating the written submissions, submitted that the appellant was only an operator of two Telegram channels and his role is limited to posting the stock recommendations forwarded by Jalaj (N4). He has posted the recommendation as received by him and removed the same from Telegram channels as per instructions given by Jalaj. He further submitted that appellant neither devised nor orchestrated either the pump or dump scheme. He has not traded in the SFL scrip. He has not got any profit. He has received only Rs.8 Lakhs as commission but not profit.

20. Opposing these appeals, Ms. Shreya Parikh and Mr. Mihir Mody, learned Advocates for the SEBI contended that this is an open and shut case. Rajneesh has pleaded that Ashish Shah (N2) had approached him for placement of Rs.5 Lakh shares at Rs.100 with a view to bring some investors on board for placement of shares, whereas, in his statement before SEBI, Ashish Shah has stated that it was Rajneesh who had called him in the first week of September, 2021 asking him to provide exit opportunity for approximately of 5 Lakhs SFL scrips. With regard to the Noticees Nos.2 to 5, they submitted that the said Noticees have admitted the case and prayed for only reduction in the quantum of penalty and disgorgement. They submitted that in this case, the Noticees

have used 'pump and dump' scheme to attract unsuspecting investors to purchase SFL shares at high prices and thus indulged in unfair trade practice and violated PFUTP Regulations.

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

22. In substance, SEBI's allegation is that Rajneesh had masterminded the 'pump and dump' scheme in respect of SFL shares. He contacted Ashish Shah, a consultant. The 'buy' recommendation were made in the Telegram channel on 14.09.2021. On the same day, Noticee Nos.6 to 19 offloaded their shares, which were purchased by unsuspecting investors. Thereafter, the price of SFL shares crashed causing huge financial loss to the investors but Noticee Nos.6 to 19 have made huge unlawful gains.

23. In the light of the pleadings and rival submissions the point that arises for consideration is **whether the pump and dump scheme was employed in SFL's scrip and if so, whether the impugned order calls for any interference?**

24. The paragraph 9.5 of the impugned order contains the price volume chart of SFL scrip. It has captured the share price movement from February 1, 2021 to September 14, 2021 and few days thereafter. The graph between February 1, 2021 till September 14, 2021, is more or less stable and consistent. Thereafter, it has crashed. The price volume movement chart described in para 9.5 of the impugned order is as follows:



The price volume movement described in para 9.6 of the impugned order reads as follows:

PERIOD		OPENING PRICE (INR) & VOLUME ON FIRST DAY OF THE PERIOD	CLOSING PRICE (INR) & VOLUME ON LAST DAY OF THE PERIOD	LOW PRICE (INR) & VOLUME DURING THE PERIOD	HIGH PRICE (INR) & VOLUME DURING THE PERIOD	(AVG.) No. OF SHARES TRADED PER DAY DURING THE PERIOD
1-FEB-21 TO 13-SEP-21-	PRICE	100.05 (FEB 1, 2021)	183.75 (SEP 13, 2021)	94 (FEB 12, 2021)	209 (JUN 28, 2021)	9,440

PATCH 1	VOL.	1,477 (FEB 1, 2021)	21,233 (SEP 13, 2021)	145 (JUL 02, 2021)	32,027 (JUL 07, 2021)	
14-SEPT 21 – PATCH 2	PRICE	186.2	193.15	185.9	220	TOTAL VOL.- 2,28,337
15-SEP- 21 TO 30-SEP- 21- PATCH 3	PRICE	190 (SEP 15, 2021)	63.15 (SEP 30, 2021)	63.15 (SEP 30, 2021)	190 (SEP 15, 2021)	3,112
	VOL.	26,009 (SEP 15, 2021)	909 (SEP 30, 2021)	259 (SEP 21, 2021)	26,009 (SEP 15, 2021)	

25. Ashish Shah (N2), claims to be a consultant who advises individuals interested in establishing business ventures. At an undisputed point of time, he has stated before the SEBI's investigation officers as follows:

"Rajneesh Kumar called me in the 1st week of September, 2021 asking me to provide exit opportunity for approx. 5 Lakhs shares of scrip - Superior Finlease Ltd. For the same, commission was decided over phone with Rajneesh Kumar as below:

Base Price was decided as Rs 100 and selling of shares above this base price multiplied by number of shares sold on that day for the scrip superior will be the commission given to me for providing exit opportunity in this scrip.

On the date of recommendation i.e. September 14, 2021, Jalaj Agarwal gave instructions Kirtidan Gadhavi over phone for order placement in the scrip of Superior Finlease. Further, Kirtidan Gadhavi gave instructions (Like put Sell order at Rs 192.50, buy order at Rs 190 to 191) to me over phone and subsequently I gave instructions to

Sanjay Kumar Pathak (who a present in IFGL, Karol Bagh, New Delhi Office) for order placement in the scrip - superior finlease. I was calling Sanjay Kumar Pathak to get hourly update on the progress of selling shares on September 14, 2021.

Rajneesh Kumar called me after market hours i.e. 15:30 Hours on September 14, 2021 a explained me the calculation of total commission earned and also forwarded an image of the calculation of commission over whatsapp chat to me and Kirtidan Gadhvi. He informed that 10% of commission calculated, he will withhold for the time being and balance commission amount be will give some part as cash and rest will be transferred to bank account of Bricks Enterprize.

He further informed that he has given Rs 36.5 lakhs in cash to Kirtidan Gadhvi and he has transferred total Rs 50 lakhs to the bank account Bricks Enterprize i.e. IDBI Bank Account Number - 1643102000003858 from following multiple accounts of Rajneesh Kumar i.e.

<i>TRANSACTION DATE</i>	<i>Entity Name</i>	<i>Credit</i>
<i>09/14/2021</i>	<i>JITNEY INVESTMENTS PVT LTD</i>	<i>13,00,000</i>
<i>09/14/2021</i>	<i>SRIYASH OUTSOURCING AND CON</i>	<i>5,00,000</i>
<i>09/14/2021</i>	<i>SPIRE MARKETING PRIVATE LIM</i>	<i>8,00,000</i>
<i>09/14/2021</i>	<i>SPLENDID HOTELS AND RESORTS</i>	<i>2,00,000</i>
<i>09/14/2021</i>	<i>ARIN HATCHERIES AND FARMING</i>	<i>9,00,000</i>
<i>09/14/2021</i>	<i>BALLEY BUILDERS AND DEVELOP</i>	<i>13,00,000</i>

Subsequently, I have transferred Rs 12.5 lakhs to lifeline Pharma (proprietor - Jalaj Agarwal) and Kirtidan Gadhvi informed me that he has given cash of approximately Rs 28.5 lakhs to Jalaj Agarwal in Delhi on Sep 14, 2022, as part of commission decided for the purpose of providing exit opportunity and floating stock recommendation in the scrip of Superior Finlease on Telegram Channel“

26. It is noted in the impugned order that in his reply to the show cause notice, Ashish Shah has stated thus:

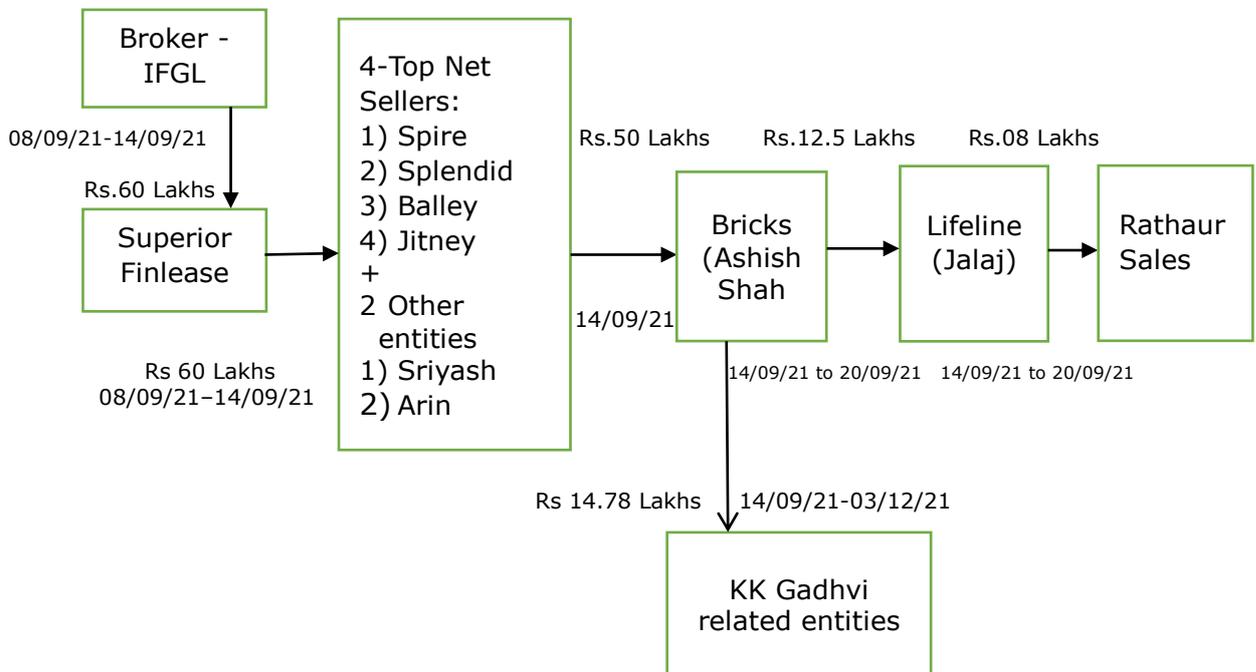
- "a. He was engaged in providing consultancy services to companies. Noticee 1, Rajneesh Kumar, had approached him for seeking his help in securing contracts and finance from third parties.*
- b. Noticee 1, Rajneesh Kumar, had initially transferred Rs. 50 Lakh to him. Subsequently, it was mutually decided between Noticee 1 and him that the consideration for the services provided by Noticee 2 would be Rs. 4 Lakh and therefore, as per the instructions of Rajneesh Kumar, Rs. 12.5 Lakh was transferred to Jalaj Agarwal and Rs. 14.78 Lakh was transferred to Kirtidan K. Gadhavi.*
- c. The buy recommendation which appeared on the Telegram Channels was broadcast on the instructions of Rajneesh Kumar and it was done based on his genuine belief that SFL was a good stock to invest in."*

27. It was argued on behalf of Rajneesh that Ashish Shah has taken inconsistent stands. But, suffice to note that Rajneesh has expressly admitted in his written submissions that he was caught between two equally dangerous options. One of delisting the Company and putting an end to interest of all shareholders and the other of condemning the messages flashed. He decided to save the Company and let the share price dwindle. It is further stated that he had to dig the grave not only for himself but also for all the shareholders due to an 'un-authorized, uncalled for stupid act' of Noticee No.2 (Ashish Shah). Thus, one thing is clear, Rajneesh and Ashish Shah agreed on certain terms. According to Rajneesh, Ashish Shah has taken inconsistent

stands. We may record that the final version of Ashish Shah before us in the form of the written submissions is that Rajneesh had approached him. The relevant para in Ashish Shah’s written submission reads thus:

"7. The Appellant is a consultant and serves as an advisor to individuals involved in establishing business ventures. In September 2021, Rajneesh approached the Appellant to facilitate awareness regarding the SFL scrip through social media, as Rajneesh was not proficient with use of social media platforms."

28. In para 13.8 of the impugned order, the trail of Rs.60 Lakhs paid by Rajneesh’s Company IFGL to SFL is schematically described as follows:



29. It is admitted by Rajneesh that he is a Director in IFGL. A sum of Rs.60 Lakhs was transferred from IFGL to SFL and SFL in turn transferred it to six entities out of which four (N8, N9, N12 and N16) are traders and co-appellants in Rajneesh's appeal. Out of Rs.60 Lakhs, a sum of Rs.50 Lakhs reached Ashish Shah's firm⁹. Out of this Kirtidan got Rs.14.78 Lakhs. Jalaj got Rs.12.5 Lakhs, in turn he transferred Rs.8 Lakhs to Arvind Shukla. We may record that N2, N3, N4 and N5 have admitted receipt of money. Thus, the expenditure of Rs.50 Lakhs is not in dispute as also the source and the trail of money.

30. In substance, Rajneesh's case is, he has not traded. Therefore, monetary penalty, debarment and disgorgement are unsustainable. His co-appellants are his own entities who have traded in SFL scrip. The connection with each appellant is averred in the memorandum of appeal¹⁰. SEBI's description of Noticees and their *inter se* connection noted in the impugned order is also not disputed. It is relevant to note that Noticee Nos.1, 6 to 19 have filed a common written argument before SEBI and filed common appeal before this Tribunal.

31. As noted above, payment of Rs.50 Lakhs by SFL to Ashish Shah and further money trail is expressly admitted by Ashish Shah, Kirtidan, Jalaj and Arvind Shukla. Therefore, Rajneesh's contention that Ashish Shah had contacted him fails.

32. We have reproduced the price volume chart and the price movement of the scrip hereinabove in paragraph No.24. It shows

⁹ Bricks Enterprises

¹⁰ Para No.5.2(v -viii) in appeal No.396 of 2024.

that between February 1, 2021 and September 13, 2021, the price was ranging between Rs.94 (lowest) and Rs.209 (highest). On September 14, 2021 (the date of recommendation), the opening price was Rs.186.20 and closing was Rs.193.15. Between September 15, 2021 and September 30, 2021, the price crashed to Rs.63.15.

33. Except canvassing technical arguments assailing the mode of calculation of disgorgement amount by the SEBI, Rajneesh and his entities have not explained why Rs.50 Lakhs was given to Ashish Shah. We have already held that Rajneesh's argument that Ashish Shah had contacted him has no substance and we have held that it was Rajneesh who had contacted Ashish Shah.

34. Thus, the allegation of pump and dump by giving 'buy' recommendation in the Telegram channel through Arvind Shukla (Noticee No.5) stands proved on more than one count. Firstly, Rajneesh has paid Rs.50 Lakhs to Ashish Shah. Secondly, through two intermediaries (N3 and N4) Ashish Shah has paid Rs.8 Lakhs to Arvind Shukla (N5), who has broadcasted the 'buy' order on his Telegram channel. All four noticees (N2 to N5) have admitted the transactions.

35. Now, what remains for determination is the quantum of penalty and disgorgement.

36. To calculate the unlawful gain, SEBI has adopted the method of weighted average price. Calculation by that method is

provided in table No.14 of the impugned order which is as follows:

TABLE 14 – PROFIT MADE BY THE NOTICEES																	
S. No.	NET SELLER	HOLDING PERIOD SINCE	OPENING QTY	TRADER DURING THE PERIOD FEBRUARY 01, 2021-TO SEPTEMBER 13, 2021				PROFIT PRIOR TO THE DAY OF RECOMMENDATION (A)		TRADING ON THE DAY OF RECOMMENDATION				PROFIT ON THE DAY OF RECOMMENDATION (B) IN LACS	TOTAL PROFIT (A+B) (IN LAKH)	CLOSING BAL QTY	
				TOT. BUY QTY.	W. AVG. BUY PRICE	TOT. SELL QTY	W. AVG. SELL PRICE	WV. AVG. BUY PRICE FOR THE QTY SOLD	PROFIT IN LACS	BUY QTY	TOTAL BUY VALUE IN LAKH	SELL QTY	W. AVG. SELL PRICE				W. AVG. BUY PRICE
1.	ASHISH	NOV 2018	52287	9415	126.34	6811	127.42	28.46	6.74			45996	191.27	36.16	71.35	78.08	8893
2.	ORION	JAN 2019	64911	69828	151.22	63960	147.91	89.48	37.37			41050	191.02	124.98	27.11	64.49	25629
3.	SPIRE	APR 2020	34569	35325	149.66	8121	177.68	77.44	8.16			18247	169.47	94.60	17.31	25.47	43648
4.	SPLENDID	DEC 2019	87826	78278	150.16	61524	147.14	70.12	47.38			16054	191.53	106.41	12.81	60.20	68326
5.	DEEPIKA	MAR 2019	54845	35	152.45	1314	185.47	14.96	2.24			9659	189.66	14.96	17.22	19.46	43707
6.	ROMIKA	MAR 2019	97107	170	128.70	1333	176.72	16.34	2.14			9209	191.90	16.36	16.16	18.30	86735
7.	BALLEE	SEPT 2020	2224	38448	146.59	30087	149.09	136.71	3.72			7851	191.61	164.52	2.13	5.85	2734
8.	ANCIENT	JULY 2020	21803	21690	170.39	2967	164.40	130.04	1.61			5454	167.72	131.31	3.08	4.69	35072
9.	SANTOSH	JAN 2019	27648	35611	152.57	37669	150.97	96.63	20.39	532	0.99	5013	193.00	137.83	2.77	23.16	21109
10.	SANJAY	JAN 2019	58805	124257	149.56	125875	148.01	112.02	45.30	1,358.00	2.61	4556	190.72	157.44	1.52	46.82	53980
11.	JITNEY	FEB 2020	4454	59948	147.59	50110	151.19	136.83	7.20	-	-	2000	192.00	169.96	0.44	7.64	12293
12.	ASHWORTH	JUN 2020	23366	48593	140.76	4309	170.28	111.61	2.52	7,301.00	13.99	5486	192.97	127.36	3.60	6.12	68485
13.	ANITA	SEPT 2018	38807	38125	153.33	38704	152.40	83.22	26.78	1,126.00	2.11	149	193.00	193.00	-	26.78	37205
14.	SHRAWAN	JUN 2020	619	41820	164.23	38603	165.80	160.49	2.05	-	-	-	-	-	-	2.05	4042
TOTAL				5996		471387			213.81			169926			175.50	389.10	527648

37. The argument put forth by Rajneesh and his entities is that during Patch 1 period (i.e. 1.02.2021 to 13.09.2021), they had purchased 6,09,967 shares and sold 6,41,313 shares and therefore, the shares whose transactions was affected are only 31,346 shares. This argument is wholly absurd because the transaction during 'Patch-1' period was *inter se* transaction between Rajneesh's entities as also with the unsuspecting genuine investors. The *inter se* trade among the entities would give an impression to the investors that SFL's scrip is a liquid scrip and being traded frequently. Such an impression would naturally attract any genuine investor. In table 14 extracted hereinabove, SEBI has taken into consideration, the number of shares sold by each entity on the date of recommendation which

is 1,69,926 shares. This is a matter of record and therefore cannot be disturbed. This would lead to inference that on the date of recommendation Rajneesh's entities have dumped the said quantity of shares in the securities market.

38. It is relevant to note that in the next 15 days from the date of recommendation, the share price has fallen from Rs.190 to Rs.63.15. If the argument advanced by Rajneesh's entities that they are *bona fide* investors or traders is to be accepted, they ought to have brought some material either during the investigation or before WTM or at least before us and demonstrate that they had continued to trade in SFL's scrip after the recommendation date. We may record that no such effort has been made by them, which implies that those entities have not traded in SFL scrip from and after September 14, 2021. We say so because, firstly the share price of the scrip was stable between February and September 15, 2021 and within 15 days from the date of recommendation crashed to Rs.63.15. Secondly, Rajneesh has spent Rs.50 Lakhs to get the 'buy' order recommendation transmitted on Telegram channels. Thirdly, because the transactions and trail of money have been admitted by Noticee No.2 to 5.

39. Further, it was rightly contended by the learned Advocates for the SEBI that except assailing the mode adopted by the SEBI to calculate the disgorgement amount, Rajneesh and his entities have not placed any alternative method of calculation. We are, therefore, persuaded to accept SEBI's contention with regard to the quantum of unlawful gains.

40. The next question is who must disgorge and how much?

41. Rajneesh, who is the Director of SFL has admittedly spent Rs.50 Lakhs to broadcast the 'buy' recommendation. Noticee No.2, Ashish Shah is a consultant and received Rs.50 Lakhs. He has distributed it further. The last recipient is Noticee No.5, who has broadcasted the recommendation. It was argued on behalf of SEBI that Ashish Shah, Jalaj and Arvind Shukla (Noticee Nos.2, 4 and 5) are repeat offenders and involved in similar fraudulent 'pump and dump' scheme through Telegram channel in respect of 'Swarnim Trade Udyog Limited' scrip and SEBI has passed separate order in that case on May 31, 2024¹¹. Further, Jalaj (N4) has been held guilty in market manipulation in various other scrips using Telegram channel. One such case is 'Dharshan Orna' in respect of which SEBI has passed its order on July 30, 2025. SEBI has brought these facts on record in its written submissions also and appellants have not denied the same.

42. The learned WTM has imposed monetary penalty of Rs.5 Crores on Rajneesh. Under Section 15HA of the SEBI Act, 1992, the minimum penalty is Rs.5 Lakhs which can be extended up to Rs.25 Crores. We have held that he is a mastermind. It is pleaded by him that he has not traded. Except this plea, there is no other mitigating circumstance for consideration under Section 15J of the Act. The fraudulent act designed by him has yielded an unlawful gain of Rs.3.89 Crores. The artificial increase in price and volume has affected large number of innocent investors, whose money has flowed into the pockets of Rajneesh's entities.

¹¹ WTM/AB/ISD/ISD-SEC-4/30379/2024-25

43. We may record that so far as penalty is concerned, it is relevant to record that the cardinal principle behind imposing penalty is both for deterrence and reformation.

44. In the case on hand, the scheme masterminded by Rajaneesh has caused loss to innocent honest investors. As noted above, public money has flown into the pockets of Rajeesh's entities. In our view, strong message must go to perpetrators of fraud that, it could result in serious consequences which may deter other perpetrators from refraining from indulging fraudulent acts. Hence, no interference is called for with regard to disgorgement and debarment and joint liability so far as Rajaneesh and his entities are concerned.

45. Keeping in view the quantum of unlawful gain, in our view, it would be just and appropriate to reduce the penalty payable by Rajneesh to Rs.1 Crore (One Crore rupees).

46. Noticee No.2 Ashish Shah has received Rs.50 Lakhs from SFL. SFL is a listed company. In the guise of providing consultation, he has got the 'buy' order for SFL scrip broadcasted through Telegram channels. It was pleaded on his behalf that he is a consultant and has not made any unlawful gain. But, in our view, his role is instrumental in inducing the investors in the securities market. But for his involvement, this fraud could have been avoided. He is one of the strong links in the chain. We may also record that it was argued that he is a repeat offender and the appeals are pending in this Tribunal. However, there is no material to record a finding that he has received any portion of

unlawful gain except Rs.50 Lakhs received from SFL. Further, he was involved only in 'Patch-2' transaction of the 'dump phase'. Keeping these factors in mind as mitigating circumstances, in our opinion, ends of justice would be met by reducing the penalty to Rs.50 Lakhs and limiting the disgorgement amount only to Rs.50 Lakhs.

47. Noticee No.3, Kirtidan has also admitted that he has received Rs.14.78 Lakhs from Ashish Shah. In the memorandum of appeal¹², it is pleaded that he is 56 years old. He has passed 12th class. He works as a real estate broker in Ahmedabad. After Covid-19, he started working in the agricultural farms to sustain his family. There is no contrary material on record. Allegation against him is that he has carried Rajneesh's instructions to Jalaj and he was sitting in the share broker's office (IFGL) on the day of recommendation. He has not received any portion of unlawful gains. In these circumstances holding him jointly and severally liable to disgorge the unlawful gains is not sustainable except to the extent of Rs.14.78 Lakhs. Similarly, the penalty of Rs.2 Crores imposed on him is very harsh. He has admitted to have involved in this fraudulent act which has enriched the pockets of Rajneesh and his entities by Rs.3.89 Crores. In these circumstances, in our opinion ends of justice would be met by limiting the disgorgement amount to Rs.14.78 Lakhs and modifying the penalty to Rs.10 Lakhs without disturbing the debarment.

¹² Para 5

48. The disgorgement amount Rs.50 Lakhs imposed against Ashish Shah is inclusive of Rs.14.78 Lakhs payable by Kirtidan.

49. Allegation against Noticee No.4, Jalaj Agrawal is that he was carrying the instructions given by Ashish Shah and Kirtidhan to Arvind Shukla who broadcasted the messages. He has admitted receipt of money. It was argued that he is a repeat offender and appeals are pending in this Tribunal. The WTM has imposed a penalty of One Crore Rupees. He is involved in 'Patch-2' transaction only. There is no allegation of his receiving any portion of the unlawful gains. In the similar case of Ashish Shah, who is also a repeat offender, after applying Section 15J factors, we have reduced penalty to one-fourth. Accordingly, on the ground of parity, penalty may be reduced to one-fourth. However, keeping in view of the fact that he is involved in the fraudulent scheme, no interference is called for with regard to debarment.

50. Noticee No.5, Arvind Shukla is the operator of Telegram channels. He has been imposed with penalty of Rs.50 Lakhs. He has admitted to have broadcasted the 'buy' order in his channels. He has received Rs.8 Lakhs. It was argued that he is also repeat offender and appeals are pending in this Tribunal. In our view, he has grossly misused the social media platform which has led to serious adverse consequences upon genuine investors and thus, violated PFUTP Regulations. It is because of his broadcasting, investors have traded in SFL scrip, out of which Rajneesh's entities earned huge unlawful gains in 'Patch-2'. At the same time, we cannot lose sight of the fact that large number of investors would have lost money in the 'Patch-3',

when the share price crashed to Rs.63.15. Therefore, no interference is called for with the quantum of penalty and debarment.

51. Noticee Nos.6 to 19 are connected entities of the mastermind, Rajneesh. The pleadings in the memorandum of appeal give an impression that Noticees have attempted to distance themselves with the scheme. But it is an admitted position that SFL has spent Rs.50 Lakhs to get the 'buy' recommendation broadcasted on Arvind Shukla's Telegram channels. It is also an admitted position that eight out of eleven connected entities have traded through IFGL in which Rajneesh is a director. It is also relevant to note that a common appeal is filed by Rajneesh and Noticee Nos.6 to 19. Noticee No.1 has signed the memorandum of appeal on his behalf and on behalf of seven private limited companies¹³. This clearly establishes that Noticee No.1 is the 'alter ego' of his connected entities. These Noticees have traded among themselves prior to the recommendation day. The graph extracted above shows that share price of SFL was more or less stable from February 2021 to mid-September, 2021. On September 14, 2021, buy order was broadcasted on the Telegram channels. Thereafter, SFL share price made a nose dive from Rs.190 to Rs.63.15. As noted above, these noticees have not placed any material to substantiate that they were trading in SFL's scrip in 'Patch-3' period except self-serving claim in the memorandum of appeal¹⁴. This fact is denied in SEBI's affidavit-in-reply and there is no

¹³ Orion, Spire, Splendid, Balley, Ancient, Jitney and Ashworth

¹⁴ Page 36 para 5.5.8(xvi) in Appeal No.396 of 2024 (Rajneesh Kumar and Others v. SEBI).

rejoinder by the appellants on this aspect. The onus was upon these noticees to place cogent material before this Tribunal to substantiate their claim. The case put forth by these noticees is that they had purchased 6,09,967 shares and sold 6,41,313 shares and the net sale is only 31,346 shares. We have already dealt with this aspect earlier. Suffice to note that these noticees have indulged in *inter se* trading which lured the genuine investors. In those transactions, the unlawful gain made in 'Patch-1' is Rs.2.31 Crores. After dumping the shares, these Noticees earned some more money and in all made total unlawful gain Rs. 3.89 Crore. A careful consideration of the case in its entirety with reference to the pleadings on record and the arguments advanced at the bar leads to an irrefutable inference that the 'pump and dump' transaction has been executed as per the design. Therefore, we find no merit in the appeal filed by Rajneesh and his entities. The point for consideration is answered accordingly.

52. In view of the above discussion, the following

ORDER

1. Appeal No.396 of 2024 is ***allowed in part*** modifying the penalty payable by Rajneesh Kumar to One Crore Rupees. Remaining portion of the order is undisturbed.
2. Appeal No.504 of 2024 is ***dismissed***.
3. Appeal No.522 of 2024 is ***allowed in part*** modifying the penalty to Rs.50 Lakhs and the disgorgement

amount to Rs.35.22 Lakhs (Rs.50 Lakhs less Rs.14.78 Lakhs payable jointly with Kirtidan). Remaining portion of the order is undisturbed.

4. Appeal No.663 of 2024 is **allowed in part** modifying the penalty to Rs.25 Lakhs. Remaining portion of the order is undisturbed.
5. Appeal No.132 of 2025 is **allowed in part** modifying the penalty to Rs.10 Lakhs and limiting the disgorgement amount to Rs.14.78 Lakhs payable jointly and severally with Ashish Shah. Remaining portion of the order is undisturbed.
6. Pending interlocutory application(s), if any, stand disposed of.
7. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

14.01.2026

RHN