National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/55446	**Date: February 01, 2023**
Circular Ref. No: 28/2023	

To All NSE Members,

Sub: **SEBI Order in the matter of Svarnim Trade Udyog Limited**

SEBI vide its Order No. WTM/SM/ISD/ISD-SEC-4/23412/2022-23 dated January 31, 2023, has hereby restrained the below entities from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever until further orders.

Sr. no.	Name of entities	PAN
1.	Vinod Vilas Sable	BUQPS6087Q
2.	Prijesh A Kurani	AIQPK8093D
3.	Dharini P Kurani	AQNPG4728L/ DAEPK6510G
4.	Ashish P Shah	AJRPS7737C
5.	Jalaj Agrawal	AUDPA0226H
6.	Arvind Shukla	ISZPS7481G
7.	Priyankbhai V Pajapati	ANRPP5551F
8.	Suraj G Prajapati	ALYPP7089F
9.	Jigar D Chaudhari	ALUPC1624K
10.	Piyush B Patel	AIFPP0950M
11.	Nishil K Malde	APJPM4645M

If the entities have any open position in any exchange traded derivative contracts, as on the date of the SEBI order, they can close out/square off such open positions within 3 months from the date of the SEBI order or at the expiry of such contracts, whichever is earlier.

The order comes into force with immediate effect.

National Stock Exchange of India

The detailed order is available on SEBI website (http://www.sebi.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page under "Home-Regulation-Members-Action against Members-Regulatory Actions".

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to contact the following officials:

Mr. Amey Angane (Extension: 23457), Mr. Rohit Swami (Extension: 23023)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Rohit Swami
Manager

NSE

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A guiding light, shining bright

National Stock Exchange of India

ANNEXURE: SEBI Order in the matter of Svarnim Trade Udyog Limited

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

Interim Order cum Show Cause Notice

Under Sections 11(1), 11(4), 11 (4A),11B (1) and 11B (2) of the Securities and Exchange Board of India Act, 1992 and
Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and
Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995

In respect of:

SR. NO.	NAME OF THE NOTICEE	PAN
1.	VINOD VILAS SABLE	BUQPS6087Q
2.	PRIJESH A KURANI	AIQPK8093D
3.	DHARINI P KURANI	AQNPG4728L/ DAEPK6510G
4.	ASHISH P SHAH	AJRPS7737C
5.	JALAJ AGRAWAL	AUDPA0226H
6.	ARVIND SHUKLA	ISZPS7481G
7.	PRIYANKBHAI V PAJAPATI	ANRPP5551F
8.	SURAJ G PRAJAPATI	ALYPP7089F

9.	**JIGAR D CHAUDHARI**	**ALUPC1624K**
10.	**PIYUSH B PATEL**	**AIFPP0950M**
11.	**NISHIL K MALDE**	**APJPM4645M**

(The aforesaid individuals are hereinafter individually referred to by their respective names/Noticee no. and collectively as "Noticees", unless the context specifies otherwise)

Background

1. The present proceedings are emanating from complaints received by SEBI and pertaining to suspicious trading transaction engaged in by certain entities which were subjected to investigation by SEBI. During the investigation, a Search and Seizure operation at the premises of the suspected entities was conducted and the suspected entities were found to be engaged in unfair and fraudulent activities with a view to create artificial market volumes as well as artificial price rise in a specific scrip of a listed company thereby facilitating dumping shares of the scrip by such unscrupulous shareholders at profitable rates for earning unlawful gains. It was also noticed that to carry out such unfair trade practices, the suspected entities have resorted to fraudulent usage of the messenger application 'Telegram,' for influencing the trade volumes and prices of the said scrip so as to create inducement in the minds of the people following such Telegram channels to subscribe to the said scrip which was aggressively promoted through such medium.

2. It is well known that in the securities market, "pump" and "dump" scheme, is one of the most followed method through which market manipulators pursue their fraudulent trade practices. In these schemes, the principal perpetrator first accumulates shares of a particular company targeted by him either in his own name of in the names of his front entities and after he succeeds in pumping up the prices of the said scrip through manipulative and unfair trade practices, either by himself or in collusion with others, eventually dumps such shares (earlier purchased either

by him or through front entities) in the securities market at such artificially elevated prices resulting in making substantial gains. In this process, such fraudsters also succeed in inducing the innocent investors to deal in scrip of such company at inflated prices presuming better future prospects for the scrip sans having any clue that the bullishness observed in the scrip is not backed by market forces or the fundamentals of the company but by a pre-determined nefarious and fraudulent scheme conceived by such fraudsters. The instant matter which is being dealt elaborately in the following paragraphs is one such illustration of pump and dump trade practice which came to light during the Investigation which included Search and Seizure operations conducted by SEBI though which SEBI has been able to gather cogent evidences/both documentary and electronic, which are further corroborated by the statements tendered under oath, thereby exposing the intricate scheme and artifice of manipulation and unfair trade practice having been followed by the above named set of entities.

3. Moving forward to the matter in hand, it is observed that pursuant to the aforesaid investigation including Search and Seizure operation conducted in the premises of the suspected entities, pertaining to manipulative and unfair trade practices in the said specific scrip viz. Svarnim Trade Udyog Limited (hereinafter referred to as "***the Company***" or "***SNIM***"), listed on Bombay Stock Exchange (BSE), various crucial facts and corroborative evidences in the nature of following:

a) On oath statements;

b) Bank account transactions;

c) Call data records;

d) WhatsApp chats;

e) Trade details; etc. were collected by SEBI.

4. As it turned out, the *prima facie* findings from the investigation of SEBI suggested that under a well-crafted insidious scheme that was engineered by the suspected entities which are the *Noticees* in this proceedings, the modus operandi that was being followed by the *Noticees* to carry out their unfair trades was as follows:

- First, an entity acting as a front for another entity (principal perpetrator / beneficiary), acquired shares of the *Company* i.e. *SNIM*.

- The principal perpetrator then approached another person (1st middleman) and engaged in an informal arrangement with him to facilitate off-loading shares of *SNIM* (a company having no fundamentals) held by the principal perpetrator indirectly through his front entity (discussed in detail subsequently), for which it was agreed that the principal perpetrator will pay commission to the 1st middleman.

- The 1st middleman in turn approached another entity (2nd middleman) and sought his help in executing the scheme for providing exit to the principal perpetrator by helping him to off-load the stock of *SNIM*, for which also, it was decided that suitable remuneration would be paid to 2nd middleman.

- The 2nd middleman finally approached an entity who is found to be an operator / administrator of various Telegram channels to disseminate false and misleading stock recommendation about the scrip of *SNIM* encouraging the subscribers of such Telegram channels to invest in the said scrip so as to artificially increase the trade volumes in the scrip of *SNIM* that will afford an easy exit to the main perpetrator.

- In the entire process of execution of the aforesaid scheme, the 1st middleman is seen to have helped the main perpetrator in off-loading the shares of *SNIM* held by him through his front entity in two ways- first, by colluding with the 2nd middleman and the operator of the Telegram channels to induce the subscribers of the Telegram channels to invest in the scrip of *SNIM* by posting misleading and tempting stock recommendation about *SNIM*, second, by engaging 5 of his own connected entities in trading in the said scrip of *SNIM* in a manipulative manner so as to pump up the market price of the scrip and to facilitate easy exit to the front entity of the main perpetrator from the said scrip.

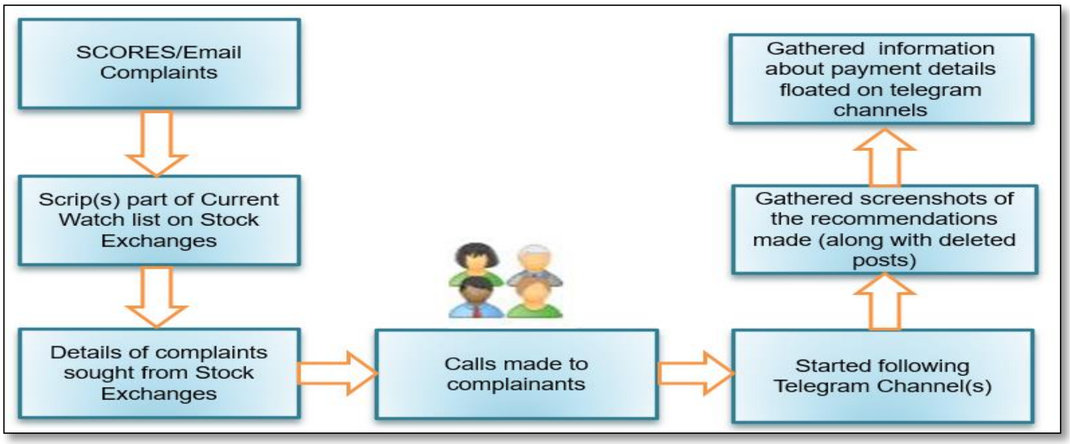
- Finally, it is also seen that the aforesaid connected entities of 1st middleman have got profitable exit from the shares that the they had purchased through their manipulative trades (to facilitate the exit to the main perpetrator, as discussed in later part of this Order). This was possible for them to do so by way of disseminating another round of false and misleading recommendation about the scrip of *SNIM* which enabled them to successfully sell their shares day and at the same time to generate unlawful profit.

SEBI's Investigation

5. I now turn to discuss the case in detail in the context of the factual background, the findings of the investigation and the aforesaid modus operandi allegedly followed by the *Noticees* as *prima facie* unearthed during the investigation of SEBI in the following paragraphs of this Order:

a) A complaint dated August 23, 2021 was received, *inter alia,* stating that a recommendation to buy the scrip of *SNIM* was disseminated from a Telegram Channel namely 'Intraday trading equity stock'. The said recommendation was to buy the scrip on August 17, 2021 (hereinafter referred to as "**1st recommendation or 1st instance of recommendation / 1st recommendation day**"). Based on a preliminary examination, three Telegram Channels, viz., "Intraday trading equity stock", "Intraday Share Trading Equity Stock" and "Intraday Share Training stock" were identified by SEBI and were kept under regular surveillance for further examination so as to identify whether any activity was going on in the aforesaid Telegram Channels which was prejudicial to the interest of the investors of the securities market and also detrimental to its integrity and development. For the purpose of convenience, the aforementioned three Telegram Channels are collectively referred to as "**Suspected Telegram Channels**" in this Order. For the sake of convenience and better appreciation, the process that was carried out at SEBI for examination of the complaint received by SEBI is depicted hereunder in a pictorial form:

<u>Image no. 1</u>



b) While the Suspected Telegram Channels were under surveillance of SEBI, it was noticed that apart from the recommendation floated on the Suspected Telegram Channels asking their subscribers to buy the scrip of *SNIM* on August 17, 2021, there was another buy recommendation for the same scrip of *SNIM* posted on those channels on November 30, 2021 (hereinafter referred to as "**2nd recommendation or 2nd instance of recommendation / 2nd recommendation day**"). Incidentally, SEBI, vide an email dated November 30, 2021, also received a complaint stating that one of the Suspected Telegram Channel is spreading a recommendation to buy shares of *SNIM*.

c) It was also noticed that the Suspected Telegram Channels, on both the instances of recommendation of *SNIM,* had deleted those recommendations, after disseminating them through their channels on the same day itself.

d) It was noted that an entity namely *Mr.* Vinod Vilas Sable (hereinafter referred to as "**Vinod / *Noticee no. 1***"), connected to Mr. Prijesh A Kurani **(**hereinafter referred to as "**Prijesh / *Noticee no. 2")*** and *Mrs.* Dharini P Kurani **(**hereinafter referred to as "**Dharini / *Noticee no. 3"),*** was engaged in selling shares of *SNIM* on the 1st instance of recommendation (August 17, 2021) and period after 1st instance of recommendation. The sale of shares of *SNIM* was effected through the trading and demat account of Vinod and it was also observed that those shares were received by Vinod through off-market mode from one of the promoter of *SNIM*. It may be noted at this stage that though the trades were executed though the trading and demat account of Vinod, the facts as unfolded in the course of investigation revealed that Vinod was holding those shares of *SNIM* merely as a proxy for Prijesh and Dharini, details of which are discussed in the later part of the order.

e) The Investigation further reveals that by way of dumping of stocks of *SNIM*, first on the 1st recommendation day (August 17, 2021) and then again at artificially inflated price, the main perpetrator / beneficiary (Prijesh) has generated a substantial amount of profit (INR 40,42,063.93) through his proxy (Vinod), given the fact that those shares were found to have been purchased through off market mode for a nominal price of INR 1 per share in the account of said proxy (Vinod).

f) It was also observed that Prijesh was instrumental in carrying out trades in the scrip of *SNIM* from the trading account of Vinod and in this respect, there are also evidences suggesting funds being provided to Vinod by Dharini. It is also observed that the proceeds that were generated of trades executed from the trading account of Vinod were transferred by Vinod to the bank account of Dharini and other entities connected to Prijesh.

g) Investigation further reveals that on and around the days of stock recommendations (1st and 2nd) in the Suspected Telegram Channels, Prijesh/Dharini had transferred funds to the account of an entity named Bricks Enterprise, which was apparently operated by Mr. Ashish P Shah (hereinafter referred to as '**Ashish /** ***Notice no. 4*****/1st middleman'**), which is evident from the fact that the payments towards commission for providing exit and also for posting stock recommendation on the Suspected Telegram Channels through his known entities, were also received by Ashish in the afore-stated bank account. Subsequently, it was seen that Ashish has transferred a part of such amounts apparently received by him as commission in the said bank account, to the bank account of Mr. Jalaj Agarwal (hereinafter referred to as '**Jalaj /** ***Noticee no. 5*** **/ 2nd middleman**'') and Jalaj in turn is seen to have transferred a part of such amount received by him apparently towards his commission from Ashish, to Mr. Arvind Shukla (hereinafter referred to as '**Arvind /** ***Noticee no. 6 / Operator***''), who was the operator / administrator of the Suspected Telegram Channels.

h) After successfully selling 59,770 shares of *SNIM* on the 1st recommendation day (August 17, 2021), it is seen that during the period from August 18, 2021 to November 03, 2021 (i.e. the period post 1st instance of recommendation), Vinod has further sold 1,83,817 shares of *SNIM* out of which 1,05,586 shares of *SNIM*, were found to have been bought by Mr. Priyank Vitthalbhai Prajapati ('**Priyank /** ***Noticee no. 7***'), Mr. Suraj Govindbhai Prajapati ('**Suraj /**

Noticee no. 8'), Mr. Jigar D Chaudhari ('**Jigar / *Noticee no. 9***'), Mr. Piyush B Patel ('**Piyush / *Noticee no. 10***') and Mr. Nishil Kantilal Malde ('**Nishil / *Noticee no. 11***'), who were observed to be connected parties (directly or indirectly) of Ashish implying thereby that Vinod has off-loaded more shares in the market because of the help extended by the aforesaid exit providers during the aforesaid period due to active collusion and assistance provided by Ashish through his connected entities (*Noticees no. 7 to 11*) apparently based on the mutual understanding and agreement between the main perpetrator / beneficiary and Ashish, in lieu of payment of commission amounts that were found to deposited in the account of Ashish as pointed out above. Incidentally, as already mentioned earlier, these 5 *Noticees* (*Noticees no. 7 to 11*) connected to Ashish who provided exit by purchasing majority of shares of Vinod as discussed aforesaid, became the top net sellers on the 2nd stock recommendation day i.e. November 30, 2021 and also earned substantial amount of profits by selling those shares of *SNIM*, earlier purchased from Vinod.

i) Coming back to the connected entities of Ashish who are found to have contributed to price rise in the scrip of *SNIM* during the period from October 04, 2021 – November 29, 2021 through manipulative trades, they were found to have not only purchased 1,05,586 shares of *SNIM* from Vinod but also have purchased additionally shares of *SNIM* through series of transactions in a fraudulent manner so as to artificially inflate the price of the scrip with apparently an aim to give exit to the shareholding held in the name of Vinod (by Prijesh) and also to ultimately off-load those shares profitably on the 2nd recommendation day i.e. on November 30, 2021. Apparently, as per the scheme devised by the *Noticees*, the aforesaid *Noticees no. 7 to 11* by off-loading their shares of *SNIM* (so purchased from Vinod and others) have successfully generated profits to the tune of INR 51,95,607.40 by selling those shares on the basis of the stock recommendation made on the 2nd instance of recommendation disseminated through Suspected Telegram Channels on November 30, 2021.

j) Notably, the Investigation also reveals that the *Company* i.e. *SNIM* whose shares were traded under a fraudulent scheme *prima facie* devised and implemented by the *Noticees,* had no sound fundamentals nor was having sufficient trading volumes for its scrip on the stock exchange's platform prior to the investigation period as well as after the investigation period. *Prima Facie*, it was an illiquid and very rarely traded scrip which did not have adequate trading volumes to give exit to any shareholder wishing to off-load large number of shares of the said *Company* in the market even at cost price, not to talk about getting a profitable exit. In this constraining background, the modus operandi of the scheme as revealed during the investigation on the basis of facts and evidences, are suggestive of the fact that Prijesh, the main perpetrator and beneficiary of the scheme, had approached Ashish to arrange other market middleman and trading account holders to assist and facilitate in off-loading the shares of *SNIM* that he was holding through his proxy Vinod (details discussed subsequently) by playing specific roles as assigned to them for successful implementation of the said scheme.

k) Accordingly, as already noted above, Ashish on being recruited by Prijesh for facilitating his profitable exit from the scrip of *SNIM* approached another middleman named Jalaj, who in turn approached Arvind, the operator of the Suspected Telegram Channels, to facilitate exit to Prijesh by disseminating a positive but misleading and specious buy recommendation for the scrip of the *Company* in his Suspected Telegram Channels which he did on 1st recommendation day (August 17, 2021) and again to facilitate exit to the entities connected to Ashish (*Noticees no. 7 to 11*) who had procured shares of *SNIM* from Vinod and others through the stock exchange platform, another round of misleading buy recommendation for the scrip of *SNIM* was circulated through those Suspected Telegram Channels on the 2nd recommendation day i.e. November 30, 2021.

l) Thus, as already discussed earlier, apart from approaching Jalaj for the purpose of connecting with the Telegram Channel Operator to give easy exit to Prijesh, it is also *prima facie* observed that Ashish had engaged his connected entities i.e. *Noticees no. 7 to 11*, who were seen to be operating as exit providers to Prijesh for more of his remaining shares of *SNIM* held through his front (Vinod).

m) As the findings of the investigation suggest the scheme so devised by Prijesh *prima facie* in collusion with other *Noticees,* commenced with use of the Suspected Telegram Channels, to circulate the false inducing buy recommendation for the scrip of *SNIM* on August 17, 2021 followed by off-loading of shares of *SNIM* held by Prijesh (through his proxy Vinod), then through the process of selling of majority of the remaining shares of *SNIM* held by Prijesh in the name of Vinod in the market to the counter party buyers (*Noticees no. 7 to 11)* who happened to be connected to Ashish and again, the said entities after indulging in a series of manipulative trades, thereby contributing to the price rise of scrip of *SNIM,* these entities become finally successful in off-loading those shares acquired by them during the intervening period (i.e. between 1st recommendation day and 2nd recommendation day) in a profitable manner by taking advantage of the stock recommendation made in favour of scrip of *SNIM* on the 2nd instance of recommendation. Therefore, the said actions of the *Noticees* are *prima facie* not found to be in conformity with the relevant securities laws.

6. As stated in the beginning of this Order, pursuant to the complaints received about the stock recommendations about the scrip of *SNIM* being floated on the Suspected Telegram Channels and after further analysis of trading activities in the

scrip of *SNIM*, etc., a Search and Seizure operation was carried out by SEBI in the premises of the suspected entities on multiple locations, during which digital devices were seized from the custody of such suspected entities, as have been indicated in the following table:

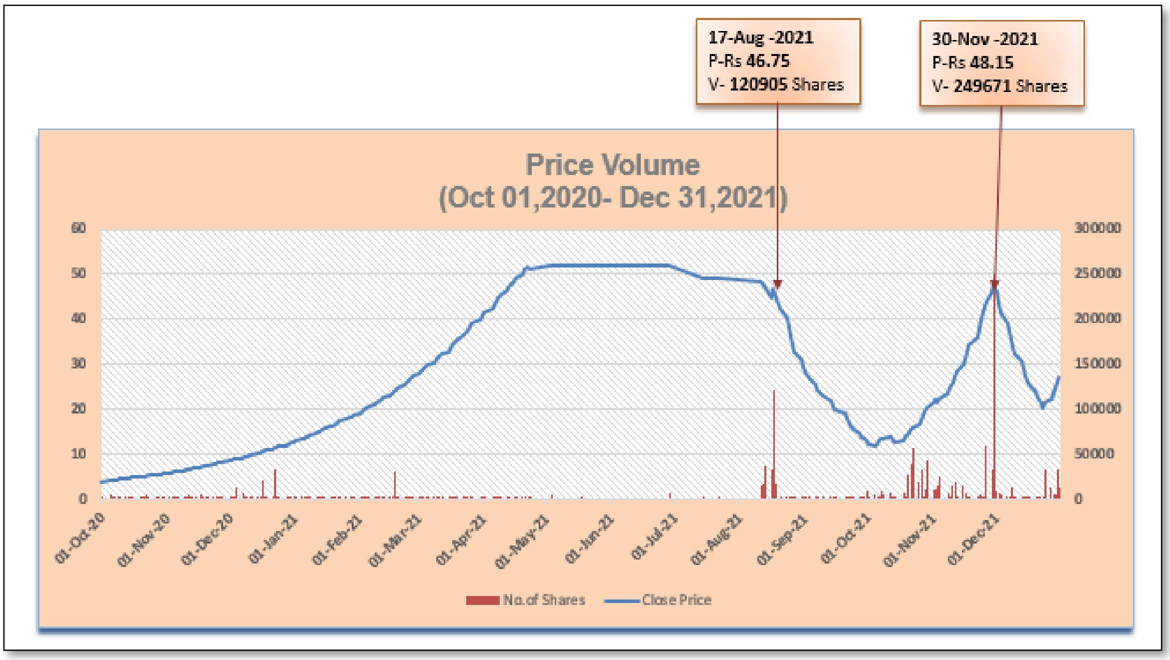
Table no. 1

Sr. No	Name of the entities	Location	Details of device seized
1	Ashish (*Noticee no. 4*)	Ahmedabad, Gujarat	• Mobile – 4 • Laptop- 1 • Hard Disk -1 • Email backup -5
2	Jalaj (*Noticee no. 5*)	Neemuch, Madhya Pradesh	• Mobile -7
3	Vinod (*Noticee no. 1*)	Thane, Maharashtra	• Mobile – 7 • All in one PC – 1 • Laptop -1 • Tablet – 1 • Hard Disk – 1

7. It is also noted that SEBI had recently conducted a search and seizure operation in connection with another investigation matter in the premises of Prijesh and Dharini and from their custody also, various digital devices were seized and the data retrieved from such devices was analysed which also revealed various incriminating evidences having direct relevance to the present matter in hand pertaining to *prima facie* unfair trade practices in the scrip of *SNIM*. Post Search and Seizure operations, I find from the records that various *Noticees* have made their depositions on oath before the Investigating Authority during which the facts and evidences collected by the Investigating Authority were confronted to such *Noticees*.

8. I now advert to the detailed discussion on the facts and evidences brought out by the Investigation. Turning on to the trading in the scrip of *SNIM*, an analysis of the trading data indicated that there was huge spurt in the volume of trading in the scrip on the 1st day of recommendation that was circulated to buy the scrip in the Suspected Telegram Channels i.e. on August 17, 2021 as the volume of trading swelled to 1.20 lakh shares, whereas the average per day volume in past 10 months (during the period prior to the 1st recommendation day) was only 2008 shares. Similar trend was also observed on the 2nd instance of recommendation i.e. on November 30, 2021, when trading volumes in the scrip of *SNIM* on the said day swelled to 2.49 lakh shares, whereas the average per day volume in the scrip of *SNIM* in past 2 months (period prior to the 2nd day of recommendation) was around 13315 shares. In this respect, the analysis of the volume traded in the scrip of *SNIM* during the period prior to the 1st and 2nd stock recommendation days is highlighted in the following graph:

<u>Image no. 2</u>



9. Based on the aforesaid *prima facie* observations, the investigation into the trading in the scrip of *SNIM* was taken up by SEBI for the relevant period including both the instances of recommendation i.e. August 17, 2021 and November 30, 2021. For better appreciation and understanding, the investigation period is divided into following six Patches:

<u>1st instance of recommendation (August 17, 2021)</u>

a) Patch 1: Prior to 1st recommendation day (October 01, 2020- August 16, 2021)

b) Patch 2: 1st recommendation day - August 17, 2021

c) Patch 3: Post 1st recommendation day - August 18, 2021 to September 30, 2021

<u>2nd instance of recommendation (November 30, 2021)</u>

d) Patch-4: Prior to 2nd recommendation day – October 04, 2021 – November 29, 2021

e) Patch-5: 2nd recommendation day - November 30, 2021

f) Patch-6: Post 2nd recommendation day - December 01, 2021 to December 31, 2021

10. The movement of price-volume of the scrip of *SNIM* around 1st instance of recommendation (August 17, 2021) is captured in the following table:

<u>Table no. 2: Price- Volume in *SNIM* around 1st instance of recommendation (August 17, 2021)</u>

Particulars	**Period**	**Price (in INR)/ Volume (qty)**	**Opening Price & volume on first day of the period**	**Closing Price & volume on last day of the period (INR)**	**Low Price & Volume during the period (INR)**	**High Price & Volume during the period (INR)**	**No. of shares traded during the period (Avg.)**
Prior to recommend	Oct 01, 2020 –Aug 16, 2021	Price	3.82 (Oct 01, 2020)	44.6 (Aug 16, 2021)	3.82 (Oct 01, 2020)	52 (May 03, 2021)	2008.47
		Vol.	76	32134	12	36814	

ation (Patch-1)			(Oct 01, 2020)	(Aug 16, 2021)	(Nov 14, 2020)	(Aug 03, 2021)	
Day of Recommendation (Patch-2)	Aug 17, 2021	Price	42.4 (Aug 17, 2021)	46.75 (Aug 17, 2021)	42.4 (Aug 17, 2021)	46.8 (Aug 17, 2021)	120905
		Vol.	120905 (Aug 17, 2021)				
Post recommendation (Patch-3)	Aug 18, 2021-Sept 30, 2021	Price	44.5 (Aug 18, 2021)	12.87 (Sep 30, 2021)	12.65 (Sep 30, 2021)	44.5 (Aug 18, 2021)	1324.65
		Vol.	16183 (Aug 18, 2021)	4670 (Sep 30, 2020)	1 (Sept 14, 2021)	16183 (Aug 18,2021)	

11. From the above table, it is observed that during the period prior to the day of 1st recommendation i.e. during October 01, 2020 to August 16, 2021, the price of the scrip opened at mere sum of INR 3.82 (on October 01, 2020), touched a high of INR 52 (on May 03, 2021) and closed at INR 44.6 (on August 16, 2021), thereby registering an increase of 13.61 times on low to high basis during the Patch-1 of the investigation period. In this period of Patch-1, the average daily volume in the scrip of *SNIM* was 2008 shares. It is also observed that on the day of recommendation i.e. August 17, 2021, the price of scrip of *SNIM* opened at INR 42.4 and closed at INR 46.75 thereby witnessing an increase of 10.25 % compared to the opening price on the 1st recommendation day. However, suddenly, the average daily volume of shares of *SNIM* traded during the period of Patch-2 i.e. on the day of the 1st recommendation, was found to be 120905 shares, which is 60.21 times (approx.) to the average daily volume, the scrip of *SNIM* witnessed during the entire Patch-1 period spanning over a period of around 10 months. It is interesting to note that the above galloping increase of 60.21 times in the volume of the scrip of *SNIM* just happening on a single day, i.e. the day on which the aforesaid malicious buy recommendation for about the scrip of *SNIM* was circulated for the 1st time in the Suspected Telegram Channels opened a windfall opportunity for Prijesh to off-load substantial shares of *SNIM* held in the name of his proxy (Vinod). Keeping in the view the fact that the scrip was

illiquid and sans any market fundamentals as expected of such a scrip, it was noted that during the Patch-3 (from August 18, 2021 to September 30, 2021) i.e. post the day of 1st instance of recommendation, the scrip price gradually declined continuously from INR 44.5 on August 18, 2021 to a low of INR 12.65 on September 30, 2021.

12. As pointed out earlier, on the 1st recommendation day i.e. on August 17 2021, messages were floated on the Suspected Telegram Channels recommending subscribers to buy shares of *SNIM*. The said recommendation also stated about the Target price, Stop Loss and the quantity to be dealt of the shares of *SNIM* to entice the subscribers towards the scrip. In this respect, the screenshots of the said recommendations as posted on the Suspected Telegram Channels and gathered in the course of investigation are shown hereunder:

<u>Image no. 3</u>

Screenshot 1	**Screenshot 2**
	
Details – Recommendation to buy 2000-5000 qty of scrip SNIM above INR 46. Target was INR 60/65 and Stop Loss was set at INR 40.	

13. As can be noted from the above screenshots, the subscribers of the Suspected Telegram Channels were strongly recommended to buy the shares of *SNIM* in huge quantities ranging from 2000 to 5000 shares. The messages disseminated in the Channels had recommended to buy the shares of the *Company* at a price of INR 46 and the message also laid down a projection/target of INR 60-65, with a stop loss of INR 40. In this regard, it is pertinent to note that the Telegram messages were further highlighting that *SNIM* was hitting Upper circuit on the stock exchange apparently to send out a sense of fear of missing out (FOMO) amongst the subscribers of such channels.

Analysis of Trading Pattern in scrip of *SNIM* in and around 1st instance of recommendation

14. It was revealed during the investigation that Vinod, who was acting as a proxy of Prijesh, had received 2,50,700 shares of *SNIM* from one Daman Investment & Finance Private Limited on May 21, 2018 through off-market. Based on the Form No. SH-4, provided by the Registrars to the *SNIM*, it has been noticed that the entity from whom Vinod had received 2,50,700 shares of *SNIM* was a promoter of *SNIM* and the consideration paid for acquisition of the aforementioned shares of *SNIM* was INR 2,50,700, meaning thereby, each share of *SNIM* was purchased by Vinod at the cost of nominal rate of INR 1 only. Additionally, 1,21,336 more shares of *SNIM* were also bought in the account of Vinod during the period March 05, 2020 - November 03, 2021. Further, during the above period 3,70,056 shares of *SNIM* were sold on the market platform and as on November 03, 2021, only 1980 shares of *SNIM* were found in the demat account of Vinod. The aforesaid details are placed in a tabulated form in the table given below:

Table no. 3

	Change in Shareholding of Vinod in the *SNIM*		
Sl. No.	**Date/Period**	**Details**	**No of Shares**
1	On March 05, 2018	Acquisition (Off Market)	2,50,700
2	During the period from Mar 05, 2020 - Nov 03, 2021	Buy (On Market)	1,21,336
3		Sold (On Market)	3,70,056
4	Post Nov 03, 2021 (As on Dec 31, 2021)	Current Holding	1,980

15. It is observed during the investigation that the top net seller in the scrip of *SNIM* on the day of 1st instance of recommendation on Suspected Telegram Channels i.e. August 17, 2021 was Vinod, who successfully sold 59,770 shares (net traded volume) out of total number of 1,20,905 shares of *SNIM* traded on that day. It is also noted that out of 1,20,905 shares traded on August 17, 2021, 76,396 shares resulted into delivery. Therefore, the shares sold from the account of Vinod on the 1st recommendation day which was meant for off-loading, constituted 78.24% of the total net delivered (76,396) shares in scrip on that day.

16. With respect to the remaining shares of *SNIM* held in the name of Vinod, that remained unsold after the 1st recommendation day, it is seen that during the period August 18, 2021 to November 03, 2021 (i.e. between Patch-3 and Patch-4), Vinod successfully sold additional number of 1,83,817 shares of *SNIM* on the stock exchange platform. As observed earlier, the price of the scrip of *SNIM* was falling continuously after the 1st recommendation day. Nevertheless, it is seen that shares of the scrip from the trading account of Vinod were being sold during this time indicating the fact that Prijesh who was the real beneficiary and was holding these shares of *SNIM* through his proxy, was determined to off-load those shares in the market. Such an intent on the part of Prijesh is also self-evident from the fact that the shares that were being off-loaded were purchased for only a token price of INR 1 per share through off-market mode in March, 2018, hence after having sold 59,770

shares of *SNIM* on the 1st recommendation day apparently at a very high price, there was no hesitation on the part of Prijesh to sell the remaining shareholding even at falling prices which in any case was bound to generate profit for him. Thus, Prijesh is observed to have sold 1,83,817 shares of *SNIM* through Vinod post the 1st recommendation day which continued till November 03, 2021.

17. Investigation also revealed a further rationale for Vinod to sell the 1,83,817 shares of *SNIM* during the period after the 1st recommendation day at falling prices when the evidences showed that out of those 1,83,817 shares *SNIM* sold, as much as 1,05,586 shares that constituted approximately 57.44% of the total number of shares sold, were collectively purchased by *Noticees no. 7 to 11* i.e. Priyank, Suraj, Jigar, Piyush and Nishil (entities connected to Ashish) posing as counterparties on the stock exchange platform.

18. In this context, it is worth mentioning about the deposition made by Vinod on oath before the Investing Authority on March 15, 2022 and June 17, 2022, during which, he has stated that:

i He was working as an office boy under Prijesh, since 2017 and was getting a salary of INR 14,000/ to INR 20,000/- (including travel expenses). He used to get the salary in cash when Prijesh happened to be in Mumbai, however when his employer i.e. Prijesh happened to be out of Mumbai, he used to get salary in his bank accounts maintained with ICICI and Indian (erstwhile Allahabad) Banks;

ii He received salary of INR 20,000/- for January 2022 on February 10, 2022 in his ICICI bank account (121XXXXXX516) from Prijesh and further received a WhatsApp message from Prijesh's mobile (+9715XXXXX661) on his (Vinod's) mobile number (844XXXX970) on February 10, 2022 regarding the transfer of INR 20,000 as a salary for the month of January 2022;

iii His trading accounts with Shree Tisai Consultant Private Ltd. (hereinafter referred as '**Tisai'**) and Pentagon Stock Brokers Private Ltd. (previously known as Pantomath Stock Brokers Private Ltd) (hereinafter referred as '**Pentagon'**) were handled by Prijesh for executing trades;

iv Frequently he used to receive funds from Prijesh and Dharini in his bank accounts (Indian Bank and ICICI Bank), which were then transferred to the stock broker account for executing trades in the Indian securities market;

v As per instructions of Prijesh, the settlement proceeds arose out of trades executed under the instruction of Prijesh upon receipt from the stock broker were transferred/deposited to the bank accounts of Prijesh, Dharini or any other bank account as instructed by Prijesh.

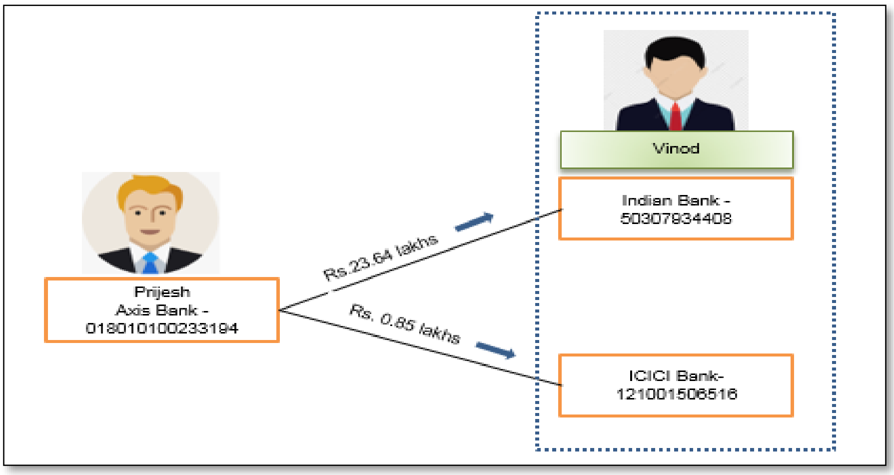
Connection of Vinod, the proxy holder of shares of *SNIM* with Prijesh and Dharini

19. In his own depositions, Vinod has categorically explained about his own connection with Prijesh and Dharini. Besides this, the investigation has further unearthed that Vinod (*Noticee no. 1*) was enjoying connection with Prijesh (*Noticee no. 2*) and his wife Dharini (*Noticee no. 3*) through common directorships in some companies, fund transfer, call records, etc. details of which are highlighted below:

Fund Transfers

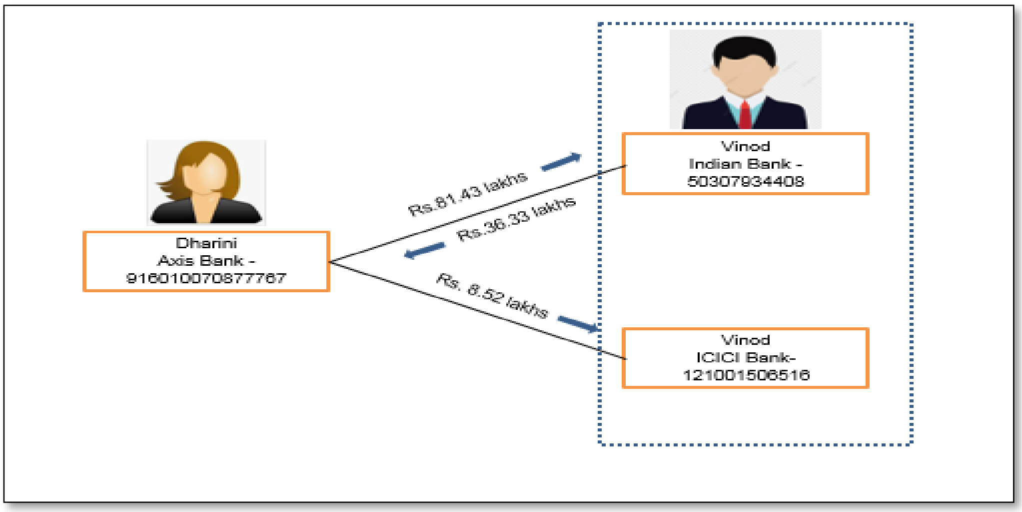
a) During the period January 2020 - February 2022, frequent fund transfers were observed between the bank accounts of Vinod and Prijesh and it was observed that, Prijesh had transferred INR 24.49 lakhs from his Axis Bank (A/c no – 1801XXXXXX3194) to bank accounts of Vinod (INR 23.64 lakhs to Indian Bank A/c no- 503XXXXX408 and INR 0.85 lakhs to his ICICI Bank A/c no. – 121XXXXXX516). These details are depicted below in diagrammatical form:

Image no. 4



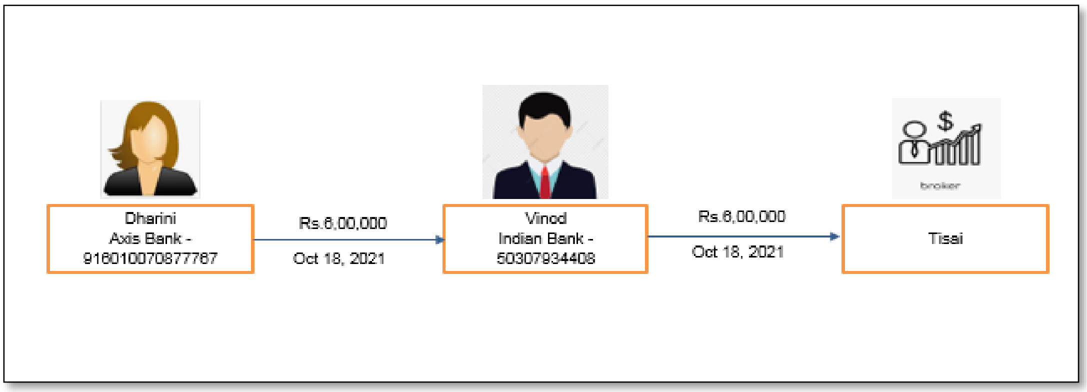
b) Similarly, it is observed that during the period January 2020 - February 2022, Dharini had cumulatively transferred INR 89.96 lakhs from her Axis Bank A/c no. – 9160XXXXXXXX767 to bank accounts of Vinod (INR 81.43 lakhs to Indian Bank A/c no.- 503XXXXX408 and INR 8.52 lakhs to ICICI Bank A/c.no.- 121XXXXXX516). These details are further depicted below in diagrammatical form:

Image no. 5



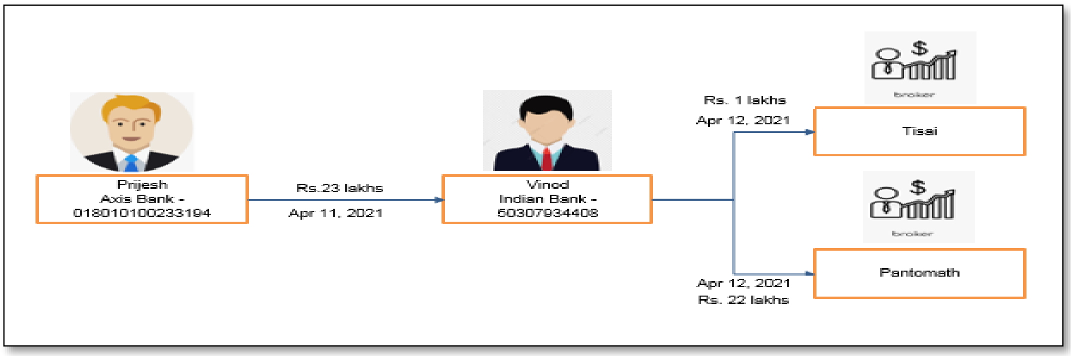
c) Trades were executed from the demat and trading account of Vinod which were majorly executed through the Stock Brokers viz. Tisai and Pentagon during the Investigation Period. It was observed that funds transferred by Prijesh and Dharini to the bank accounts of Vinod were subsequently used for settlement obligation for the trades carried out from the trading account of Vinod. For instance, subsequent to the receipt of funds from Dharini, Vinod had transferred INR 85 lakhs to Tisai during the period January 2020 to February 2022, which was used for settlement obligation of the trades carried out by Vinod. One such instance of transfer of funds from Dharini to Vinod and further onward to Tisai is depicted below in diagrammatical form:

Image no. 6



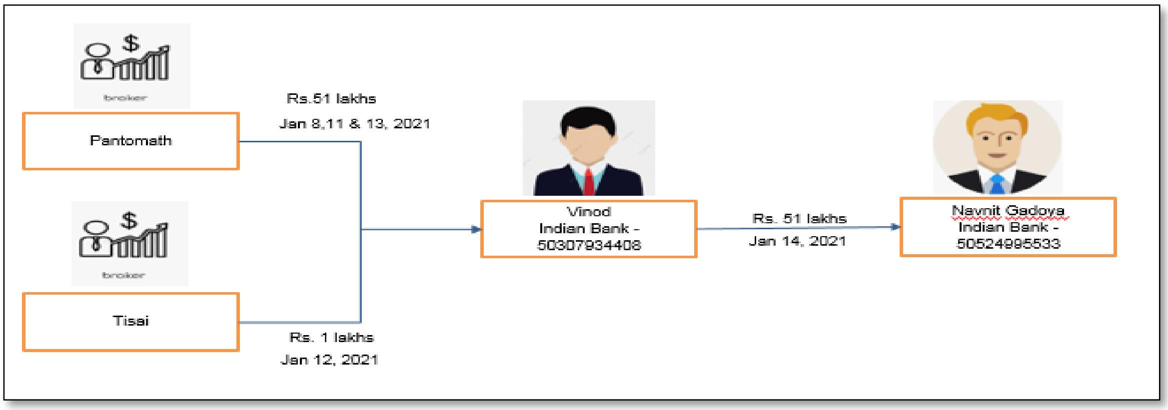
d) Similarly, upon receipt of the funds from Prijesh, it was noticed that Vinod had transferred INR 23 lakhs to Tisai and Pentagon to be used for settlement obligation for the trades carried out in the trading account of Vinod which is further depicted below in diagrammatical form:

Image no. 7



e) It was also unearthed that during the period January 2022 - February 2022, Vinod had received of INR 1.97 crore (INR 1.03 crore & INR 93.34 lakhs from Tisai and Pentagon respectively) in his Indian Bank A/c no. 503XXXXX408 as settlement proceeds of trades carried out in his trading account. Upon receipt of the aforesaid funds, INR 87.34 lakhs were transferred collectively to the bank accounts of Dharini (INR 36.34 lakhs to Axis Bank A/c. no. – 9160XXXXXXXX767) and Mr. Navnit Gadoya (father of Dharini) (INR 51 lakhs to Indian Bank A/c no. - 505XXXXX533). The above transaction is depicted below in the pictorial form:

<u>Image no. 8</u>



<u>Common Directorship</u>

f) It was revealed from the MCA database that Vinod was connected to *Noticees no.* 2 and 3 through common directorship in certain companies. The details of the companies in which he was director along with the other two *Noticees* are mentioned below:

Table no. 4

Sl. No.	Name of the Company	Directors	Promoters / holdings
1	Weiz Mann Securities Pvt. Ltd. (Weiz)	**Present Directors –** ▪ Surbhi Aggarwal (08409763) (Jan 2022- till date) ▪ Gulshan Kumar (09700752) (Aug 2022- till date) **Past Directors -** ▪ **Dharini Navneet Gadoya (06752086) (Aug 2017 -Jan 2022)** ▪ **Prijesh Arunkumar Kurani (05150566) (Aug 2017-Oct 2017)** ▪ **Vinod Vilas Sable (07966139) (Oct 2017 -Jan 2022**)	Prijesh Kurani - 5000 shares (50%) Dharini Gadoya -5000 shares (50%)
2	Finetiq (ISD to check the name of the company) Shares And Commodity Pvt. Ltd. (Finetiq)	**Present directors –** ▪ Dharini Navneet Gadoya (06752086) (Aug 2017 –till date) ▪ Prijesh Arunkumar Kurani(05150566) (April 2022 –till date) ▪ Bindesh Arun Kurani (05135411) (April 2022- till date) **Past directors -** ▪ Vinod Vilas Sable (07966139) (Oct 2017-April 2022)	Prijesh Kurani - 5000 shares (50%) Dharini Gadoya -5000 shares (50%)
3	Capricos Commodities	**Present directors -** ▪ Dharini Navneet Gadoya (06752086)(Aug 2017 –till date)	Prijesh Kurani - 5000 shares (50%)

	Pvt. Ltd. (Capricos)	▪ Prijesh Arunkumar Kurani (05150566) (April 2022 –till date) ▪ Bindesh Arun Kurani (05135411) (April 2022-till date) **Past directors –** ▪ Vinod Vilas Sable 07966139)(Oct 2017-April 2022)	Dharini Gadoya -5000 shares (50%)

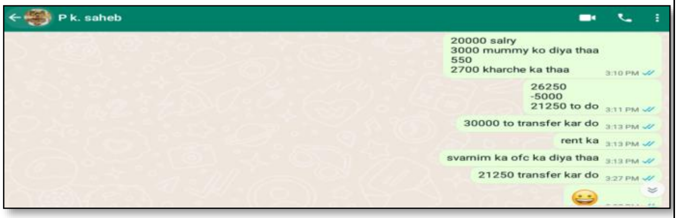
g) From the above table, it is further observed that Vinod was a director in companies namely Weiz, Finetiq and Capricos, wherein Prijesh and Dharini (spouse of Prijesh) were not only directors at some point in time but were also the promoters and held 100% of the share capital of these companies.

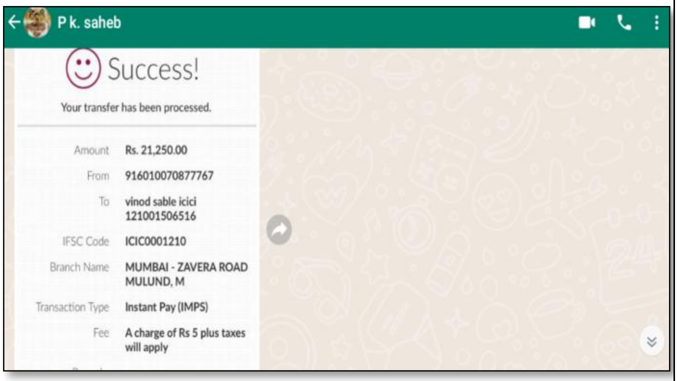
Employee / Employer relationship

h) As mentioned above that Vinod in his deposition has stated that he was an employee of Prijesh and used to get regular salary in the range of INR 16000 - 20000 in cash or in his bank accounts. In this regard, based on the devices seized from the custody of Vinod (Mob. No. – 844XXXX970), it is observed that mobile number of Prijesh i.e., +9715XXXXX661 is saved with title 'P K Saheb' and various WhatsApp chats have been observed wherein Vinod was found seeking salary from Prijesh and same was paid by Prijesh as well. For illustration, a few such communications are placed below:

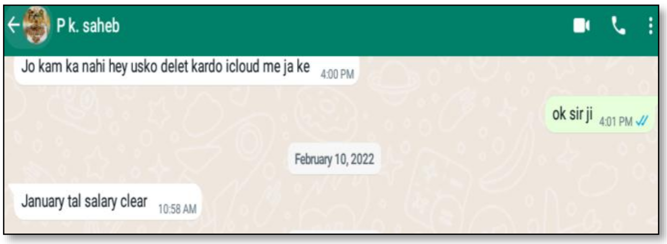
Table no. 5

No	Snapshots of WhatsApp Chat of Vinod 844XXXX970 with Prijesh +9715XXXXX661) from the mobile of Vinod	Remarks
1	**April 22,2021**	**On April 22, 2021** ➢ On April 22, 2021, Vinod informed Prijesh to transfer INR 21250/- which included salary of INR 20,000.

<table>
<tr><th>No</th><th>Snapshots of WhatsApp Chat of Vinod 844XXXX970 with Prijesh +9715XXXXX661) from the mobile of Vinod</th><th>Remarks</th></tr>
<tr><td></td><td>




Feb 10, 2022



</td><td>

➢ The second snap shot reveals that on April 22, 2021, INR 21,250 was transferred from Dharini (A/c no. 91601007087767) to Vinod (A/c no. 121XXXXXX516).

<u>**On Feb 10, 2022**</u>

On Feb 10, 2022, Prijesh sent a message to Vinod that his salary till January 2022 was cleared.

In the statement recorded on June 17, 2022, Vinod stated that the salary of INR 20,000/- for the month of January 2022 was received on Feb 10, 2022 from Prijesh in his ICICI bank A/c no. 121XXXXXX516.
</td></tr>
</table>

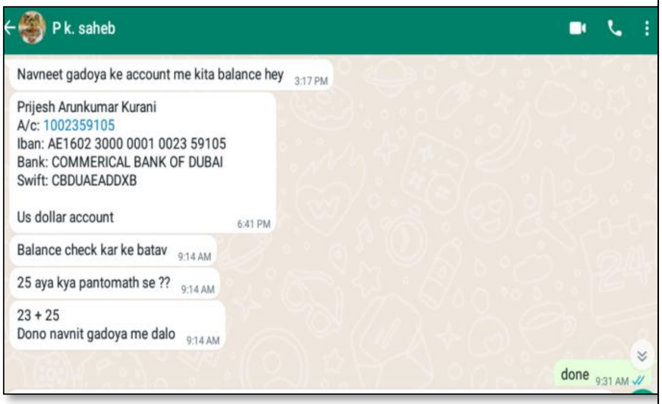
i) It is observed that on April 22, 2021, Dharini had transferred INR 21,250 from her Axis Bank A/c no. 91601007087767 to Vinod (ICICI Bank A/c. no. 121XXXXXX516). Further on February 10, 2022, Prijesh from his Axis bank A/c no.– 1801XXXXXX3194 had transferred INR 20,000 to the bank account of Vinod (ICICI bank A/c no. 121XXXXXX516). It was also observed that Vinod received an amount of INR 16,000 in his Indian Bank A/c. no.- 503XXXXX408 on November 10, 2020 from Dharini's Axis bank A/c. no. – 9160XXXXXXXX767 with remarks "Salary", which further reinforces and corroborates the deposition of Vinod that he was merely an employee of Prijesh during the relevant period of time and working under his command and control.

<u>Operation of account of Vinod by Prijesh</u>

j) From various WhatsApp chats exchanged between Vinod and Prijesh as extracted from the mobile of Vinod seized from his custody during the search and seizure exercise, it is observed that Prijesh was operating trading account of Vinod and was also instructing Vinod for operating bank account of Vinod. Details of some of the chats exchanged between Prijesh with Vinod are placed below with remarks:

<u>Table no. 6</u>

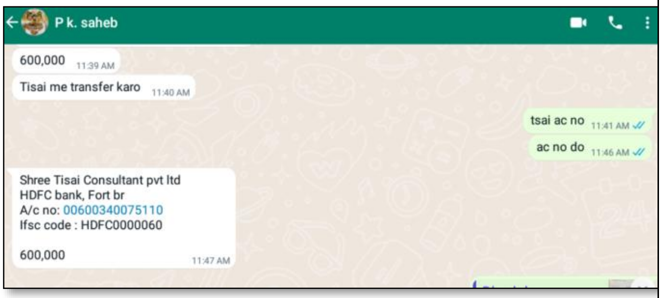
No	Snapshots of WhatsApp Chat of Vinod 844XXXX970 with Prijesh (+9715XXXXX661) from the mobile of Vinod	Remarks
1	**January 11, 2021 –**	**<u>January 11, 2021 -</u>** Prijesh informed Vinod to check whether he had received INR 25 lacs from

No	Snapshots of WhatsApp Chat of Vinod 844XXXX970 **with Prijesh** (+9715XXXXX661) **from the mobile of Vinod**	Remarks
		Pentagon. Further, he instructed Vinod to transfer 23+25 to Navnit Gadoya.

k) It is observed from the above chats that Prijesh is inquiring from Vinod about the receipt of a sum amount to INR 25 lakh which was expected to be credited on January 11, 2021 from Pentagon, the Stock Broker. Prijesh further inquired about the balance outstanding and instructed Vinod to deposit a sum of INR 51 lakh in the account of Navnit Gadoya, (father-in-law of Prijesh) on January 14, 2021, which was inclusive of INR 3 lakhs received from Pentagon (on January 12, 2021). Another snapshot of WhatsApp chat exchanged between Prijesh and Vinod is placed below:

<u>Table no. 7</u>

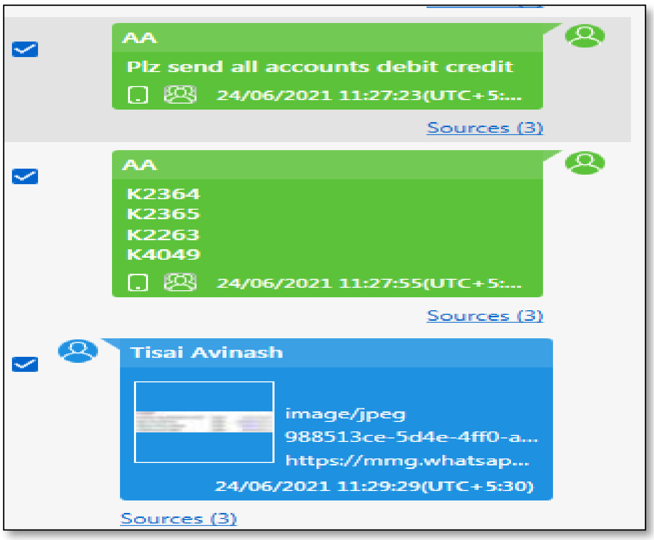
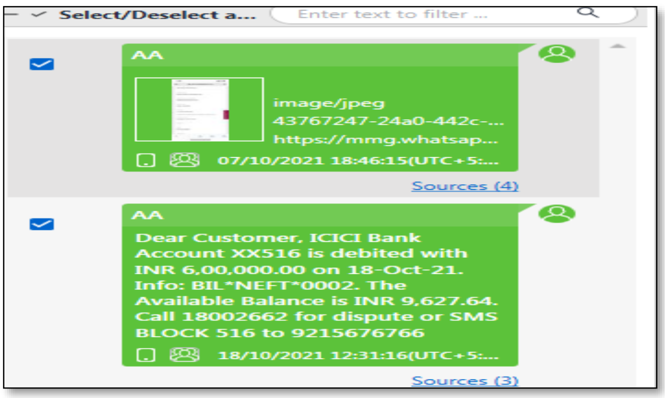
No	Snapshots of WhatsApp Chat of Vinod 844XXXX970 **with Prijesh** (+9715XXXXX661) **from the mobile of Vinod**	Remarks
1	**October 18, 2021**	**<u>October 18, 2021-</u>** Prijesh had instructed Vinod to transfer INR 6 lakhs to Tisai. In this regard, Vinod

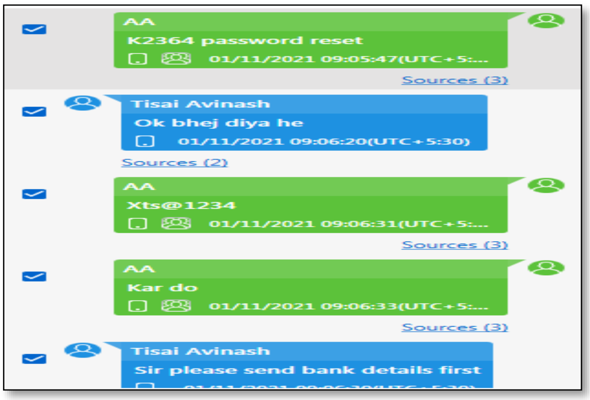
No	Snapshots of WhatsApp Chat of Vinod 844XXXX970 **with Prijesh** (+9715XXXXX661) **from the mobile of Vinod**	Remarks
	 	had sought the details of the bank account of Tisai and Prijesh accordingly provided the bank account number of Tisai. Subsequently, Vinod had sought the details of the bank account from which he had received funds the funds of INR 6 lakhs. In reply, Prijesh had informed Vinod that it is the account of Dharini. Subsequently, Vinod had confirmed the transfer of INR 6 lakhs by forwarding the transaction message to Prijesh received from Bank.

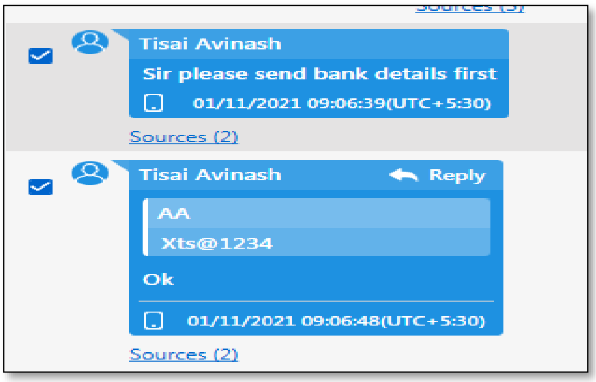
l) The aforesaid transaction as observed in the WhatsApp chat dated October 18, 2021 exchanged between Prijesh and Vinod is further corroborated with the fact that Vinod on October 18, 2021 had received INR 6 lakhs in his Indian Bank A/c no. 503XXXXX408 from Dharini's ICICI A/c no. 9160XXXXXXXX767. Subsequently, upon receipt of the said amount from Dharini, Vinod had transferred the same of INR 6 lakhs to Tisai on the same day i.e. October 18, 2021, as instructed by Prijesh.

m) Further, as noted above that during a separate investigation conducted by SEBI, mobile device of Prijesh was seized. From the analysis of data and information of the said seized mobile, it has been noticed that various WhatsApp chats with a contact detail saved in the name of 'Tisai - Avinash (Mo-976XXXX746)' were available. Some of the WhatsApp chats exchanged between Prijesh with Avinash (Tisai) as retrieved from the said mobile are reproduced below:

<u>Table no. 8</u>

<table>
<tr><th>No</th><th>WhatsApp chat between Prijesh (Mo- 971521216661) Tisai Avinash (Mob- 9768112746)</th><th>Remarks</th></tr>
<tr><td>1</td><td><u>June 24, 2021</u>

</td><td><u>June 24, 2021</u>
Prijesh messaged Avinash- Tisai to forward the debit/credit details of client codes ‘K2364’, K2365, K2263 and K4049 and the same was provided to Prijesh by Tisai Avinash.</td></tr>
<tr><td>2</td><td><u>Oct 18, 2021</u>

</td><td><u>October 18, 2021</u>
Prijesh shared a message of debit transaction of INR 6 Lakhs, received from ICICI bank to Avinash-Tisai.</td></tr>
<tr><td>3</td><td><u>November 01, 2021</u></td><td><u>November 01, 2021</u></td></tr>
</table>

<table>
<tr><th>No</th><th>WhatsApp chat between Prijesh (Mo- 971521216661) Tisai Avinash (Mob- 9768112746)</th><th>Remarks</th></tr>
<tr><td></td><td>




</td><td>Prijesh messaged Avinash-Tisai to reset the password, of a client code 'K2364', to 'Xts@1234, for which Avinash-Tisai replied 'Ok' to Prijesh.</td></tr>
</table>

n) It can be noted from the aforementioned WhatsApp Chats of Prijesh with Avinash of Tisai that on June 24, 2021, Prijesh sought debit / credit details of certain accounts, which were duly provided by Avinash. It is pertinent to note that among others, one of the trading accounts having client code (K2364) registered with Tisai for which debit / credit details were sought by Prijesh was found to be registered in the name of his employee Vinod. It is also noted that on November 01, 2021 Prijesh messaged Avinash to reset the online password of client code 'K2364', to 'Xts@1234, for which Avinash replied 'Ok' to Prijesh. Similarly, on October 18, 2021, Prijesh shared a message with Avinash pertaining to a debit transaction of INR 6 Lakhs, received from ICICI bank. It is also observed that on October 18, 2021, Vinod had received funds of INR 6 lakhs (Indian Bank A/c no. 503XXXXX408) from Dharini (ICICI A/c no. 9160XXXXXXXX767), which was subsequently transferred to settlement account of Vinod held with Tisai, on instruction of Prijesh and in this respect, Vinod in his deposition has stated that he was aware that he has trading account with Tisai which was operated either by Prijesh. The aforesaid facts clearly suggest that it was Prijesh who had absolute control over the trading account held in the name of Vinod as well as all the fund transfers that were done by Vinod under the instructions of Prijesh from time to time pertaining to share transactions or otherwise.

o) Thus, even independent of the deposition of Vinod, the aforesaid evidences in the form of WhatsApp chats, transferring funds to various accounts, usage of funds to meet the settlement obligation of trades executed in the trading account held in name of Vinod, etc. are self-evident of the fact that Vinod was merely an employee who was working as per the instructions of Prijesh and the transactions apparently shown to be done by him through his trading and bank accounts, etc. were in fact the trading and fund transactions of Prijesh.

20. Consequently, it *prima facie* follows from the aforesaid that Vinod, by making his demat and trading account available to Prijesh has facilitated in effecting unfair and fraudulent trades in the shares of *SNIM* held in his (Vinod) trading account on the 1st instance of recommendation (August 17, 2021) and post thereafter as well. In the aforesaid process of off-loading shares of *SNIM* held in the demat account of Vinod, Dharini is also *prima facie* observed to have aided her husband in the execution of the aforesaid fraudulent scheme by providing funds to the bank account of Vinod from time to time. As already highlighted above, there was a spike in the trading volumes in scrip of *SNIM* on the 1st day of recommendation (August 17, 2021) largely attributed to the buying recommendations posted on the Suspected Telegram Channels which led to the increased liquidity and increased buying behaviour the other investors / market participants and as a result, Prijesh, with the

aid and assistance of Vinod and Dharini (as discussed above) was successfully able to swiftly sell a large part of his holdings of shares of *SNIM* (held in the account of his proxy, Vinod) on the 1st instance of recommendation.

2nd instance of recommendation

21. Now moving on to the trading activities in the scrip of *SNIM* in and around the 2nd instance of recommendation (November 30, 2021), the details of the movement of price-volume of the scrip of *SNIM* is captured in the following table:

Table no. 9: Price- volume in and around 2nd instance of recommendation (November 30, 2021)

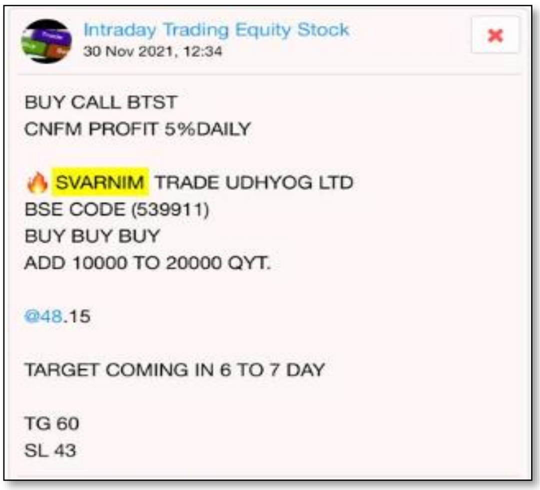
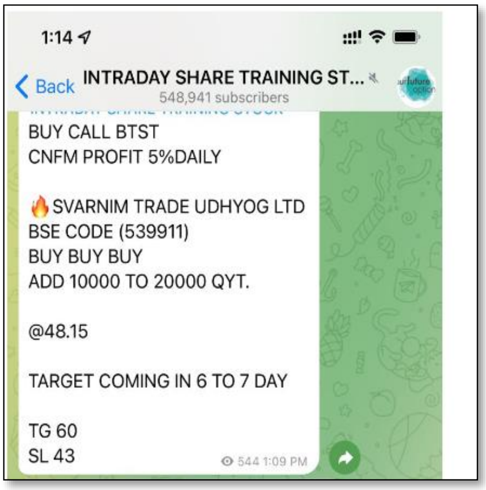
Particulars	Period		Opening Price & volume on first day of the period	Closing Price & volume on last day of the period (Rs.)	Low Price & Volume during the period (Rs.)	High Price & Volume during the period (Rs.)	No. of shares traded during the period (Avg.)
Prior period (patch-4)	Oct 04, 2021 – Nov 29, 2021	Price	11.65 (Oct 04, 2021)	45.9 (Nov 29, 2021)	11.07 (Oct 05, 2021)	45.9 (Nov 29, 2021)	13315.84
		Vol.	4670 (Oct 04, 2021)	32368 (Nov 29, 2021)	216 (Oct 27, 2021)	59345 (Nov 26, 2021)	
Day of recommendation (patch-5)	Nov 30, 2021	Price	48.15 (Nov 30, 2021)	48.15 (Nov 30, 2021)	47.95 (Nov 30, 2021)	48.15 (Nov 30, 2021)	249671
		Vol.	249671 (Nov 30, 2021)				
Post recommendation (patch-6)	Dec 01, 2021-Dec 31, 2021	Price	48.15 (Dec 01, 2021)	27.15 (Dec 31, 2021)	19.4 (Dec 24, 2021)	48.15 (Dec 01, 2021)	6350.48
		Vol.	8747 (Dec 01, 2021)	13802 (Dec 31, 2021)	257 (Dec 07, 2021)	36213 (Dec 30, 2021)	

22. From the above table, it is observed that during the period prior to the day of 2nd recommendation (Patch-4) i.e. during October 04, 2021 to November 29, 2021, which also witnessed the trading activities by *Noticees no 7 to 11* which were

connected to Ashish, the price of the scrip opened at INR 11.65 (on October 04, 2021), touched a high of INR 45.90 (on November 29, 2021) and closed at INR 45.90 (on November 29, 2021), thereby registering increase in price by 3.94 times during the aforesaid period. During this period, the average daily volume in the scrip of *SNIM* was observed to be 13316 shares. In this respect, it is worthwhile to reiterate that the price as well volume of the scrip of *SNIM* started falling immediately after the 1st recommendation day (August 17, 2021). Further, similar to the 1st recommendation day, it was noticed that on the 2nd recommendation day (November 30, 2021) also, the trading volumes of *SNIM* suddenly rose to several notches up and it was witnessed that 249671 shares were traded on that day itself, which was 18.74 times (approx.) of the average daily trading volume in *SNIM* during Patch-4. Further, following the similar pattern, it is noted that during Patch-6 (from December 01, 2021 to December 31, 2021) i.e. during the period after the 2nd recommendation day, the price of the scrip again experienced drastic fall and it declined from INR 48.15 to as low as INR 19.40 on December 24, 2021.

23. As already discussed earlier, the reason for sudden rise in trading volumes and price of the scrip on the 2nd recommendation day i.e. on November 30 2021, was once again found to be a malicious and misleading message posted on the Suspected Telegram Channels through which the subscribers were induced to buy shares of *SNIM*. The details of the said stock recommendation as posted in the Suspected Telegram Channels included specific guidance with respect to the Target price, Stop Loss and the quantity to be purchased with an intent to entice the subscribers to take buying decision in the scrip of *SNIM*. The screenshots of the recommendations as posted on the Suspected Telegram Channels on the 2nd recommendation day are shown hereunder:

<u>**Image no. 9**</u>

<table>
<tr><th>Screenshot 1</th><th>Screenshot 2</th></tr>
<tr><td>
</td><td>
</td></tr>
<tr><td colspan="2">Details – Recommendatin to buy 10000-20000 qty of scrip SNIM @ INR 48.15. Target is INR 60. Stop Loss is at INR 43.</td></tr>
</table>

24. As can be noted from the above quoted screenshots, the subscribers of the Suspected Telegram Channels were recommended to buy the shares of *SNIM* having BSE scrip code as 539911 in huge quantities ranging from 10000-20000 shares. The recommendations floated on the Channel asked their subscribers to buy the shares of the *Company* at a price of INR 48.15 and the message also laid down a projection/target of INR 60, with a stop loss price of INR 43. It is also pertinent to note that the aforesaid Telegram messages also the assured the subscribers for a daily return of 5%.

Analysis of Trading Pattern in scrip of *SNIM* in and around <u>2nd instance of recommendation</u>

25. As already stated earlier in this Order that after selling 59,770 shares of *SNIM* on the 1st recommendation day riding on the wave of the stock recommendation circulated in the Suspected Telegram Channels, Vinod continued to sell the shares

of *SNIM* even after the 1st recommendation day. It is seen that Vinod was successful enough to sell 1,83,817 shares in the market during Patch-3 and Patch-4 (August 18, 2021 to November 03, 2021), even though the prices of the scrip was witnessing a fall and out of the 1,83,817 shares sold, it was further noticed that 1,05,586 (approximately 57.44%) shares were collectively bought by the front entities of Ashish. These front entities, as the investigation has revealed who were counterparties buyers of the aforementioned 1,05,586 shares of *SNIM* were observed to be *Noticees no. 7 to 11* (Priyank, Suraj, Jigar, Piyush and Nishil).

26. It is further noted that these connected entities i.e. *Noticees no. 7* to *11* (Priyank, Suraj, Jigar, Piyush and Nishil) have collectively sold huge quantities of shares of *SNIM* on the 2nd recommendation day (November 30, 2021) due to the sudden spike in the trading volume in the scrip of *SNIM* triggered by the recommendation posted on Suspected Telegram Channels.

27. It is also noticed that prior to selling huge quantities of shares on 2nd recommendation day, some of these entities connected to Ashish had been engaged in manipulative and unfair trades in the scrip of *SNIM* and a part of such trades were also executed among themselves apparently with a view to artificially increase the price of the scrip by contributing to LTP on various trading days. The details of such LTP contributing fraudulent trades indulged in by these entities before the 2nd recommendation day have been celebrated in detail subsequently at paragraphs 52 to 56 of this Order.

28. Coming back to the trading in shares of *SNIM* indulged in by the aforesaid five connected entities i.e. *Noticees no. 7 to 11* on the 2nd recommendation day thereby generating substantial profits for themselves, the details of the same are tabulated below:

Table no. 10

Sl.no.	Name	Gr Buy Vol	Gr Sell Vol	Net trade Vol	Vol% - Net Traded Vol/ Mkt Net
1	Priyank (*Noticee no. 7*)	4420	77557	73137	29.99
2	Suraj (*Noticee no. 8*)	1000	63000	62000	25.42
3	Jigar (*Noticee no. 9*)	350	41821	41471	17.00
4	Piyush (*Noticee no. 10*)	0	18000	18000	7.38
5	Nishil (*Noticee no. 11*)	0	6115	6115	2.51
	Total	5770	206493	200723	82.3

29. From the aforesaid table, it can be noted that 3 out of the above 5 *Noticees* have bought very small quantity of shares of *SNIM* on the 2nd recommendation day, however, the percentage of such purchases is very negligible compared to the huge quantity of shares sold by all the 5 entities together on the said day. It may be recalled that these 5 entities had already purchased earlier 1,05,586 shares of *SNIM* during the intervening period between 1st and 2nd recommendation day posing as counterparties buyers to the sales made by Vinod. The above mentioned large quantities of shares that they had already purchased apparently got a golden opportunity for being exited at a profit on the 2nd recommendation day because of the high trading volume generated in the said scrip which can be attributed to the positive impact of the misleading buying recommendation about the said scrip that were circulated in the Suspected Telegram Channels on that day. Therefore, in the aforesaid table, one can see that the aforesaid 5 Noticees were successful in off-loading their stock of shares aggregating to 2,00,723 shares on one single day because of the ease of exit provided by the spurt in trading volumes triggered by the misleading message circulated in the Suspected Telegram Channels. For instance, Priyank did a gross sell of 77,557 *SNIM* shares and gross buy of merely 4,420 shares of *SNIM* on November 30, 2021 resulting into net sell of 73,137 shares of *SNIM* constituting 29.99% of total net volume of *SNIM* shares on November 30, 2021. Similarly, other 4 *Noticees (Noticees no. 8 to 11)* were also seen to have off-loaded their

substantial amount of shareholdings in the said scrip as highlighted in the table above. Considering the total buy and sell positions taken by the above 5 *Noticees*, it is evident that *Noticees no. 7* to *11* have cumulatively *sold* 2,00,723 shares (net sell) of *SNIM* on the 2nd instance of recommendation i.e. on November 30, 2021, which was 82.30% of the net market volume in *SNIM* on November 30, 2021.

30. I have already discussed in brief in the foregoing part of the order highlighting from time to time the connections various *Noticees* enjoyed among themselves. I have already demonstrated through factual evidences including the WhatsApp chats the connection between Prijesh, Dharini and Vinod and have held how it was Prijesh who was the main beneficiary and perpetrator of the entire scheme.

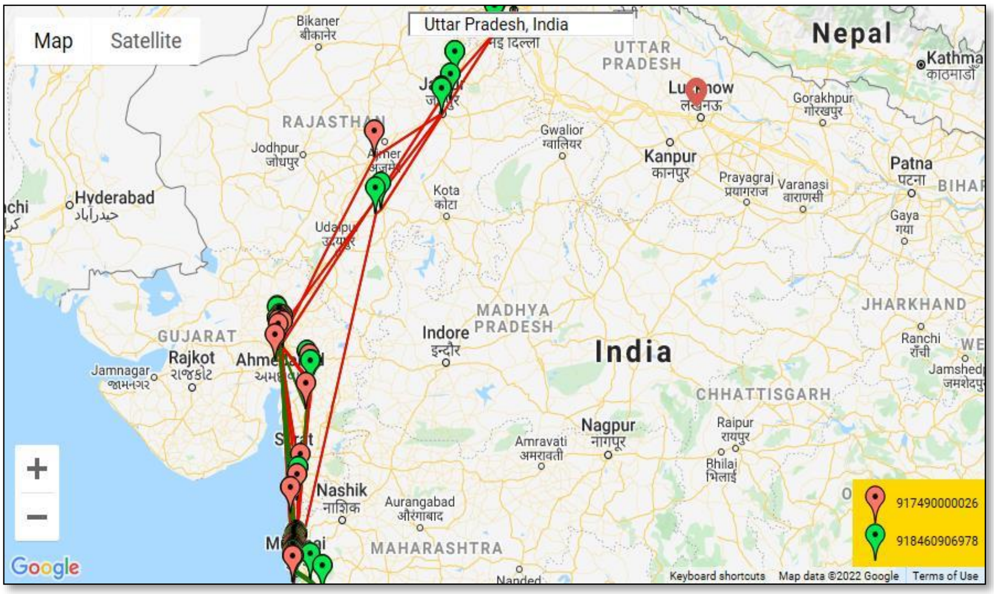
31. Moving to the connection of the *Noticees no. 7 to 11* with Ashish, it would be worthwhile to first discuss the connection that Ashish shared with Prijesh, Dharini, Jalaj and Arvind so as to throw clarity about how all the Noticees were acting in concert and played their respective parts in translating the fraudulent scheme into action that was devised by Prijesh in collusion with other *Noticees.* The evidences collected in the investigation show that in order to achieve the oblique objective of providing exit to the shares of *SNIM* held by Prijesh through Vinod, Ashish in close coordination with Jalaj, who approached Arvind, who in turn facilitated the opportunity of exiting the shares of *SNIM* through his Suspected Telegram Channels on both 1st and 2nd instances of recommendations. Details of evidences showing the connections and links between the aforementioned *Noticees* and role played by the respective *Noticees*, as unearthed during the Investigation are given in the subsequent paragraphs.

Connection of Prijesh / Dharini with Ashish

32. Investigation has unearthed connection between Prijesh / Dharini with Ashish on the basis of fund transactions, Call data records, WhatsApp chats, etc. which are discussed below:

a) During the period August 11-19, 2021 (i.e. around 1st instance of recommendation), Dharini had transferred INR 28 lakhs from her Axis bank A/c no. -9160XXXXXXXX767 to one Bricks Enterprises (hereinafter referred as '**Bricks',** IDBI A/c no. –1643XXXXXXXXX858). As per KYC details, though the above account is not owned by Ashish, the registered mobile number mentioned in the KYC of the IDBI bank A/c of Bricks is found to be 846XXXXX78. On further analysis of geographical movement of the above mobile number of Bricks (846XXXXX78), it is observed that during the period from April 01, 2021 and November 30,2021, on most of the times the geo location of this mobile number was always in proximity with another mobile number (74XXXXX026) registered with Airtel. When inquired with the Telecom Service Provider (TSP), it was found that the KYC of this mobile number (74XXXXX026) named Ashish as its registered owner. Thus, the mobile number of Ashish was found to be in close proximity with the mobile number registered in the bank account of Bricks found from the geo location from these two mobile numbers during the aforementioned period. A diagrammatic representation of geo location of both the above mentioned mobile numbers is given below:

Image no. 10

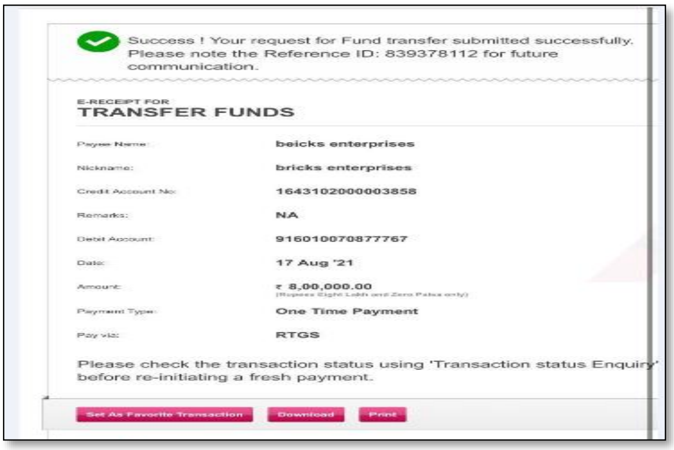
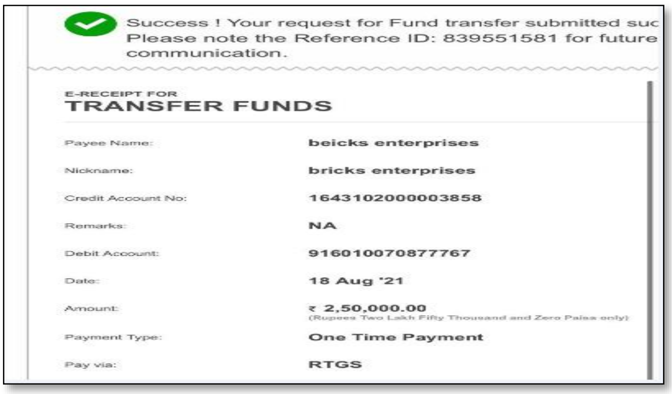


b) Further, based on the Social media website- Facebook, it is observed that Ashish and Prijesh are friends.

c) The CDR analysis of Mobile: +9715XXXXX661 (Prijesh) and 74XXXXX026 (Ashish) shows frequent calls between the above two. Also various WhatsApp chats have been observed to have been exchanged between them as discovered from the mobile phone seized from the custody of Ashish during the search and seizure operation conducted by SEBI. A few of such communications between them are placed below:

Table no. 11

No	Snapshot of WhatsApp chats between Prijesh (+9715XXXXX661) and Ashish (74XXXXX026)	Remarks
1	**August 17, 2021**	**August 17, 2021** On August 17, 2021 (i.e. on 1st instance of recommendation), Prijesh shared the snap shot with Ashish of fund transfer of

No	Snapshot of WhatsApp chats between Prijesh (+9715XXXXX661) and Ashish (74XXXXX026)	Remarks
	 Success ! Your request for Fund transfer submitted successfully. Please note the Reference ID: 839378112 for future communication. E-RECEIPT FOR TRANSFER FUNDS Payee Name: beicks enterprises Nickname: bricks enterprises Credit Account No: 1643102000003858 Remarks: NA Debit Account: 916010070877767 Date: 17 Aug '21 Amount: ₹ 8,00,000.00 (Rupees Eight Lakh and Zero Paisa only) Payment Type: One Time Payment Pay via: RTGS Please check the transaction status using 'Transaction status Enquiry' before re-initiating a fresh payment. Set As Favorite Transaction Download Print **August 18, 2021-**  Success ! Your request for Fund transfer submitted suc Please note the Reference ID: 839551581 for future communication. E-RECEIPT FOR TRANSFER FUNDS Payee Name: beicks enterprises Nickname: bricks enterprises Credit Account No: 1643102000003858 Remarks: NA Debit Account: 916010070877767 Date: 18 Aug '21 Amount: ₹ 2,50,000.00 (Rupees Two Lakh Fifty Thousand and Zero Paisa only) Payment Type: One Time Payment Pay via: RTGS	INR 8 lakhs from Dharini (Axis Bank A/c no- 9160XXXXXXXX767 to Bricks account (IDBI A/c no: 1643XXXXXXXXX858). **<u>August 18, 2021</u>** Prijesh shared the snap shot of fund transfer of INR 2.5 lakhs by Dharini (Axis Bank A/c no. 9160XXXXXXXX767 to Bricks (IDBI A/c No: 1643XXXXXXXXX858) with Ashish.

d) It is observed from the bank statements of Dharini (Axis bank A/c no. - 9160XXXXXXXX767) that an amount of INR 8 lakhs (on August 17, 2021) and another amount of INR 2.5 lakhs (August 18, 2021) were transferred to Bricks (IDBI A/c no.- 1643XXXXXXXXX858).

e) In this regard, during his deposition before SEBI on March 14, 2022 and June 22, 2022, Ashish has candidly confessed as follows:

   i That Bricks (IDBI Bank A/c-1643XXXXXXXXX858) bank account was operated by him since March 2021 and he had used the said Bricks - IDBI Bank account for receiving and transferring of funds. He is in possession of user id and password for internet banking of the above bank account of Bricks. He further stated that the mobile number 846XXXXX78 registered in the Brick's bank account of IDBI Bank was used by him. This statement supports the findings of investigation about the geo-proximity of the aforesaid mobile number along with registered mobile number of Ashish during the period.

   ii That Prijesh is his friend and colleague as both of them worked in Dubai and Prijesh approached him to provide exit from the scrip of *SNIM*. Accordingly, he offered exit services to Prijesh in the scrip of *SNIM* in the month of August 2021 and November 2021;

   iii That to provide exit in the shares of *SNIM* held by Prijesh, he contacted Jalaj, who in turn communicated with entities related to Telegram Channels and accordingly specific buying recommendations were posted about the scrip of *SNIM* in the Telegram channels;

   iv In the month of August 2021, around 71,000 shares of *SNIM* were sold by an entity related to Prijesh;

   v That Priyank and Suraj are his associates, who follow his instructions to buy / sell in the scrips. As advised by him, Priyank, Suraj and Jigar purchased shares sold by an entity related to Prijesh during September 2021 to November 2021 and such acquired shares of *SNIM* were later on off-loaded by them in November 2021;

vi That he provides exit services for various scrips and for that he charges commissions and he used Bricks (IDBI Bank A/c-1643XXXXXXXXX858) bank account for receiving payments related to exit providing services. He also admitted that he used the aforesaid bank for receiving and for making onward payment in connection with the scrip of *SNIM*;

vii That he received commission from Prijesh (through Dharini's Bank account) in the bank account of Bricks for providing the exit in the scrip of *SNIM* in the month of August 2021. Out of the aforesaid commission, onward payments were made to Jalaj / Lifeline Pharma for commissions and to Nishil for purchasing shares of *SNIM*.

viii That as per his mutual understanding with Priyank and other related entities, for providing the exit activity in the scrip of *SNIM* during the month of November, 2021, which he successfully could provide on the 2nd recommendation day:

- He was supposed to receive margin of 35% of the total sale value of shares to be sold by Priyank and *Noticees no. 8 to 11.* Additionally, he was supposed to receive 5% commission on total sale value of *SNIM* shares to be sold by aforementioned *5 Noticees*. As these *5 Noticees* cumulatively sold more than 2 lakh shares of *SNIM* on 2nd recommendation day at the rate of INR 47 per share, the total sale value worked out to be INR 99.64 lakhs. Accordingly, margin money worked out to be INR 35 lakhs (35% of sale value) and his commissions was INR 5 lakhs (5% of sale value). In this regard, he had received INR 15 lakhs in cash from Priyank towards partial payment of margin money, which he claims to passed on to one entity named Kirti

Gadhvi. Around 20 lakhs of balance margin money alongwith his commission (5 lakhs) was still pending from Priyank. The reason for this is stated to be the fact that around 73,000 shares of *SNIM* held by these 5 *Noticees* (including Priyank) were still pending for off-loading in to the market.

- That he met Prijesh in Dubai post Diwali 2021, who paid him AED (Dubai Dirhams) 31,000 in cash (equivalent to INR 5.80 lakhs). Further, Prijesh in the last week of October 2021 and during November 201 had transferred an amount of INR 15.3 lakhs in the ICICI Bank account no. 0024XXXXX094 of Bricks.

f) From the aforesaid facts, evidences in the form of WhatsApp chats, fund transfers and the depositions made by the *Noticees*, it now becomes *prima facie* evident that Prijesh / Dharini were connected to Ashish. It has also come to light that it was Prijesh who approached Ashish, who is apparently a known middleman having professional expertise in facilitating exit to his clients from their shareholdings in companies in lieu of commission. Prijesh thus reportedly approached Ashish to help him to get exit from the shares of *SNIM* held in the account of Vinod. To accomplish this task, Ashish has *prima facie* approached Jalaj, another middleman who is also seemingly engaged in this unscrupulous profession of providing exit to people from their shareholding in different scrips. The connection between Ashish and Jalaj is further explained in the subsequent paragraphs.

Connection between Jalaj and Ashish

33. The connection between Ashish and Jalaj which has been observed to be based on factual evidences like fund transactions, Call data records, WhatsApp chats, etc. is further elaborated below:

a) From the CDR analysis of the mobile number 74XXXXX026 registered in the name of Ashish, it shows that around the day of 1st recommendation i.e., August 17, 2021, there were frequent calls between Ashish and two other mobile numbers viz: 7974655833 (Jio) and 916XXXX050 (Vodafone), which as per the KYC details available with the TSP, were found to be registered in the name of Jalaj.

b) Fund transactions were also noticed to have been exchanged between Jalaj and Ashish during the Investigation Period. For instance, subsequent to the receipt of funds by Ashish in the bank account of Bricks (IDBI A/c no. 1643XXXXXXXXX858) from Dharini's bank account during the period August 16, 2021 to September 08, 2021, it was noticed that INR 5.66 lakhs were transferred from the IDBI A/c of Bricks to one Life Line Pharma (ICICI Bank A/c – 0765XXXXX844) and INR 1.00 lakhs was transferred to Bandhan Bank A/c -5018XXXXXXX378 belonging to one Naveen Agrawal (hereinafter referred as 'Naveen'). In this regard from the Account Opening Form provided by the ICICI Bank, it is noticed that Jalaj is the sole proprietor of Lifeline Pharma. Also, as per KYC details provided by banks (i.e., ICICI bank and Bandhan bank), the address of Naveen and Jalaj i.e. '*S/o of Hemant Agrawal, House No. 531, Vikas Nagar, 14/2 Neemuch, Madhya Pradesh, 458441'* is found to be same *prima facie* implying that the account of Naveen was also *prima facie* used by Jalaj for his financial transactions. Thus in total INR 6.66 lakhs were transferred from Ashish through bricks Bank A/c to Jalaj.

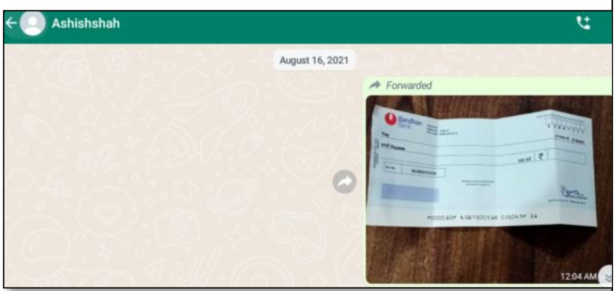
c) In addition to the above, the transactions made from the account of the Bricks to the account of Lifeline Pharma and Naveen contained remarks '*SNIM*.' That further signifies that those transactions were related to providing services in the scrip of *SNIM*. A sample of few such transactions are mentioned below:

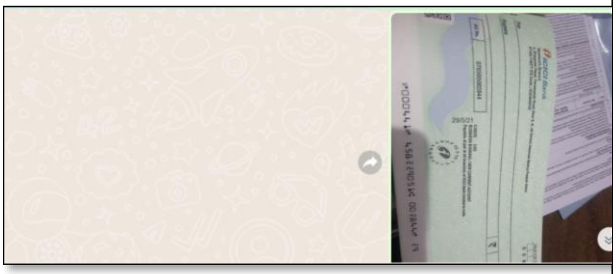
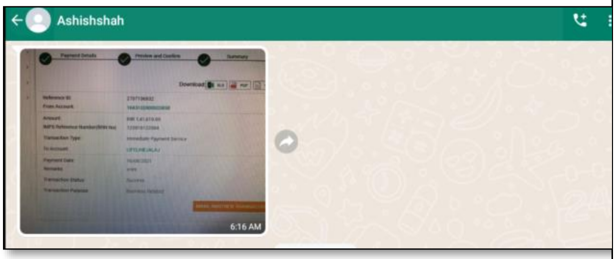
Table no. 12

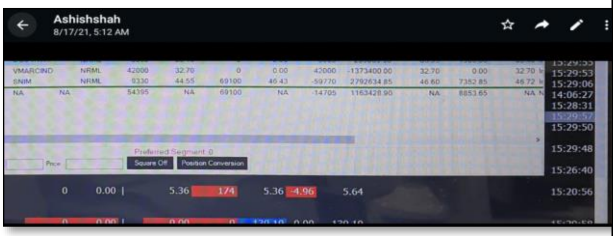
TRANSACTION_DATE	NARRATION	Debit
08/16/2021	IMPS/122816122084/LIFE LINE /ICIC/XX2844/*SNIM*	1,41,619
08/16/2021	CHRG/IMPS/122816122084/LIFE LINE /ICIC/XX2844/*SNIM*	18
08/17/2021	IMPS/122915143422/LIFELINEJA/ICIC/XX2844/*SNIM*	50,000
08/17/2021	IMPS/122915143462/LIFELINEJA/ICIC/XX2844/*SNIM*	49,500
08/18/2021	IMPS/123013161883/LIFELINEJA/ICIC/XX2844/*SNIM*	60,000
08/20/2021	IMPS/123221115816/NAVINJALAJ/BDBL/XX1378/*SNIM*ja	1,00,000
09/08/2021	IMPS/125112144393/LIFELINEJA/ICIC/XX2844/*SNIM*	15,000

d) Besides, a few snapshots of WhatsApp chats / images exchanged between Jalaj and Ashish as retrieved from the mobile phone of Jalaj along with relevant observations are placed below:

Table no. 13

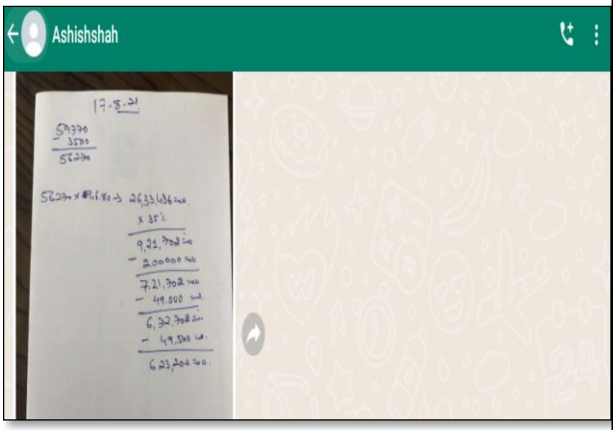
No	Snapshot of WhatsApp chat between Jalaj (916XXXX050) with Ashish (Mo-74XXXXX026)	Observations
1	**August 16,2021** 	**<u>On August 16. 2021</u>** Jalaj shared images of blank cheques of account of Naveen (Bandhan Bank A/c no. - 5018XXXXXXX378) & of Life Line Pharma (ICICI Bank A/c no - 0765XXXXX844) with Ashish. Subsequently, Ashish shared a snapshot of Bank transfers of INR 141619 from A/c no. - 1643XXXXXXXXX858) to Life Line

<table>
<tr><th>No</th><th>Snapshot of WhatsApp chat between Jalaj (916XXXX050) with Ashish (Mo-74XXXXX026)</th><th>Observations</th></tr>
<tr><td></td><td>

</td><td>Pharma, which has transaction remark as 'SNIM'. From the perusal of Bank Statements, it is observed that INR 141619.00 has been transferred from Bricks (IDBI A/c no. - 1643XXXXXXXXX858) to Lifeline Pharma (ICICI A/c no.- 0765XXXXX844) with remarks 'SNIM'.</td></tr>
<tr><td>2</td><td>August 17, 2021 –

1st snapshot


2nd snapshot</td><td><u>On August 17, 2021</u>

From perusal of 1st snapshot, it is observed that on August 17,2021, Ashish has shared an image providing details of trade made in certain scrips including SNIM. In relation to SNIM it is observed that trading details include figures as provided below.
<table><tr><td>SNIM</td><td>9330</td><td>44.55</td><td>69100</td><td>46.43</td><td>-59770</td></tr></table></td></tr>
</table>

No	Snapshot of WhatsApp chat between Jalaj (916XXXX050) with Ashish (Mo-74XXXXX026)	Observations
		From the perusal of 2nd snapshot, it is observed that on August 17, 2021, Ashish sent an image with calculation as under – 59770 – 3500 ----------- 56770 56770*46.80 = 26,33,436.00 X 35% ---------- 9,21,702.00 -2,00,000 ----------- 7,21,702.00 -49,000.00 ----------- 6,72,702.00 -49,500.00 ---------- 6,23,202.00

e) As already discussed earlier that on the 1st recommendation day (August 17, 2021), Vinod had bought 9,330 shares and sold 69,100 shares (net sell of 59770 shares) of *SNIM* and the closing price of *SNIM* on that day was INR 46.80.

The afore-cited WhatsApp messages including the images and computations, etc. between Jalaj and Ashish would corroborate the facts that for the sale of shares of *SNIM,* as per the mutual agreement between Jalaj and Ashish, the commission payable to Jalaj was calculated in the afore-cited WhatsApp chat at 35% on the sale value of INR 26,33,436 (based on the closing price of *SNIM* on the day of recommendation) which has been indicated to be INR 9,21,702 in the said WhatsApp chat. Also, the above mentioned calculation is seen to have included a deduction of INR 2,00,000, INR 49,000 and INR 49,500, which denoting the amount of commission already paid by Ashish to Jalaj in advance. These advance payments are apparently evident from the bank account of Bricks (IDBI Account no.- 1643XXXXXXXXX858), which shows that Ashish had transferred to the bank account of LifeLine Pharma (ICICI A/c No.- 0765XXXXX844) (owned by Jalaj) the afore-noted amounts of INR 2,00,000 on August 17, 2021, INR 49,000 on August 16, 2021 and INR 49,500 on August 16, 2021.

f) The connection between Jalaj and Ashish and the payments of commission to Jalaj by Ashish are further corroborated from the deposition made by Jalaj before SEBI on March 14, 2022 and June 23, 2022, which indicate that Jalaj was *prima facie* engaged by Ashish for facilitating exit opportunity in the scrip of *SNIM*. In his statement, Jalaj has stated that:

i He has *inter alia* acted as a mediator for Telegram Channels, wherein he was contacted for enabling to execute sell trades in the illiquid scrips like *SNIM*. Upon receipt of such assignments, he used to contact the Telegram channels operators for posting of appropriate alluring messages in such group channel enticing investors to trade in such scrips;

ii For *SNIM* scrip, he coordinated with Arvind for posting messages on Telegram Channels;

iii He used to charge a commission for providing the exit services as a mediator for which he used to approach Telegram Channels Operators and out of the commission so received by him, 80% thereof was being paid to the operators of Telegram Channels;

iv The commissions were being received by him sometimes in the bank account of LifeLine Pharma and sometimes in the form of cash;

v He received commission for providing exit in the scrip of *SNIM* from Ashish by way of transfer of funds from the bank account of Bricks (IDBI Account no.- 1643XXXXXXXXX858) into the bank account of his proprietorship concern (Lifeline Pharma) maintained with (ICICI A/c No.- 0765XXXXX844) during August 16, 2021 to September 08, 2021;

vi He made payment from his aforesaid bank account (ICICI A/c No.- 0765XXXXX844) by transferring funds to the bank account (A/c no – 502XXXXXXXX045) of Rathaur Sales maintained with HDFC during the period from August 16, 2021 to September 08, 2021. The above account of Rathaur Sales was operated and handled by Arvind (Operator of Suspected Telegram Channels) who used the above account for receiving his share of commission against the services of posting enticing messages on Telegram Channels for various scrips including *SNIM*;

g) From a rudimentary analysis of the factual evidences and the depositions presented above, it is *prima facie* observed that Ashish had approached Jalaj to make arrangement so that Prijesh would get exit from his shareholdings in the scrip of *SNIM*. Jalaj who is *prima facie* seen as known to Arvind

(Administrator / operator of Suspected Telegram Channels) has approached Arvind asking him for posting appropriate and enticing recommendations in the scrip of *SNIM* on Telegram Channels operated by him (Arvind), for which commissions was also paid to Arvind. More details about the Suspected Telegram Channels and their Administrator have been highlighted in the subsequent paragraphs.

Suspected Telegram Channels and their Administrator

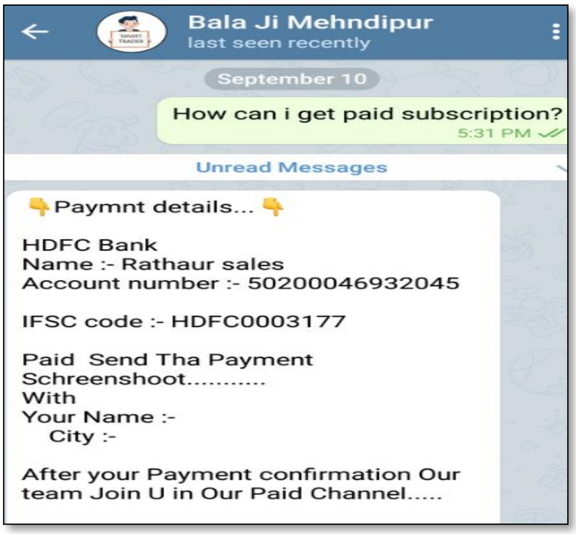
34. Investigation of SEBI revealed that the Suspected Telegram Channels were being operated by certain person(s) by using a specific feature of Telegram application which enabled them to conceal their identities to the third parties including the subscribers of such channels. The number of subscribers in the Channel "Intraday trading equity stock", "Intraday Share Trading Equity Stock" and "Intraday Share Training stock" during the month of August, 2021 were reportedly 15.9 Lakh, 9.66 Lakh and 7.15 Lakh, respectively. The Suspected Telegram Channels were having one-way communication protocol wherein messages from the Channel Operators were only being published and the subscribers did not have any option to send any kind of messages or to react / respond to the messages being circulated in those channels or even to know the identity of other subscribers. In other words, the subscribers in the Suspected Telegram Channels were mere spectators to the show that was run by the Channel Operators. The Suspected Telegram Channels used to disseminate investment recommendation messages in scrips with low as well as high liquidity. The messages with respect to the scrips having low liquidity were eventually deleted by the Channel Operators as happened in the case of *SNIM* on both the days of recommendations in the present matter.

35. In addition to the above, the Suspected Telegram Channels were also offering Subscription based service against payment of consideration for providing Intra-day tips. The fees for such subscription often ranged from INR 5,000 to INR 10,000 per

user on a weekly / fortnight / monthly basis. Various payment modes like Paytm, Google Pay, Phone Pay, UPI or bank account(s) etc., were provided by operators on those channels for making payment by the prospective users. In order to further dig out the identity of the Channel Operators, Investigating Officer of SEBI indulged in communication with them posing as a prospective subscriber of such services. The screenshot of the messages received by SEBI from the operator offering such subscription-based services and subsequent interaction with the Channel Operator are reproduced below:

Image no. 11: Messages offering Subscription services

Image no. 12: Messages providing bank account details



36. As can be clearly inferred from the above screenshots, the prospective investors / subscribers while being offered the paid subscription services from the channel operators were advised to first contact on the Telegram Profile titled as: '@Owner_intraday'. The records indicate that upon clicking on the said profile, a chat box with the Telegram User named "Bala Ji Mehndipur" opens up, and the said Telegram User provides details of the bank account for making payments of the subscription fees.

37. As stated earlier, the recommendation for buying the shares of *SNIM* were made in the three Telegram Channels: "Intraday Share Trading Equity Stock", "Intraday Trading Equity Stock" and "Intraday Share Training Stock". Image no. 11 cited above indicates that the Channel operator first leads the prospective investor / subscriber to a handle named "@Onwer_intraday" and by clicking on said Contact Link, the chat with a user named as "Bala Ji Mehndipur" opens up in the Telegram application. In this respect, further investigation was carried out to find out the entities/persons who are behind the management and control of the above Telegram Channels which revealed the identities of the Suspected Telegram Channels Operator/User to be as follows:

Table no. 14: Details of the Telegram Channel operators/Users

Sl. No.	Title of Telegram Channels / Users	Admin ID	Channel ID	Phone no.	IP address
1	Intraday Trading Equity Stock	Admin #926962719 @Owner_intraday 1	ch1331930496	+447452241863	59.89.138.15
2	Intraday Share Trading Equity Stock	1422764886 @PDMBulles	ch1402958531	+91917XXXX725	61.2.248.226

3	Intraday Share Training Stock	1890170282 @stock_owner_share	ch1323163091	+19514128216	61.2.248.226
4	@Owner_intraday [Bala Ji Mehndipur]	User #1231402222		+91818XXXX133	47.15.21.230

38. Thus, as per the information gathered by SEBI, the Telegram Channel at sr. no. 2 of the aforesaid table i.e. "Intraday Share Trading Equity Stock" was being operated by the mobile number +91917XXXX725 and the said number is found to be registered in the name of *Noticee no. 6* herein i.e. Arvind. Further, the Telegram Channel at sr. no. 3 namely "Intraday Share Training Stock", was accessed through same IP address of the Telegram Channel at sr. no. 2 ("Intraday Share Trading Equity Stock") i.e. 61.2.248.226. It is also noted that the Telegram Channel at sr. no. 1 namely, "Intraday Trading Equity Stock", was traced through Telegram User: "@Owner_intraday [Bala Ji Mehndipur]" registered with the mobile number +91818XXXX133 and the said mobile number was also found to be registered in the name of Arvind (*Noticee no. 6*). It implies that Arvind was behind all the above named Suspected Telegram Channels and was *prima facie* operating these channels.

39. In his deposition recorded on March 21, 2022 and July 08, 2022 in the matter, Arvind has made the following confessions:

a) That he operates the mobile numbers viz: 818XXXX133, 917XXXX725 and 967XXXX725;

b) That the mobile number 999XXXX591 is issued in the name of one Ms. Anjali Singh (for short '**Anjali**'), his friend, however, the number was used by him till March 2022;

c) That he is the administrator of various following Telegram Channels;

d) That he has used "Bala Ji Mehndipur" as a title and @Owner_intraday as a user name on Telegram;

e) That his activities on Telegram Channels related to stocks, *inter alia*, included posting of stock recommendations of certain scrips for which he gets commission;

f) That he knows Jalaj since June 2021, who approached him to post stock recommendations on telegram Channels for various scrips including *SNIM*, Superior Finlease Limited (being investigated into separately by SEBI) and also named various other scrips.

g) That he posted stock recommendations of *SNIM* on the instructions of Jalaj in August 2021, for which he received advance payment from him (Jalaj) in the bank account of Rathaur Sales (HDFC A/c no – 502XXXXXXXX045) in August 2021.

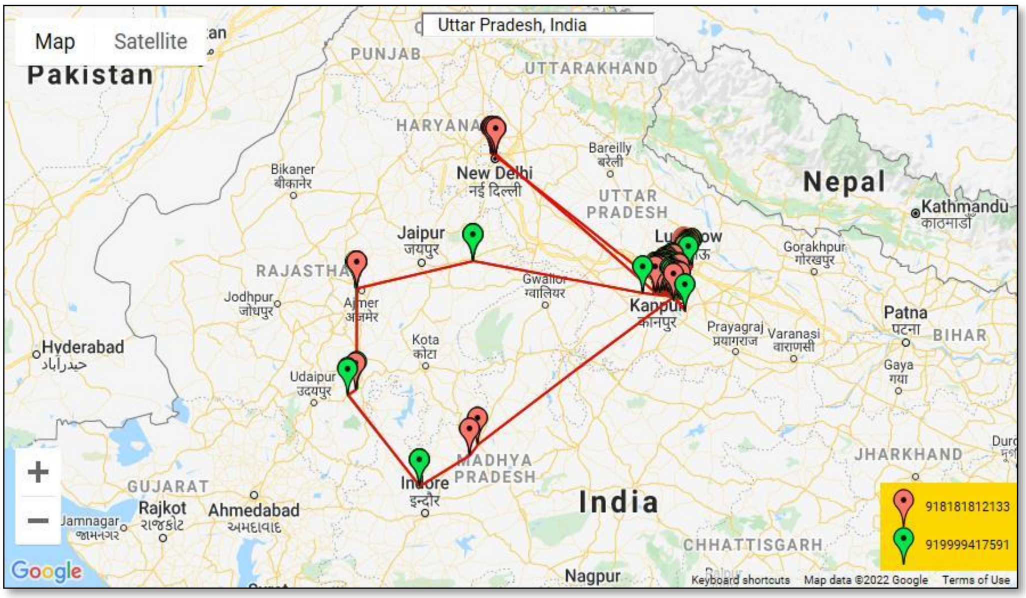
h) That he has also posted stock recommendations of *SNIM* on the instructions of Jalaj on November 30, 2021, however he has yet to get the amount due to him for posting of recommendations on November 30, 2021 in the scrip *SNIM*.

i) That the proprietor of Rathaur Sales (HDFC A/c no – 502XXXXXXXX045) is one Pankaj Kumar Singh. The details of the aforesaid bank account of Rathaur Sales were given by Arvind to Jalaj for getting commission for posting stock recommendation on his Telegram Channels. Details of aforesaid bank account of Rathaur Sales were also posted on Telegram Channels by Arvind to collect subscription fees from the members / subscribers of telegram Channels who subscribed to the paid subscription / services. Subsequently, money used to be withdrawn by the proprietor (Pankaj Kumar Singh) of Rathaur Sales from the aforesaid bank account and was paid to Arvind in cash.

Connection between Jalaj and Arvind (Operator of Telegram Channels)

40. From the CDR analysis of the mobile numbers of Jalaj, it is observed that around the day of 1st recommendation i.e., August 17, 2021, there were frequent calls between Jalaj and mobile number 999XXXX591. In this connection, as per the KYC details provided by TSP – Vodafone, mobile number 999XXXX591 is seen as registered in the name of Anjali. In this regard, from an analysis of geographical movement of Mob. 999XXXX591 of Anjali and 818XXXX133 of Arvind, it is observed that both these numbers were in close proximity on various occasions. A diagrammatic representation of both the numbers to show that the mobile number (999XXXX5910) registered in the name of Anjali was in reality being handled and operated by Arvind, is provided below:

<u>Image no. 13</u>

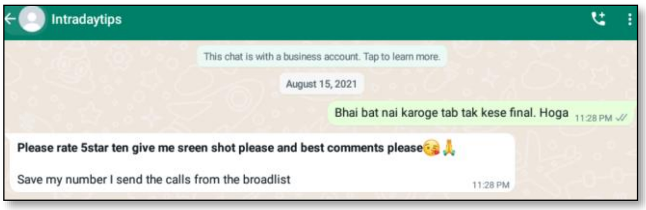


41. In the mobile of Jalaj (Mo. No. – 916XXXX050), the mobile number 999XXXX591 is found to be saved as 'Intradaytips'. From the information retrieved from the mobile phone of Jalaj, the following WhatsApp chats of Jalaj with the aforesaid number (Intradaytips) was found:

Table no. 15

<table>
<tr><th>Sl. No.</th><th>Snapshot of WhatsApp chat between Jalaj (916XXXX050) and Arvind (999XXXX591)</th><th>Remarks</th></tr>
<tr><td>1</td><td>

August 15, 2021



August 16, 2021

</td><td>

August 15, 2021

Jalaj sent a message to Arvind stating that '*Bhai bat nai karoge tab take kese final.Hoga*". This translates into 'Until you discuss, how can we finalize a deal'

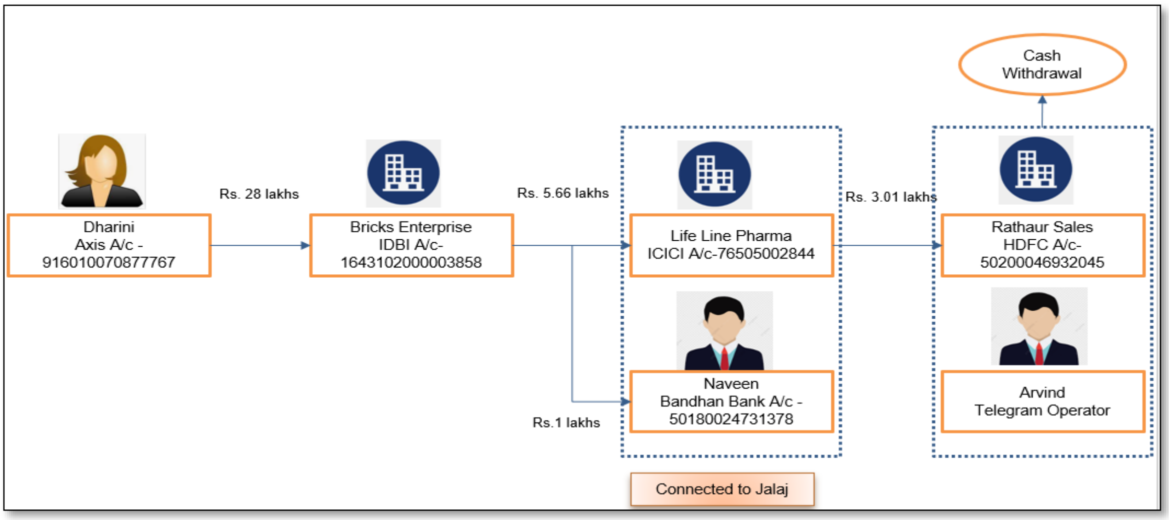
August 16, 2021

Arvind informed Jalaj to call him on an urgent basis.

</td></tr>
</table>

42. With regard to the fund transfers noticed from the bank accounts, it is observed that after Prijesh transferred money from Dharini's bank account to Ashish, Ashish made onward payment to Jalaj towards his commission and Jalaj in turn is seen to have transferred INR 3.01 lakhs to Rathaur Sales (HDFC A/c no – 502XXXXXXXX045), the bank account which was offered to the subscribers of Telegram Channels to deposit their payment / fees. It has already been stated earlier that the said bank account in the name of Rathaur Sales was *prima facie* controlled / operated by Arvind, who had used the said account in his Telegram Channels soliciting fees from the prospective investors. For better understanding and appreciation, the aforementioned fund transactions amongst the *Noticees* are represented in pictorial form as under:

Image no. 14

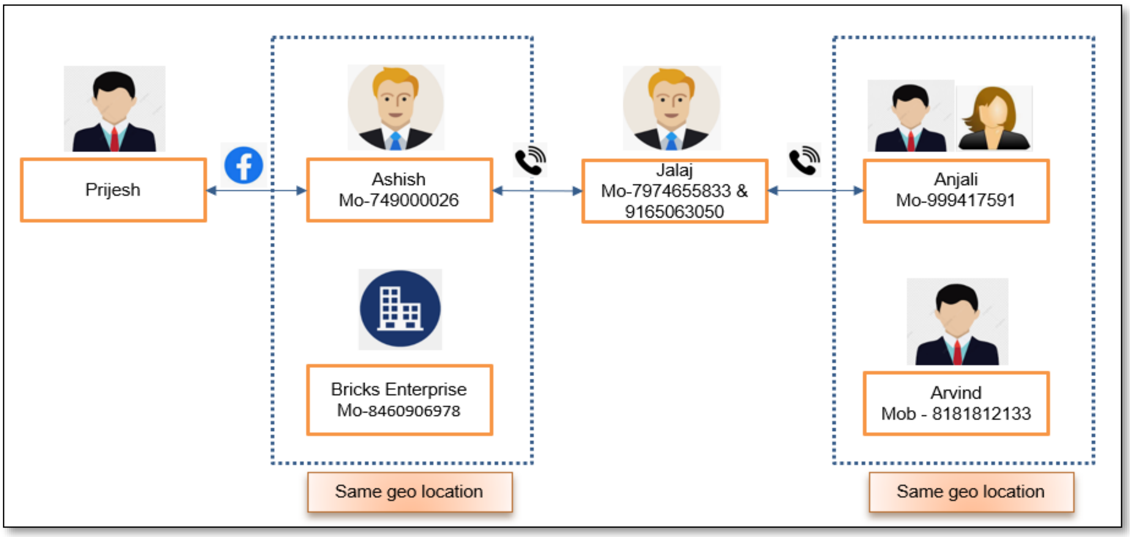


43. Keeping in view the factual details and relevant evidences gathered during the investigation, it becomes clear that the Suspected Telegram Channels on which the recommendations to buy the shares of *SNIM* were posted on August 17, 2021 and November 30, 2021, were owned, operated, controlled and managed by of *Noticee no. 6 (Arvind)*. From the above, it also emerges that Arvind had posted the recommendation to purchase the shares of *SNIM* on his Telegram channels, under instructions from Jalaj and for the above acts, he received monetary consideration from Jalaj.

44. The detailed discussions made in the foregoing paragraphs based on large number of acts and evidences as gathered during the investigation including from the digital devices seized from the custody of the *Noticees* have clearly exposed the *inter se* connections and transactions that existed between various *Noticees* of the present proceedings. It is now known that Prijesh was connected to Ashish who was in turn connected to Jalaj and Jalaj was connected to Arvind (Operator of Suspected Telegram Channels). The purpose and objective of Prijesh approaching Ashish, Ashish approaching Jalaj and Jalaj approaching Arvind has also now become clear, viz- to manipulate the trades in the scrip of *SNIM* in a manner to get easy exit from

the said scrip. Each one of them wanted to ensure that the shareholding of Prijesh in scrip of *SNIM* through his proxy (Vinod) gets a profitable exit for which each one of them played their part in unison and acting in concert with each other. The connections closely enjoyed by the above *Noticees* are represented in pictorial form as under:

Image no. 15



Connection of Ashish with Priyank, Suraj, Jigar, Piyush and Nishil (*Noticees no. 7 to 11*)

45. I may now turn to discuss in detail the role played by *Noticees no. 7 to 11* in the entire scheme including the connections that existed between these *Noticees* with Ashish. Investigation has revealed that the top net sellers on the 2nd recommendation day i.e. on November 30, 2021 were mainly Priyank, Suraj, Jigar, Piyush and Nishil (*Noticees no. 7 to 11*). They were further found to be connected with Ashish and with each other through fund transfers and CDRs as highlighted under.

CDRs Analysis

46. It is observed that Priyank (Mob-917XXXX733), Suraj (Mo-982XXXX665) and Nishil (Mo- 986XXXX525) had frequent calls with Ashish (74XXXXX026). For instance, CDRs shows that there were 83 calls between Ashish (74XXXXX026) and Priyank (Mob-917XXXX733) on November 30, 2021, which cumulatively ran for about 5119 seconds. Similarly, during the period from October 04, 2021 to November 29, 2021, there were 375 calls between Ashish (74XXXXX026) and Priyank (Mob-917XXXX733), which cumulatively ran for about 24,137 seconds

47. Further, Priyank (Mo-917XXXX733) had frequent calls with Jigar (Mo-901XXXX538). Also, Jigar (Mo-901XXXX538) had frequent calls with Piyush (Mo-982XXXX722).

Fund Transfers

48. It is noted that during the period from April 01, 2021 to December 12, 2021, Nishil in his Saraswat bank A/c bearing no – 028XXXXXXXXX112 had received INR 13.65 lakhs from Bricks (IDBI A/c no- 1643XXXXXXXXX858), which was operated by Ashish. Further, Nishil had transferred INR 2.30 lakhs to Bricks (IDBI A/c no-1643XXXXXXXXX858) during the afore-stated period. It is pertinent to mention that the transfer between Nishi and Bricks had a remark '*SNIM*', one such transfer bearing remark as '*SNIM*' is mentioned below:

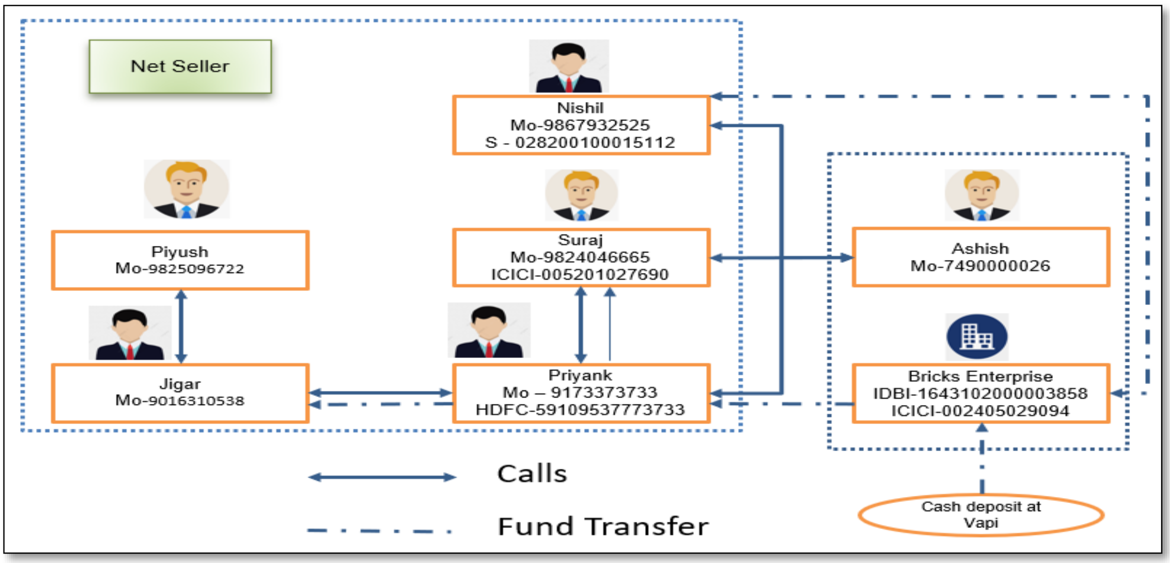
TRANSACTION_DATE	NARRATION	Debit
11/29/2021 00:00:00	IMPS/133309138987/NISHIL/SRCB/XX5112/***SNIM***s	20,000

Additionally, from the depositions made by Ashish during the statement recorded (already dealt earlier in this Order), he has stated that he had transferred INR 2.66 lakhs to Nishil for purchasing shares of *SNIM*

49. It is also noted that on September 14, 2021, Priyank (HDFC A/c no. - 591XXXXXXXX733) has received INR 2 lakhs from Bricks (IDBI A/c no- 1643XXXXXXXXX858). Further, on December 20, 2021, Priyank (HDFC A/c no. - 591XXXXXXXX733) transferred INR 6.75 lakhs to Suraj (ICICI A/c no. – 520XXXX690).

50. The aforesaid connection between Ashish and *Noticees no. 7 to 11* on the basis of fund transfers and phone calls as discussed above can be represented in pictorial form as under:

Image no. 16



51. It is *prima facie* evident from the afore cited frequent telephonic calls exchanged between above noted entities that, Ashish approached Priyank, Suraj and Nishil apparently for the purpose of manipulating the market price of scrip of *SNIM* which is also evident from their trading patterns and LTP contributions in the said scrip during the intervening period between 1st and 2nd recommendation days. From the CDR analysis and the statement of Ashish, it is also *prima facie* observed that Priyank further approached Jigar, who approached Piyush to trade in the scrip of *SNIM* during the said period apparently in a manner to pump up the price which

will enable them to dump those acquired shares of *SNIM* by taking advantage of misleading stock recommendations on the 2nd recommendation day and make huge profits.

LTP Contribution in the scrip of *SNIM* prior to the 2nd instance of recommendation

52. As already stated earlier in this Order, Investigation has observed that during the Patch- 4 period i.e. from October 04, 2021 to November 29, 2021 which falls in the intervening period between the 1st and 2nd recommendation days, the price of the scrip opened at INR 11.65 (on October 04, 2021) and closed at INR 45.90 (on November 29, 2021). Thus, the scrip price increased by 3.94 times during this period. In this regard, an examination of trading in the scrip was undertaken to ascertain as to whether the movement in the scrip price was governed by the normal market price discovery or by any artificial extraneous factors such as fraudulent and unfair trades indulged in by any traders. An analysis of LTP contribution during the period October 04, 2021 – November 29, 2021 (Patch-4) indicated that only 3 entities had contributed around INR 26.44 to the total market positive LTP , the break-up of which is presented below:

<u>Table no. 16</u>

No	Name of Entities	Noticee no.	(+) LTP		(-) LTP		(0) LTP	Net LTP	
			LTP in Rs.	Traded Qty	LTP in Rs.	Traded Qty	Traded Qty	LTP in Rs.	Traded Qty
1	Priyank	*Noticee no. 7*	14.10	6,889	-0.05	1	1,38,742	14.05	1,45,632
2	Suraj	*Noticee no. 8*	2.57	121	-0.05	3800	58,940	2.52	62,861
3	Nishil	*Noticee no. 11*	9.77	1,088	-14.03	906	16,785	-4.26	18,779
	Total (A)		26.44	8098	-14.13	4707	214467	12.31	2,27,272
	Market LTP contribution (B)		101.23	22,122	-67.59	9,950	473930	33.64	5,06,002
	% (A/B)		26.11%	36.61%	20.91%	47.31%	45.25%	36.59%	44.92%

53. From the aforesaid, it is noted that Priyank, Nishil and Suraj have contributed to the price rise to the extent of INR 26.44 in the scrip of *SNIM* during Patch-4

(October 04, 2021 to November 29, 2021), which is 26.11% of the total market positive LTP of INR 101.23. It is also noted that cumulative contribution of the aforesaid 3 *Noticees* i.e. Priyank, Nishil and Suraj to the net market LTP in the scrip of *SNIM* during Patch - 4 is INR 12.31 (36.59% of the net market positive LTP). Investigation has further analysed the positive LTP contributing trades executed by Priyank, Suraj and Nishil viz-a-viz the total number of trades executed by them in *SNIM* during the Patch-4, details of which are tabulated below:

Table no. 17

No	Name	+ LTP contribution	Number of trades with + LTP contribution	Total number of Trades
1	Priyank (*Noticee no. 7*)	14.1	18	213
2	Suraj (*Noticee no. 8*)	2.57	3	87
3	Nishil (*Noticee no. 11*)	9.77	10	90
	Total	26.44	31	390

54. From a joint reading of Table no. 16 and 17, it is observed that a positive LTP of INR 26.11% was contributed by the 3 *Noticees* by trading in only 8098 shares of *SNIM* which is 1.6% of the total number of shares traded (5,06,002 shares) in the scrip of *SNIM* during Patch-4. Such trading pattern of *Noticees* in the scrip *SNIM* during Patch-4 which has resulted in contribution of positive LTP, raises strong suspicion about the intent of the *3 Noticees*. It is also noted that during the Patch-4 period, the *3 Noticees* i.e. *Noticees* no. 7, 8 and 11, have cumulatively executed 390 trades and out of these 390 trades, through 31 trades executed by them, they have contributed a total amount of positive LTP of INR 26.44 which is 26.11% of the total market positive LTP of INR 101.23 witnessed in the trading of the scrip of *SNIM* during the said period. I also observe that during Patch-4 period, 1337 total number of trades were executed in the scrip of *SNIM*, however such positive LTP of INR 26.44 was contributed by the above noted group of 3 *Noticees* by way of trading in 31 trades

which is just 2.31% of the total number of trades (1337) in the scrip of *SNIM* during the said period. I have perused the order / trade logs of 31 positive LTP contributing trades and observed a peculiar trading pattern which is discussed in detail in the subsequent paragraph. An illustration of one of such trade is tabulated below:

Table no. 18

No	**Trade Date**	**Name of the Buyer**	**Buy Order Time**	**Sell Order Time**	**Buy Order Rate**	**Sell Order Rate**	**Trade Rate**	**LTP Diff**	**%LTP**	**Buy Order Quantity**	**Sell Order Quantity**	**Trade QTY**
1	12/10/2021	Nishil	14:58:52	14:52:44	13.3	13.3	13.3	0	0	31	30	30
2	12/10/2021	Nishil	14:58:52	14:55:48	13.3	13.3	13.3	0	0	31	1	1
3	12/10/2021	Nishil	14:58:54	14:32:39	13.9	13.9	13.9	0.6	4.51	1	258	1

55. From the aforesaid table, a peculiar pattern can be noticed from the buy trades executed by the 3 *Noticees* (*Noticees no. 7, 8* and *11*). For instance, from the trade at sr. no. 3 in the table above, it is noted that Nishil placed a buy order in the scrip of *SNIM* for 1 quantity of share at 14:58:54 on 12.10.2021 at a price of INR 13.9, which got matched with the sell order which was placed at 14:32:39 for selling 258 shares of *SNIM* and was lying unmatched / unexecuted in the stock exchange system for the last 26 minutes. This trade resulted into trade of 1 share of *SNIM* at INR 13.9 and creating a positive LTP of INR 0.6. On the face of it, such a trade *prima facie* may appear to be a genuine trade wherein the order of the buyer got executed with sell order lying in the system. However, while looking at this trade with his immediately 2 prior trades in the scrip of *SNIM* (at sr. no. 1 and 2 in the table above) wherein Nishil was the buyer, it is noted that Nishil had placed a buy order for 31 shares at 14:58:52 at price of INR 13.3 (i.e. just 2 seconds prior to the above mentioned alleged trades highlighted at sr. no. 1 in the table), which resulted into execution of 2 separate trades at INR 13.3 contributing no positive LTP. It therefore raises suspicion

as to why immediately after 3 seconds of placing the earlier order, Nishil again placed a buy order in the scrip of *SNIM* for only 1 share at a price of INR 13.9 (INR 0.6 higher than his earlier order). It is also important to note that though the positive LTP contribution was INR 0.6, however in terms of % of LTP contribution to the total LTP, it was 4.51%. Similar peculiar pattern has also been observed from the trading activities of other 2 *Noticees* (Priyank and Suraj) in the scrip of *SNIM* during Patch-4.

56. The aforesaid peculiar trading acts of the 3 *Noticees (Noticees no. 7, 8 and 11)* that have contributed to the positive LTP in the scrip of *SNIM* need to be seen in the light of the fact that these 3 *Noticees* along with the other 2 *Noticees* i.e. *Noticees no. 9 and 10*, have indulged in acquiring the shares of *SNIM* after the 1st instance of recommendation i.e. during August 18, 2021 to November 29, 2021, only to off-load those acquired shares of *SNIM* on a pre-determined date and in pre-meditated manner by way of creating artificial surge of volumes in the scrip through circulating misleading messages about the scrip on those Suspected Telegram Channels on November 30, 2021. From the peculiar trading pattern exhibited by these 3 *Noticees (Noticees no. 7, 8 and 11)* it *prima facie* appears that they were consciously and deliberately engaged in contributing to the positive LTP in the scrip so as to pump the price of the scrip despite the fact that there was very less trading volume in the scrip during that said period and the *Company* had also not made any corporate announcements so as to attract any buying interest in the scrip. As the developments unfolded later on it can be prima facie observed that these three *Noticees* were deliberately executing those LTP contributing buy trades in order to dump such shares alongwith other 2 *Noticees* i.e. *Noticees no. 9 and 10* on the day of that misleading and enticing recommendation were posted on those Suspected Telegram Channels i.e. on November 30, 2021.

57. In order to emphasize on the observations earlier made that these 5 *Noticees* (Noticees no, 7 to 11) were connected to and also hand in gloves with Ashish, the

frequency of telephonic calls exchanged between the aforesaid 5 Noticees with Ashish and other Noticees such as the Jalaj (2nd middleman) that happened especially on the days of recommendations are highlighted below:

<u>Table no. 19: Summary of calls exchanged</u>

Date	Calls between	Total number of calls	Timings of calls	Total duration (in seconds)
August 17, 2021 (1st instance of recommendation	**Ashish & Jalaj**	**60**	08:35:50 to 20:26:17	**3076**
	Ashish & Prijesh	**39**	09:03:43 to 22:03:34	**1988**
	Jalaj & Arvind	**5**	11:12:27 to 16:28:02	**175**
November 30, 2021 (2nd instance of recommendation	**Ashish & Jalaj**	**27**	08:51:22 to 18:31:41	**1016**
	Jalaj & Arvind	**11**	10:03:11 to 22:39:25	**599**
	Ashish & Priyank	**83**	08:59:14 to 23:12:28	**5119**
	Priyank & Jigar	**62**	09:34:53 to 22:49:04	**9410**
	Ashish & Nishil	**38**	09:21:13 to 23:03:50	**1613**

58. Table no. 19 above clearly demonstrates that the *Noticees* who played active roles to manipulate the market price of the scrip and facilitate easy and profitable exit from the scrip under a scheme fabricated by the *Noticees* as discussed at length above, had frequent telephonic conversations amongst them, on the both the recommendation days. For instance, on the 1st recommendation day on which Prijesh who was holding shares of *SNIM* through his proxy Vinod, off-loaded the shareholding with the help of Ashish, Jalaj and Arvind, it is seen that Ashish & Prijesh and Ashish & Jalaj were having frequent conversations with amongst each other. Similarly, during the period after the shares of *SNIM* held by Vinod as a proxy

were sold and before the 2nd recommendation day, the role played by *Noticees no. 7 to 11* becomes quite evident not only from their manipulative ways of buying shares of *SNIM* apparently for the purpose of contributing to the LTP and increasing the price of the scrip, but also from the frequency of call exchanged between these entities with the 2 middlemen (engaged by Prijesh), namely Ashish and Jalaj, to successfully implement the scheme. Therefore, frequent calls are seen to have been exchanged between Ashish & Priyank, Ashish & Jalaj, Ashish & Nishil and Priyank & Jigar, as indicated in the table above.

59. To summarize the entire matter involving manipulative and unfair trade practices in the scrip of *SNIM* indulged in by the *Noticees* apparently through a web of well-crafted manipulative steps as part of a fraudulent device conceived by Prijesh with active support and collusion of other *Noticees,* I find that the sole objective that triggers such unfair behaviour on the part of the Noticees was to off-load the shareholding of Prijesh in an illiquid scrip like *SNIM* on the market and to derive undesirable and unlawful gains. I observe that the factual findings emerging from bank account transfers, trades, CDRs, WhatsApp chats, as well as the depositions made by the entities before the Investigating Authority wherein they have clearly admitted to have played the specific roles assigned to them in the scheme of manipulation, exposes the meticulously planned scheme that caused a strong inducement in the minds of general investors by floating an unsolicited and specious recommendation to buy the shares of *SNIM* without any basis.

60. It may be noted that the average volume of trading in this scrip which was barely 2008 shares per day during the period prior to the 1st recommendation day i.e. during Patch-1, abruptly rose to a whopping 1.20 Lakh shares on August 17, 2021, when the 1st recommendation for purchasing the shares of *SNIM* was circulated on the *Suspected Telegram Channels* seemingly as a desperate attempt by the *Noticees* to push the price of the scrip at sustained volumes to achieve the object of their scheme that was deliberately planned to unlawfully enrich *Noticee no. 2* (Prijesh) who had

purchased shares in the off-market at a very minuscule price (INR 1 per share) in his proxy's account and to finally dump the shares so held in the scrip of *SNIM*. Similar pattern was also observed on the 2nd recommendation day, when the *Noticees no. 7 to 11*, who had earlier purchased shares after the 1st instance of recommendation during the Patch-3 and Patch-4 period when the average daily volume was 13315 shares per day, sold 2,00,273 of *SNIM* shares with substantial profits on 2nd recommendation day (November 30, 2021) when the 2nd recommendation for purchasing the shares of *SNIM* was circulated in the *Suspected Telegram Channels* thereby pushing the trading volumes in the scrip to 2.49 lakhs shares.

61. It has been seen that the Prijesh was having frequent communication and fund transfer with Vinod. Prijesh was also seen to have frequent communication and fund transfer with Ashish who was instrumental in translating the scheme of Prijesh into reality with the active involvement of his connected entities i.e. Jalaj and Arvind. Prijesh ensured that the shares of *SNIM* held by Vinod were off-loaded in the market on and after the 1st recommendation floated on the *Suspected Telegram Channels*. The other 5 *Noticees* which are connected to Ashish subsequently went on to purchase the shares of *SNIM* and 3 of them (*Noticee nos. 7, 8* and *11)* later on continued to raise the market price of the scrip artificially by executing LTP contributing trades and then, following the strategy crafted under the scheme offloaded their shares of *SNIM* in a profitable manner on the 2nd recommendation day on which pursuant to the said misleading investor inducing stock recommendation, the trading volumes in the scrip reached a level of 2.49 lakhs shares, thereby facilitating these 5 *Noticees* to easily exit from their shares with profit which they had acquired *prima facie* and predominantly to give exit to the shares held by Prijesh through his proxy Vinod during the period after the 1st recommendation day. There is no denying to the fact that it was Arvind who admittedly the administrator of the 3 Suspected Telegram Channels and was responsible for circulating those mischievously luring messages about the scrip of *SNIM* on his channels on both the days of recommendation which

played a crucial role in giving easy exit from the shareholding of *SNIM* held by Prijesh on the 1st recommendation day and the 5 *Noticees* on the 2nd recommendation day. Dharini (*Noticee no. 3*), as the wife of Prijesh was also an active accomplice in the matter especially by fund transfers in the account of Vinod pertaining to this scheme.

62. A pictorial diagram of the scheme during both the instances of recommendations are placed below for better understanding:

<u>Image no. 17: 1st instance of recommendation</u>

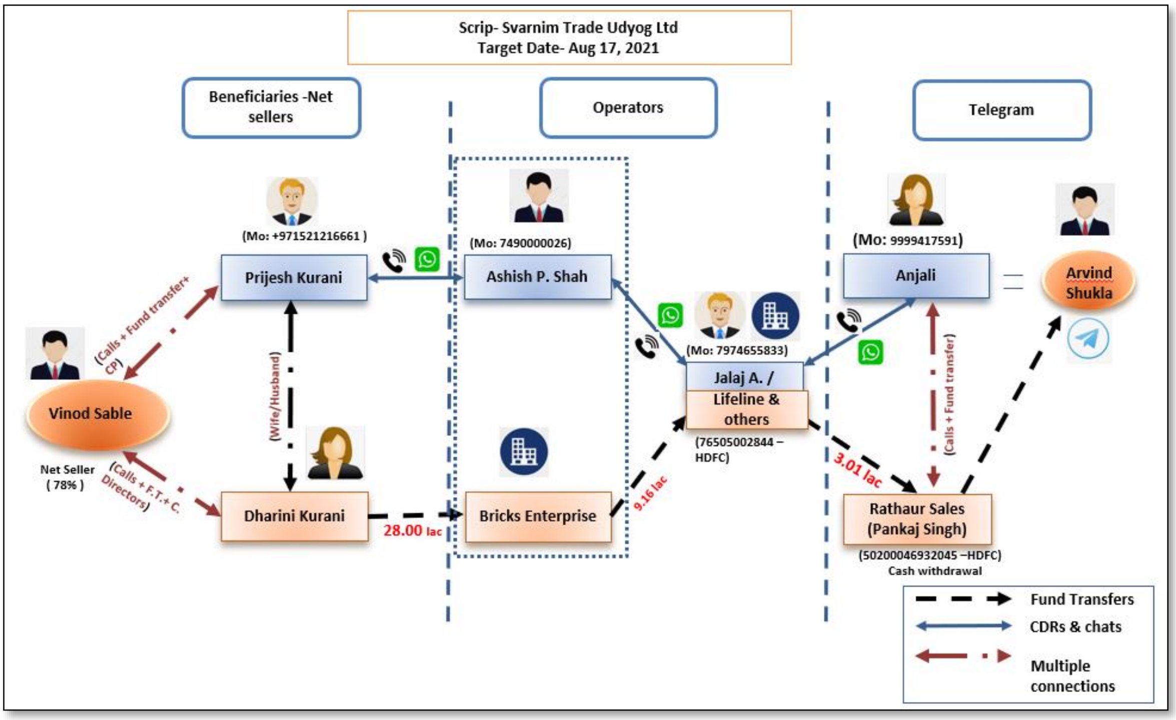
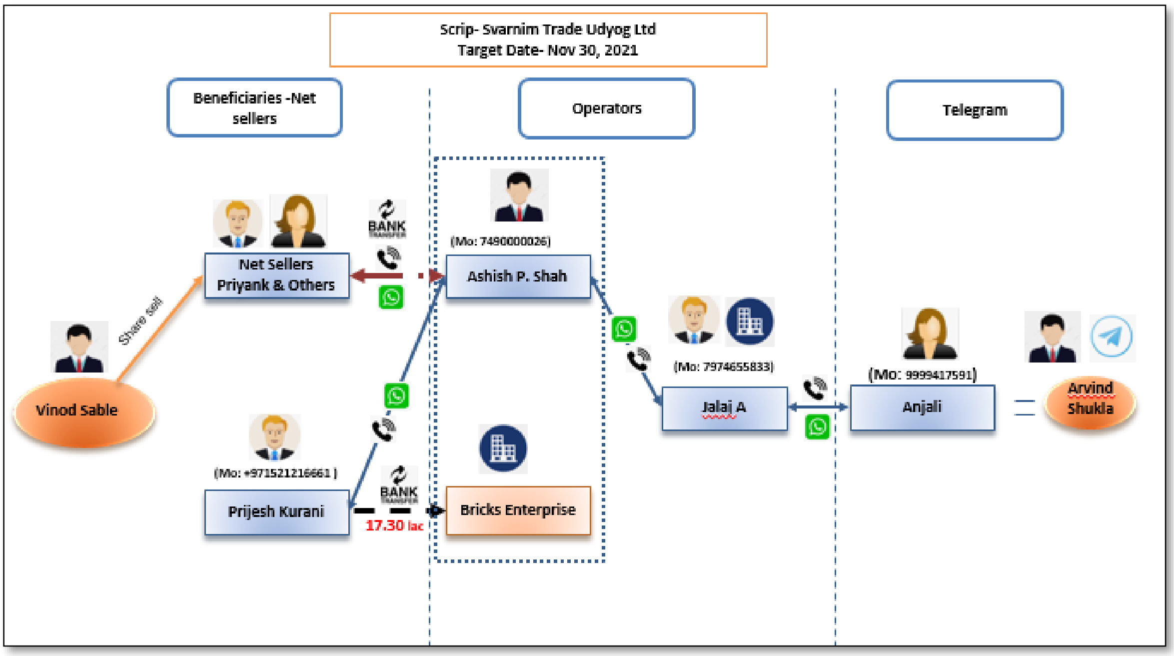


Image no. 18: 2nd instance of recommendation



63. In the totality of the facts and circumstances of the present case, one can easily come to a *prima facie* conclusion that but for the complicity and active support of the different *Noticees* who put their efforts to make the scheme successfully implemented, be it by transferring of funds, by engaging in LTP contributing trades, by purchase of shares of *SNIM*, by playing the role of middlemen and connecting with the Suspected Telegram Channels Administrator as well as by spreading an unsolicited misleading stock recommendation about an illiquid stock, the above discussed fraudulent scheme could not have been fructified in such a systematic and precise manner. Therefore, every *Noticee* who played their individual role for the collective success of the illicit scheme so as to compromise the integrity of the securities market and to derive ill-gotten benefits through fraudulent dealing in the scrip of *SNIM* is equally complicit in the scheme and is liable to be proceeded with under law.

Unlawful gains made by the *Noticees*

64. It has been noted above that Vinod, had a balance of 2,45,567 shares of *SNIM* on August 16, 2021, just a day prior to the 1st day of recommendation. On the 1st recommendation day, 59,770 shares (net) of *SNIM* held in the account f Vinod were sold and as a consequence, a profit of **INR 25,45,717.12/-** was generated**.** Subsequent to the 1st recommendation day i.e. August 17, 2021, even though the price of the scrip started declining on continuous basis, during the period August 18, 2021- November 03, 2021, 1,83,817 shares of *SNIM* held by Vinod were successfully sold and as a result, profit of **INR 14,96,346.81/-** was earned**.** Thus, from the trading activates executed from the account of Vinod in the scrip of *SNIM*, *prima facie* a cumulative profit of INR 40,42,063.93 was earned. Similarly, on the 2nd instance of recommendation i.e. on November 30, 2021, it was noticed that this time *Noticees no. 7 to 11* (Priyank, Suraj, Jigar, Piyush and Nishil) collectively sold 2,00,723 shares (net) in the scrip of *SNIM* and made a collective profit of **INR 48,70,513.38/-** Further, the *Noticees no. 7 to 11* (Priyank, Suraj, Jigar, Piyush and Nishil) during the period Patch-4 (i.e. October 4, 201- November 29, 2021) i.e. prior to the 2nd stock recommendation day, are *prima facie* found to have engaged in manipulative, unfair and fraudulent trades, where they have not only executed trades among themselves and contributed to the price rise but also *prima facie* are observed to have sold shares to entities outside their group and are successful in making a collective profit of **INR 3,25,094.02/-** while trading in the scrip of *SNIM*. Therefore, from the trading activates executed from the account of *Noticees* no. 7 to 11 in the scrip of *SNIM*, a cumulative profit of **INR 51,95,607.40** was earned. The details of profit calculation pertaining to trades executed from trading account of *Noticees* in the scrip of *SNIM* is given in the tables below:

Table no. 20: Profits made by Vinod

S. No.	Net Seller	Holding since	Opening	Trading on the day of recommendation (Aug 17, 2021)				Profit on the day of Recommendation	Trading post to the day of recommendation (Aug 18, 2021-Nov 03, 2021)						Total Profit in INR (A+B)	Closing Bal
			Qty	Buy Qty	Sell Qty	Wg. Av. Sell price	Wv. Avg. buy price for the qty sold		Tot.Buy qty.	WAvg. Buy price	Tot. Sell Qty	Wg. Av. Sell Price	Wv. Avg. buy price for the qty sold	Profit in INR		Qty
1	Vinod Sable	2018	245567	9330	69100	46.43	9.59	25,45,717.12	5379	21.37	189196	17.83	9.92	14,96,346.81	**40,42,063.93**	1980

Table no. 21: Profits made *Noticees no. 7 to 11*

S. No.	Net Seller	Holding Since	Opening	Trading prior to day of recommendation (Oct 04, 2021 – Nov 29, 2021)					Profit prior to the day of recommendation (A)	Trading on the day of recommendation (Nov 30, 2021)					Profit on the day of Recommendation (B)	Total Profit in INR (A+B)	Closing Bal
			Qty	Tot.Buy qty.	WAvg. Buy price	Tot. Sell Qty	Wg. Av. Sell price	Wv. Avg. buy price for the qty sold	Profit in INR	Tot.Buy qty.	WAvg. Buy price	Tot. Sell Qty	Wg. Av. Sell price	Wv. Avg. buy price for the qty sold	in INR	in INR	Qty
1	Priyank	Aug,2021	-	145632	26.32	9300	45.90	26.32	1,82,085.67	4420	48.04	77557	48.15	27.00	16,40,066.02	18,22,151.69	63195
2	Suraj	Aug,2021	10500	62861	22.86	318	22.40	25.12	-863.40	1000	48.00	63000	48.15	26.65	13,54,271.22	13,53,407.82	11043
3	Jigar	Oct,2021	-	41821	18.92	-	-	-	-	350	47.98	41821	48.13	19.16	12,11,469.43	12,11,469.43	350
4	Piyush	Oct,2021	-	18000	18.04	-	-	-	-	-	-	18000	48.15	18.04	5,42,007.95	5,42,007.95	0
5	Nishil	Sept,2020	1031	18779	23.35	13695	32.64	22.13	1,43,871.76	-	-	6115	48.13	28.07	1,22,698.76	2,66,570.52	0
	Total		11531	287093		23313			3,25,094.02	5770		206493			48,70,513.38	51,95,607.40	74,588.00

65. I observe that the aforesaid acts of hatching such a conspiracy and taking all the steps in a pre-mediated manner, with a vested intent to earn unlawful gains, are *prima facie* against the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ***"SEBI Act, 1992"***) and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 framed thereunder (hereinafter referred to as "***PFUTP Regulations, 2003***"), which has been given effect to by planting deceitful messages to entice the subscribers of the Suspected Telegram Channels to invest in the scrip of *SNIM* and then dumping the shares (held by *Noticee no. 1* and later acquired by *Noticees no. 7 to 11*) of *SNIM*, a company which had no market fundamentals to support such high volume of trading that happened specially on the stock recommendation day. As already pointed out earlier, the main perpetrator of the scheme, *Noticee no. 2,* was actively aided and abetted by his close aides like, the *Noticee no. 1, 3 and 5* and also by the other set of entities (*Noticee no. 4,* and *6 to 11),* without the presence and active role of whom, the scheme would have failed.

66. In my view, the evidences gathered during the investigation including the data/information retrieved from the seized electronic devices from the custody of the *Noticees* such as audio call recordings, WhatsApp Chats, CDRs and the depositions given on oath by different *Noticees* mentioned above unequivocally and unconditionally corroborating the contents of those WhatsApp chats pertaining to the explicit narratives about the fraudulent scheme including the element of commission distributed to various *Noticees* as part of the said scheme, have successfully proven a strong *prima facie* case of fraudulent and deceitful acts committed by the *Noticees* by indulging in artificial manipulation of price and volume in the scrip of *SNIM* which ultimately generated large sums of unlawful gains (approximately INR 92 lakhs) in the accounts of *Noticee nos. 1* and *7* to *11*.

67. Under the circumstances, I am *prima facie* convinced that the main perpetrator of the scheme i.e. *Noticee no. 2* alongwith *Noticees no. 3 to 6* has indulged in fraudulent

and unfair trade practices in the securities market and has thus acted in violation of Section 12 A (a), (b), (c) of the *SEBI Act, 1992* read with regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), (d), (e), (k), and (r) of the *PFUTP Regulations, 2003.* Further, as already dealt with above, the investigation has come out with a *prima facie* finding that the *Noticees no. 1 and 7 to 11* have indulged in fraudulent and unfair trade practices in the securities market by aiding and abetting other *Noticees* and without whom the scheme would have failed, have acted in violation of Section 12 A (a), (b), (c) of the *SEBI Act, 1992* read with regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), (d) and (e), of the *PFUTP Regulations, 2003.*

68. I further observe that the manner in which the *Noticees* have executed a fraudulent scheme deceitfully behind the back of innocent investors and subscribers to the Telegram Channels by abusing the said Social media messaging application to carry out such a mischievous trade practice, has severely injured the interest of market participants as well as the integrity of the securities market. Such acts of market abuse by abusing the platforms afforded by popular social media messaging applications like, Telegram, deserve to be curbed in a firm manner, and the *Noticees* must be prevented from causing any further prejudice to the interest of the investors of the securities market by using such nefarious tactics. What the *Noticees* have done through the aforesaid fraudulent scheme is now irrevocable and cannot be undone, hence, in the fitness of things, the unlawful gains that have been generated by these *Noticees* in through the trading account of *Noticees no. 1* and *7* to *11* by their alleged unlawful trade practices would not have accrued to them but for the fraudulent and unfair scheme deployed by them in the scrip of *SNIM*. By cleverly using the Telegram Application, the *Noticees* have been able to make huge unlawful gains by dumping their shares of *SNIM*, thereby rendering them jointly and severally liable for the regulatory action to strip them off such unlawful gains. I observe that in order to arrive at such *prima facie* findings, SEBI was constrained to examine and analyse huge volumes of data pertaining to the Call Data Records, bank account

transactions, trading details, had to conduct search and seizure proceedings, record statements of many persons, and only after examining those humongous information and data with a fine tooth comb, it came out in the open that the *Noticees* had a firm control and grip over the movement of market price/volume of the scrip of *SNIM*. The investigation has further revealed the fact as to how it is easy for the middlemen and operators to manipulate the volume and price of an illiquid scrip like *SNIM* so as to generate artificial unlawful gains in lieu of monetary consideration. Under the circumstances, there is an emergent need to insulate the securities market from the malicious activities and fraudulent intent of the *Noticees* before these *Noticees* continue to play similar game of manipulation in any other scrip to generate similar unlawful gains against consideration in form of commission for the benefit of other such masterminds like *Noticee no. 2* in this case. There is also an urgent need to impound the unlawful gains made by the *Noticees* as highlighted above through the fraudulent scheme of manipulation in the scrip of *SNIM* so as to prevent these *Noticees* from appropriating those unlawful gains made by them through such fraudulent means.

69. Before passing appropriate directions in the present matter, I may hasten to record that it has been a constant endeavour of SEBI to prevent all sorts of unlawful activities that may jeopardise the integrity of securities market to the detriment of the interest of the investors. With the rapid usage of new age technology especially the emergence of social media and the encrypted messages as a medium of mass communication, the miscreants of the securities market have the propensity to engage in fraudulent acts in a sophisticated manner that may cause widespread disruption and compromise the very essence of the securities market which stands for transparency, fairness and information based decision making by the investors. Therefore, any person indulging in spreading mis information or false and misleading information through the use of social media messaging applications like Telegram, WhatsApp etc., which are being used by millions of people can cause

irreparable damage to the integrity of the securities market within a short span of time like a forest fire, thereby eroding the confidence of the investors in the securities market.

70. Earlier, when the facility of bulk SMS was used by the miscreants, SEBI stepped in and with an aim to protect the interest of investors, as a collaborative effort with the Telecom Regulator, Telecom Regulatory Authority of India (TRAI), a notification dated August 10, 2017 came to be issued by TRAI so as to curb bulk messaging containing key words as buy/sell/hold/stop loss etc. However, as it happens in many cases, the person with a devious mind set always finds out a way to implement his ulterior scheme of manipulation and make lots of money. In the present case, shares of *SNIM* were first purchased from the off-market platform and eventually, with the help of the persons operating Telegram Channels, a recommendation message to buy shares of *SNIM* was floated on such channels, thereby inducing the subscribers thereto to buy the shares of *SNIM*. Again during the 2nd instance of recommendation, with the help of the persons operating Telegram Channels, a recommendation message to buy shares of *SNIM* was floated on such channels, thereby inducing the subscribers thereto to buy the shares of *SNIM* and in the whole process, the shares owned by the perpetrator of the scheme through his front entities were dumped and huge profits were earned in the whole process. I may also note that due to the fraudulent and unfair scheme of manipulation, *Noticees* were able to dump the shareholding of Vinod in *SNIM* at an average price INR 46.43 on August 17, 2021, and hardly after passage of almost 45 days, i.e. on October 04, 2021, the price of the scrip of *SNIM* was trading at around INR 11. From October 04, 2021 to November 29, 2021, the price of the scrip was pumped up by the connected *Noticees*, who further off-loaded their shareholdings at an average price around INR 48 on November 30, 2021.

71. At this stage, it is noted that in various instances, the Hon'ble Courts of the country have underscored the need to curb the manipulative and unfair trade

practices in the securities market. In one of such case (*N. Narayanan Vs. SEBI [(2013) 12 SCC 152)*, Hon'ble Supreme Court of India has observed that "*if market abuse is not properly curbed, then it would result in defeating the very object and purpose of SEBI Act......Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law…Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market*". The Hon'ble Supreme Court have also observed that "*Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'.*"

72. Further, in the matter of *Kishore Ajmera vs. SEBI[AIR2016SC1079]*, the Hon'ble Supreme Court has held that: "*Investors' confidence in the Capital/Securities Market is a reflection of the effectiveness of the regulatory mechanism in force. All such measures are intended to pre-empt manipulative trading and check all kinds of impermissible conduct in order to boost the investors' confidence in the Capital market. The primary purpose of the statutory enactments is to provide an environment conducive to increased participation and investment in the securities market which is vital to the growth and development of the economy.*"

73. In view of the foregoing compelling facts and circumstances and after careful consideration of the totality of the facts surrounding the case which reveals a strong *prima facie* act of fraud & unfair acts on the part of the *Noticees* to earn money in an unlawful manner, I have no option left but to invoke the statutory powers vested in SEBI to pass interim directions against the *Noticees*, who have been found acting both jointly and severally to commit the afore discussed alleged fraudulent trade practices in the scrip of *SNIM.*

74. In view of the foregoing compelling facts and circumstances and after careful consideration of the totality of the facts surrounding the case which reveals such blatant acts of fraud & unfair acts have been committed by the *Noticees* to earn money in an unlawful manner, in my view the balance of convenience strongly lies

in favour of invocation of the aforesaid statutory powers of SEBI to pass interim directions against the *Noticees*, who have been observed as working jointly and severally for the acts committed in tandem by them. Insofar as the impounding of unlawful gains is concerned, I observe that the unimpeached circumstances during the various stages of the scheme, I find that the different *Noticees* played respective roles and the facts indicate earning of commission by the *Noticees* who had enabled unlawful profit earning to the accounts of *Noticee no. 1 and Noticee nos. 7 to 11*. Therefore, Considering the concerted efforts of all the *Noticees* who have knowingly engaged or allowed themselves to be engaged in such acts of fraudulent and unfair trades in the scrip of *SNIM*, in my opinion *Noticees* are alleged to be liable for unlawful gains in the following manner:

Table no. 22

Name of the Account holder in whose account profits have been made	**Entities liable for un-lawful gains**	**Total Unlawful gains (INR)**
Noticee no. 1 (Vinod)	*Noticee no. 1* (Vinod) *Noticee no. 2* (Prijesh) *Noticee no. 3* (Dharini) *Noticee no. 4* (Ashish) *Noticee no. 5* (Jalaj) *Noticee no. 6* (Arvind)	40,42,063.93/-
Noticee no. 7 (Priyank) *Noticee no. 8* (Suraj) *Noticee no. 9* (Jigar) *Noticee no. 10* (Piyush) *Noticee no. 11* (Nishil)	*Noticee no. 2* (Prijesh) *Noticee no. 4* (Ashish) *Noticee no. 5* (Jalaj) *Noticee no. 6* (Arvind) *Noticee no. 7* (Priyank) *Noticee no. 8* (Suraj)	51,95,607.40/-

	Noticee no. 9 (Jigar) *Noticee no. 10* (Piyush) *Noticee no. 11* (Nishil)	
Total		**92,37,671.33/-**

75. Thus, in my considerate view, in the interest of the investors of the securities market, and in consonance with the object and statutory mandate of the *SEBI Act, 1992*, necessary directions for impoundment are required need to be passed against the *Noticees*. At this stage, I also deem it fit to refer to the observations of the Hon'ble SAT passed in the matter of *Amalendu Mukherjee Vs. SEBI (Appeal (L) no. 169 of 2020)*, wherein the Hon'ble Tribunal has underscored the necessity of passing impounding orders by *inter alia* observing as: "*We are of the opinion that the WTM is empowered under the SEBI Act and the Regulations to pass an ex-parte order in order to protect the interests of securities market and the investors. If such impounding order is not passed, it may result in defeating the ultimate direction of disgorgement if any, as there would be chances of such monies being dissipated by the appellant. …*"

76. While parting, I note that some of the *Noticees* covered in the present proceedings such as Ashish, Jalaj and Arvind, who have played vital roles in fructifying the fraudulent scheme to pump up the market price of the scrip of *SNIM* in lieu of consideration to facilitate Prijesh to dump his shareholding so as to earn unlawful gains, have also been implicated recently in another similar 'pump and dump' case involving another illiquid scrip namely 'Superior Finlease Limited' by following identical modus operandi through false and misleading stock recommendation in various telegram channels. I note that for similar fraudulent act of manipulation and unfair trade practices in the aforesaid scrip of Superior Finlease Limited, Ashish, Jalaj and Arvind have been held guilty and liable for violation of securities law in a separate order passed by SEBI on January 25, 2023. It leaves no iota of doubt in my mind that the *Noticees* in the present matter are habitual

offenders of securities law and have made it a profession to earn ill-gotten money somehow by indulging in fraudulent and manipulative trade practices in securities market.

Order

77. Keeping in view the foregoing discussions, factual analysis, the compelling evidences brought on record and my observations on various aspects of the matter, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B (1) read with Section 19 of the SEBI Act, 1992 hereby issue by way of this *interim ex-parte order*, the following directions, which shall be in force until further orders: -

a) All the *Noticees* viz: *Noticees no. 1* to *11* are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

b) If the *Noticees* 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. The *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) The amounts mentioned in Table no. 22 at paragraph 74 of this Order, being the alleged unlawful gains, shall be impounded, jointly and severally, from the entities mentioned in the respective column of the said table;

d) Further, the *Noticees* as named in the Table no. 22 are directed to open an escrow account (s) with a Nationalized/Scheduled Commercial bank jointly and severally, and deposit within 15 days from the date of service of this order, the impounded amount as directed in para (c) above which has been *prima facie* determined to be the proceeds of wrongful profits/gains generated from the unfair trade practices activities as noted above in this order. The said Escrow account/s shall be interest-bearing escrow account and shall create a lien in favour of SEBI. Further, the monies kept therein shall not be released without permission from SEBI

e) Banks are directed that no debits shall be made, without permission of SEBI, in respect of the bank accounts held jointly or severally by the persons mentioned under Table no. 22, except for the purposes of transfer of funds to the Escrow Account. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by the aforesaid persons. However, credits, if any, into the accounts maybe allowed. Banks and the Depositories are directed to ensure that all the aforesaid directions are strictly enforced. Further, debits may also be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purpose of complying with this Order;

f) The Registrar and Transfer Agents are directed to ensure that, they neither permit any transfer nor redemption of the securities, including Mutual Funds units, held by the *Noticees;*

g) *Noticees* are directed not to dispose of or alienate any of their assets/properties/securities, till such time the individual amount of unlawful gains made are credited to the abovementioned Escrow Account except with the prior permission of SEBI;

h) *Noticees* are further directed to provide a full inventory of all their assets whether movable or immovable, or any interest or investment or charge in any of such assets, including property, details of all their bank accounts, demat accounts, holdings of shares/securities if held in physical form and mutual fund investments and details of companies in which they hold substantial or controlling interest immediately but not later than 15 working days of this Order;

78. The foregoing observations contained in the present Order have been made on the basis of the materials/evidences available on record. All the *prima facie* findings recorded in this Order shall be treated as allegations against the respective *Noticees,* and the instant order may be treated as an interim order cum show cause notice to the *Noticees,* hence, the *Noticees* are hereby called upon to show cause as to why suitable directions, including the following, should not be issued/imposed against them under Sections 11(1) and 11B (1) of the *SEBI Act, 1992*:

a) Directing them to disgorge the amount equivalent to the alleged unlawful profits made on account of the scheme, as described above (along with interest); and

b) Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.

79. The *Noticees* are further called upon to show cause as to why appropriate penalty under Section 11B (2) and 11(4A) read with Section 15HA of *SEBI Act, 1992* read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 should not be imposed on them for the alleged violations of *SEBI Act, 1992* and *PFUTP Regulations, 2003* as the case may be.

80. *Noticees* may file their replies to SEBI within 21 days from the date of receipt of this Order. They may also indicate in their replies whether they wish to avail an opportunity of personal hearing in the matter.

81. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against the *Noticees* in accordance with law.

82. This Order shall come into force with immediate effect and shall be in force until further orders.

83. A copy of this order shall be served upon the *Noticees*, Stock Exchanges, Banks, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

-Sd-

DATE: JANAURY 31, 2023 **S. K. MOHANTY**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA